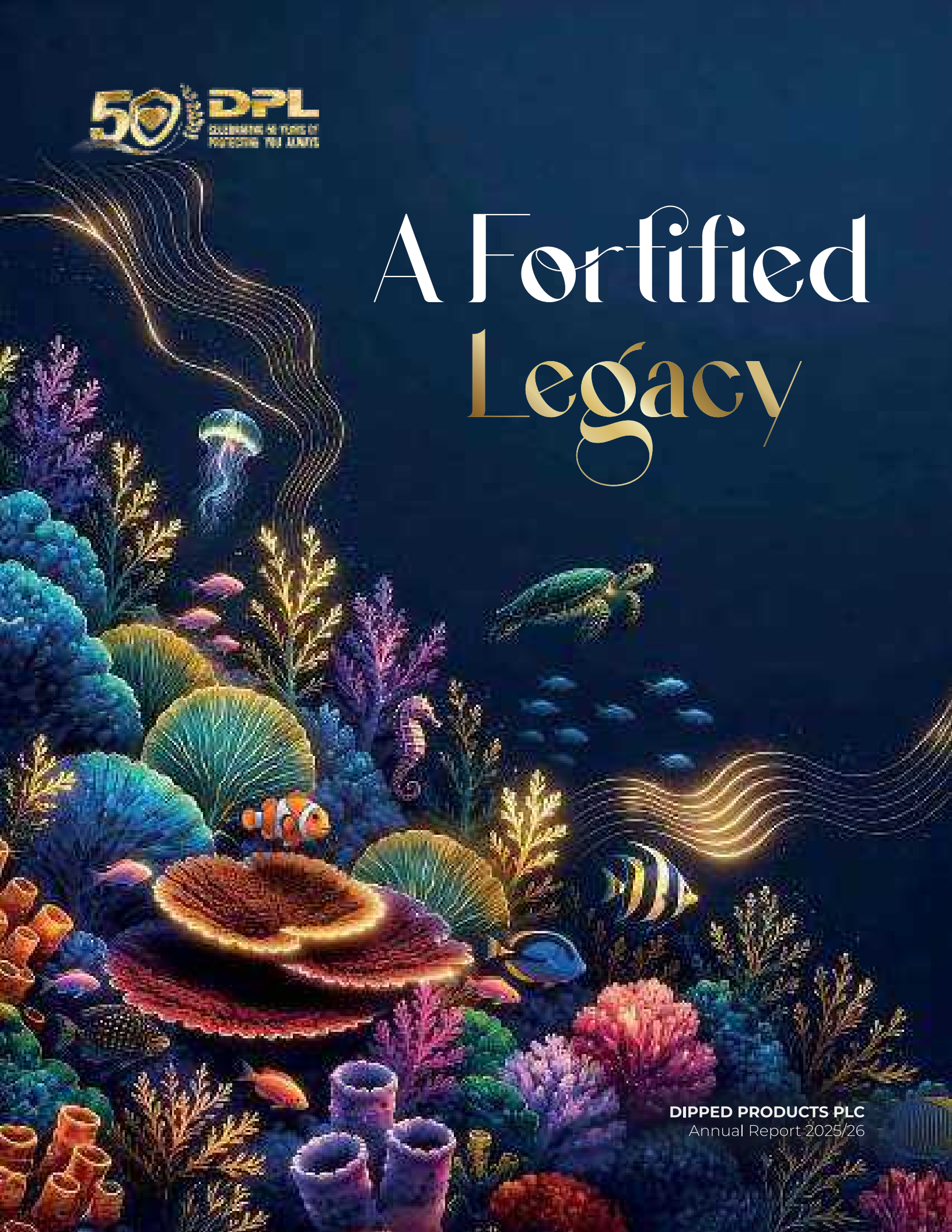
A Fortified Legacy



DIPPED PRODUCTS PLC
Annual Report 2025/26



A Fortified Legacy

Over five decades, DPL has built more than a legacy; we have cultivated an enduring ecosystem of strength, stability, and purpose, refined steadily over time. Our journey reflects a clear vision reinforced through every milestone, partnership, and innovation; creating a foundation that continues to sustain growth, relationships, and long-term value across industries and generations.

Today, our legacy of protection stands resolute: anchored in experience, expansive in reach, and purposeful in impact. As we embark on the next 50 years towards a centenary of operations, we remain firmly grounded in the values that have defined us from the beginning, while bolstering our capabilities, deepening our responsibilities, and expanding into new frontiers with resilience and continuity.

Like coral reefs formed through the gradual accumulation of millions of living organisms over decades and centuries, enduring ecosystems are built layer by layer, where each structure strengthens, protects, and sustains the next. Coral reefs thrive through deep interconnectedness, creating resilient environments capable of supporting entire systems of life while adapting to changing conditions over time. In many ways, this reflects DPL's legacy: shaped through disciplined progress, collective strength, and an enduring foundation of relationships, capabilities, and purpose. Together, these interconnected layers have created a resilient ecosystem designed not only to endure, but to protect, evolve, and sustain value for generations to come.

50 DPL
CELEBRATING 50 YEARS OF
PROTECTING YOU ALWAYS

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IBC Corporate Information

Welcome to Our 12th Integrated Annual Report

GRI 2-3, 2-4

Our Integrated Annual Report, our primary communication to capital providers and stakeholders, presents a comprehensive overview of performance and strategic progress for the financial year ended March 31, 2026.

It provides a balanced assessment of value delivered during the year, with insights into our operating environment, strategy, governance, and stakeholder engagement.

By integrating financial and non-financial information, including key risks and opportunities, the Report demonstrates our agility in navigating dynamic market conditions while driving sustainable value creation over the short, medium, and long term.



BASIS OF PREPARATION

Area	Description
Period	Dipped Products PLC and its subsidiaries (collectively referred to as the "Group") follow an annual reporting cycle. This Integrated Report covers the financial year from April 1, 2025 to March 31, 2026. Material information and post-balance sheet events up to the date of Board approval have been included.
Audience	This Report is designed to meet the information requirements of capital providers and other key stakeholders, including customers, employees, business partners, regulators, communities, and investors, supporting informed decision-making.
Changes to Reporting	• Enhanced disclosure of DPL Pulse: ESG Roadmap 2030 progress and actions undertaken during the year • Expanded alignment with SASB Standards across relevant sectors • Strengthened disclosures on climate, environmental, social, and supply chain impacts • Progress towards adoption of SLFRS S1 and S2, including initial qualitative and quantitative disclosures • Improved connectivity across capitals, strategy, and material topics
Sustainability / ESG Reporting Metrics	The Group continues to strengthen sustainability-related disclosures aligned with GRI Standards (2021), SLFRS S1 & S2, SASB Standards, TCFD recommendations, UN SDGs, and UN Global Compact principles. Environmental, social, and governance metrics are reported at Group level, with ongoing improvements in data coverage, quality, and quantification.
Restatements	There have been no material restatements of financial or non-financial information during the reporting period, unless otherwise stated.

GRI 2-2

REPORTING SCOPE & BOUNDARY

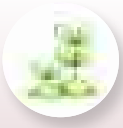
Area	Description
Reporting Boundary	This Report covers the operations of Dipped Products PLC and its subsidiaries at a consolidated Group level, incorporating both financial and non-financial information for the period from April 1, 2025 to March 31, 2026.



HAND PROTECTION

DPL
Handling you with care

PLANTATION



Area	Description
Integrated Reporting Boundary	The Report reflects an integrated approach to value creation, incorporating the Group's operating environment, strategy, materiality, stakeholder engagement, and use of the six capitals, demonstrating how these elements interact to create sustainable value over the short, medium, and long term.
Financial Reporting Boundary	The financial reporting boundary includes Dipped Products PLC and its subsidiaries. The Group operates across both local and international markets, including manufacturing operations in Sri Lanka and Thailand, supported by global trading operations.
Geographical Scope	Headquartered in Sri Lanka, the Group's operations span multiple countries, with manufacturing facilities and international market presence supporting global distribution.
Business Scope	The narrative and performance disclosures primarily focus on the Hand Protection segment, which represents the principal business of Dipped Products PLC and the main driver of value creation.
Plantation Sector Disclosure	Kelani Valley Plantations PLC, Talawakelle Tea Estates PLC, and Horana Plantations PLC are publicly listed entities within the Group. These companies publish separate Annual Integrated Reports for FY 2025/26, providing detailed disclosures relating to plantation sector operations.

Kelani Valley Plantations PLC

SCAN ME

QR Code for Annual Report

Talawakelle Tea Estates PLC

SCAN ME

QR Code for Annual Report

Horana Plantations PLC

SCAN ME

QR Code for Annual Report

Area	Description
External Reporting References	Stakeholders can access the Annual Reports of plantation companies through QR codes and online platforms, enhancing transparency and accessibility of information.
Sustainability Boundary	Non-financial disclosures extend beyond financial performance to include the Group's environmental, social, and governance impacts, risks, and opportunities, along with stakeholder relationships across the value chain.
Value Chain Coverage	The reporting scope includes impacts across upstream (suppliers), operations (manufacturing), and downstream (customers), with progressive expansion of disclosures including elements of Scope 3 emissions and supply chain impacts.

About the Report

STANDARDS & FRAMEWORKS

Financial Reporting

- Sri Lanka Financial Reporting Standards
- Sri Lanka Accounting Standards
- The Companies Act No. 7 of 2007
- Listing requirements of the Colombo Stock Exchange

Corporate Governance

- Code of Best Practice on Corporate Governance issued by CA Sri Lanka (2023)
- Listing Rules of the Colombo Stock Exchange – Corporate Governance Section
- Transparency International Guidelines on Transparency in Corporate Reporting

Narrative Reporting

- Integrated Reporting Framework (IIRC)
- Guidelines for the Preparation of Annual Reports issued by CA Sri Lanka

ESG and Sustainability Reporting

- Global Reporting Initiative (GRI) Standards (2021)
- Sustainability Accounting Standards Board (SASB) Standards
- United Nations Sustainable Development Goals (SDGs)
- Ten Principles of the United Nations Global Compact (UNGC)
- Gender Parity Reporting Framework of CA Sri Lanka

Climate and Environmental Reporting

- SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information
- SLFRS S2 – Climate-related Disclosures
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard
- Climate Disclosure Standards Board (CDSB) – Application Guidance for Climate-related Disclosures
- CDSB Application Guidance for Biodiversity-related Disclosures
- UN Global Compact CEO Water Mandate

ASSURANCE

Reporting Element	Internal Assurance	External Assurance
Financial information and relevant processes	• Regular review and evaluation of financial reporting processes by Management and Finance teams • Oversight by the Internal Audit function • Executive review by Chief Financial Officer and senior management • Independent oversight by the Board of Directors and Audit Committee	Messrs. Ernst & Young (Page 496)
Integrated Report and relevant processes	• Reviewed and approved by the Board of Directors and relevant Board sub-committees • Cross-functional validation by senior management and ESG Steering Committee • Review of alignment with strategy, materiality, and value creation model	Integrated Report Assurance by Messrs. Ernst & Young (Page 585) → Evaluation of reporting processes → Descriptions relating to strategy and value creation → Application of content elements → Integrated thinking within the organisation
Non-financial / ESG information (GRI, SASB, SDGs)	• Data collection and validation by process owners across functions • Reviewed by ESG Division and sustainability champions • Internal audit reviews of ESG processes and controls • Quarterly monitoring through internal sustainability data systems	Independent assurance for disclosures prepared in accordance with GRI Standards by Messrs. Ernst & Young (Page 583)
SLFRS S1 & S2 – Sustainability and Climate-related Disclosures	• Reviewed by ESG Division in collaboration with Finance and Risk Management functions • Oversight by the Audit Committee and Board • Integration with Enterprise Risk Management processes, including identification of sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs) • Internal validation of assumptions, methodologies, and data inputs used in disclosures	Independent assurance in accordance with SLFRS S1 and S2 Standards by Messrs. Ernst & Young (Page 148)
GHG emissions and climate-related data (including Scope 1, 2 and relevant Scope 3)	• Data compiled and verified by site-level teams • Reviewed by ESG Division using standardised methodologies aligned with the GHG Protocol • Periodic internal audits of data collection and reporting processes	Independent verification of the GHG inventory by Sri Lanka Climate Fund in line with ISO 14064-1(2018): Greenhouse gases
Internal controls and risk management processes	• Established internal control framework monitored by Management • Risk identification and assessment through Enterprise Risk Management (ERM) framework • Oversight by the Board and Audit Committee	External audit includes consideration of internal controls relevant to financial reporting

OUR JOURNEY IN REPORTING EXCELLENCE

The evolution of our reporting demonstrates our continuous commitment to transparency, integrated thinking, and excellence in corporate disclosure. Progressive recognition over the years reflects the steady enhancement of report quality, alignment with global best practices, and a clear articulation of our value creation journey.



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



2025

Gold Award Winner – Manufacturing Sector, turnover Above Rs. 50 Bn, at the CA Sri Lanka's 60th TAGS Awards and other key annual report award platforms.

2024

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

2023

Best Integrated Report for the Manufacturing Sector and '10 Best Integrated Reports' special award at the CMA Excellence in Integrated Reporting Awards 2023

2022

Gold Award for Manufacturing Companies - turnover above Rs. 10 Bn at the 57th TAGS 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.

2019

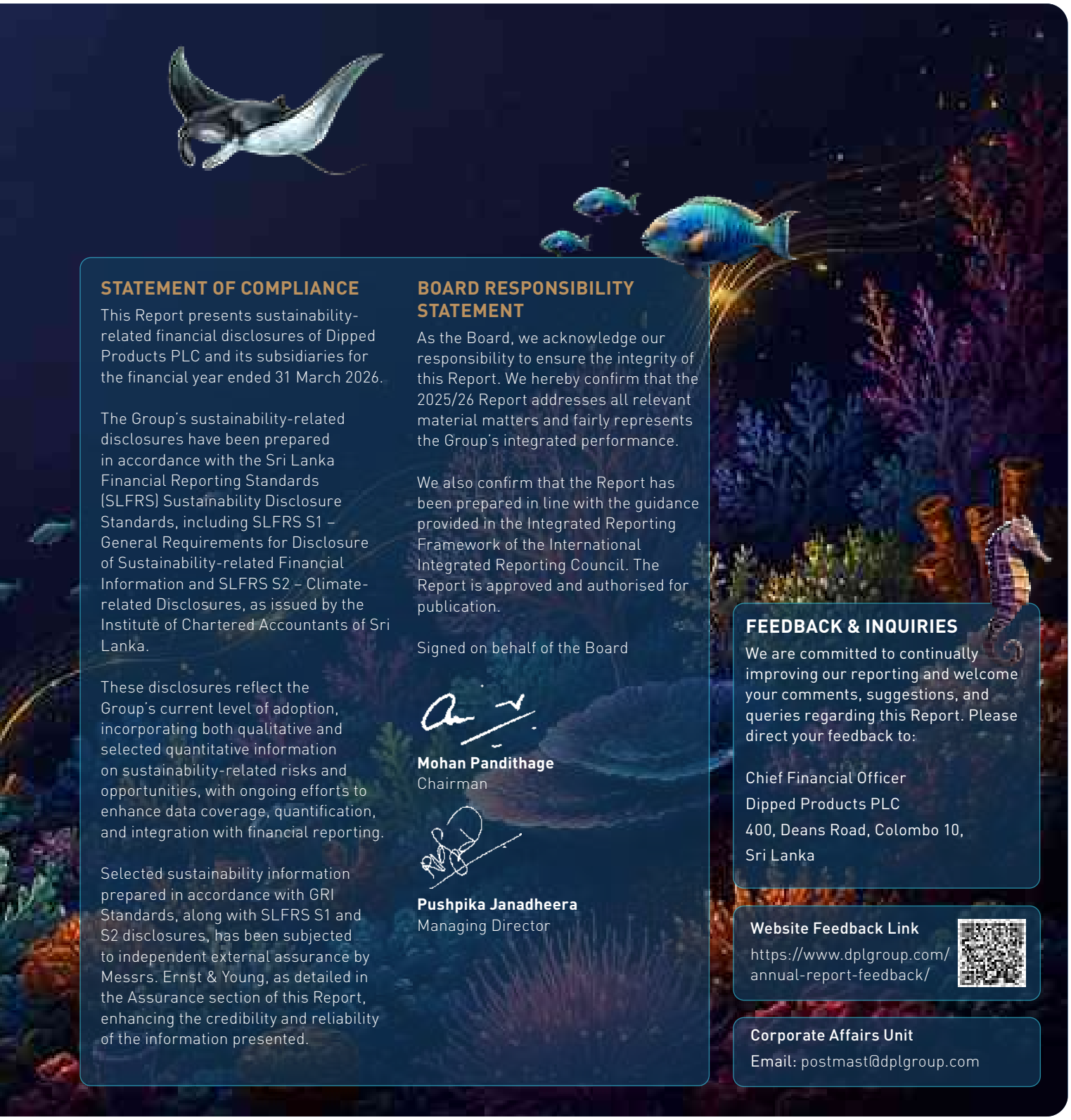
Bronze Award for Manufacturing Companies turnover over Rs. 5 Bn category at the 55th CA Sri Lanka Annual Report award.

2018

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

2017

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



STATEMENT OF COMPLIANCE

This Report presents sustainability-related financial disclosures of Dipped Products PLC and its subsidiaries for the financial year ended 31 March 2026.

The Group's sustainability-related disclosures have been prepared in accordance with the Sri Lanka Financial Reporting Standards (SLFRS) Sustainability Disclosure Standards, including SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures, as issued by the Institute of Chartered Accountants of Sri Lanka.

These disclosures reflect the Group's current level of adoption, incorporating both qualitative and selected quantitative information on sustainability-related risks and opportunities, with ongoing efforts to enhance data coverage, quantification, and integration with financial reporting.

Selected sustainability information prepared in accordance with GRI Standards, along with SLFRS S1 and S2 disclosures, has been subjected to independent external assurance by Messrs. Ernst & Young, as detailed in the Assurance section of this Report, enhancing the credibility and reliability of the information presented.

BOARD RESPONSIBILITY STATEMENT

As the Board, we acknowledge our responsibility to ensure the integrity of this Report. We hereby confirm that the 2025/26 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. The Report is approved and authorised for publication.

Signed on behalf of the Board

Mohan Pandithage
Chairman

Pushpika Janadheera
Managing Director

FEEDBACK & INQUIRIES

We are committed to continually improving our reporting and welcome your comments, suggestions, and queries regarding this Report. Please direct your feedback to:

Chief Financial Officer
Dipped Products PLC
400, Deans Road, Colombo 10,
Sri Lanka

Website Feedback Link
https://www.dplgroup.com/annual-report-feedback/

Corporate Affairs Unit
Email: postmast@dplgroup.com

About the Report

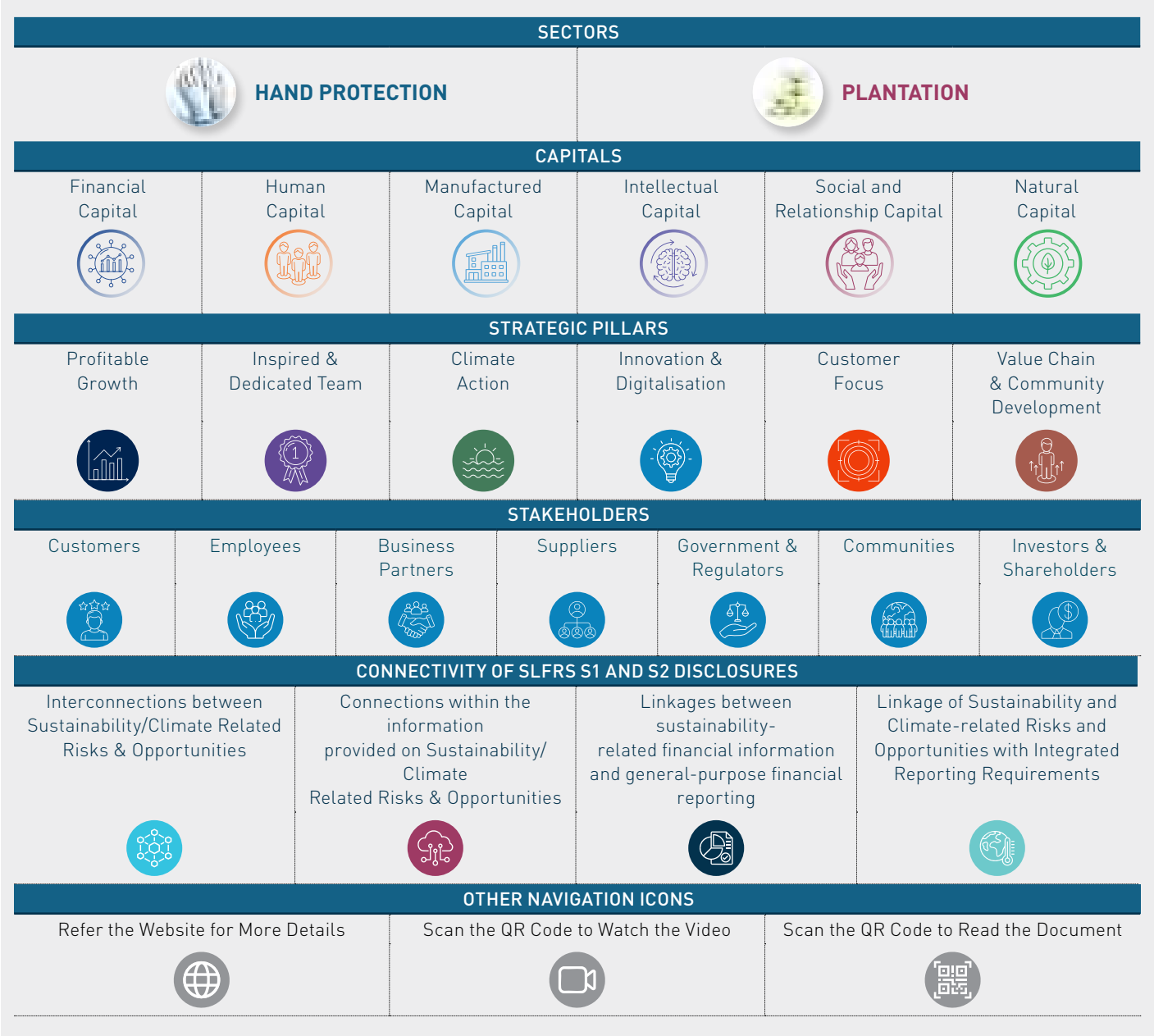
GRI 2-6

CONNECTIVITY OF INFORMATION

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

NAVIGATION ICONS

We have used the following navigation icons across the Report to showcase connectivity between strategy, KPIs, resource allocation, risks and other relevant information.



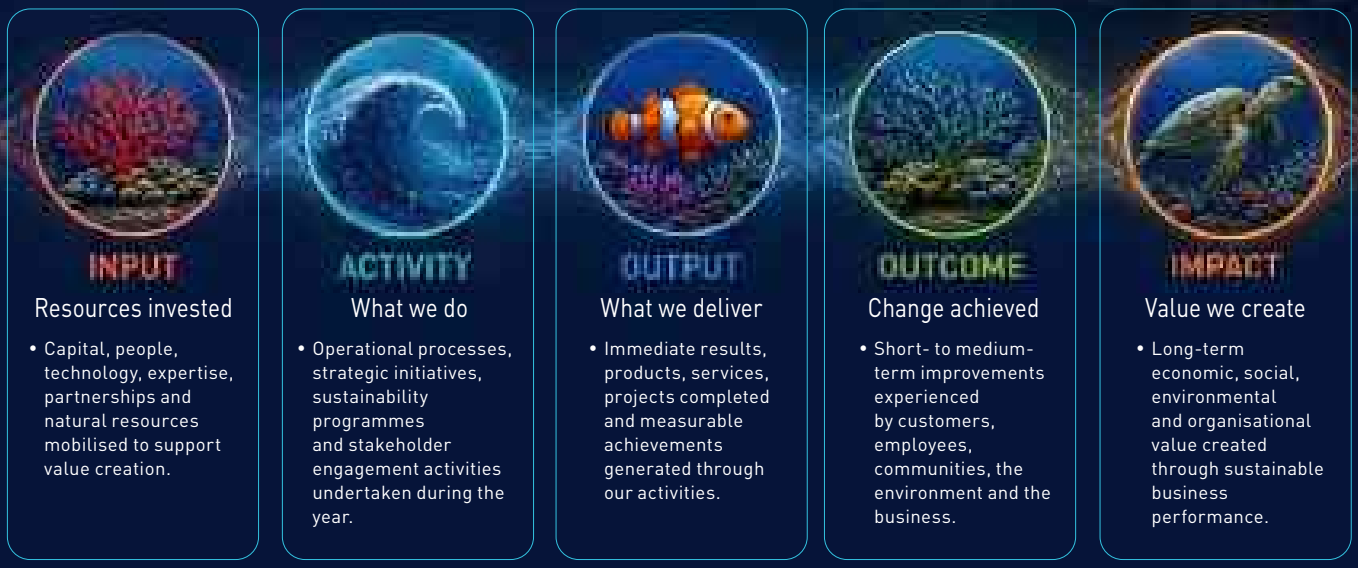
DPL'S INPUT-TO-IMPACT MEASUREMENT FRAMEWORK

Throughout this Integrated Annual Report, DPL applies an Input-to-Impact Measurement Framework informed by a Theory of Change approach to demonstrate how investments, operational activities and strategic initiatives undertaken during FY 2025/26 contribute to measurable outputs, stakeholder outcomes and long-term value creation across the capitals.

The framework is used consistently throughout the report to strengthen transparency, performance measurement, ESG accountability and integrated reporting by illustrating the progression from resources invested to the broader environmental, social, operational and economic value created through DPL's operations and sustainability initiatives.

HOW TO READ THE TABLE

The Input-to-Impact pathway follows five interconnected stages that demonstrate how value is created over time:



FRAMEWORK STRUCTURE USED THROUGHT OUT THE REPORT

Throughout this report, selected disclosures are presented using the Input-to-Impact framework shown below. Each column represents a stage in DPL's value creation journey, providing a consistent approach for measuring and communicating performance and impact.

HOW THIS FRAMEWORK IS USED IN THE REPORT

1. Demonstrates annual progress achieved during FY 2025/26.
2. Connects operational activities to strategic value creation.
3. Supports ESG and sustainability performance measurement.
4. Strengthens alignment with the six capitals and DPL Pulse – ESG Roadmap 2030.
5. Enhances consistency and comparability across disclosures and focus areas.

This framework enables DPL to measure what matters, communicate our progress with clarity, and create long-term value for our stakeholders, communities, and the environment.

About the Report

Our Approach to Integrated Reporting

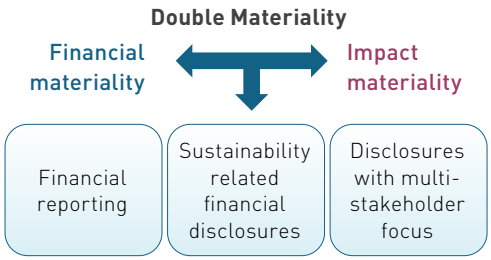
Creating connected, decision-useful disclosures through integrated thinking

Integrated Thinking — Purpose-led Strategy — Stakeholder Engagement — Double Materiality — SRROs & CRROs — Six Capitals Integration — Value Creation

Materiality

We apply the principle of double materiality, focusing on matters that influence both financial performance and environmental and social impacts. Enhanced stakeholder engagement supports the identification of sustainability-related and climate-related risks and opportunities (SRROs and CRROs), which are integrated across the Report.

Disclosures are aligned with GRI, SLFRS S1 and S2, SASB, and TCFD, with improved linkage to financial information. Further details on our materiality assessment process are provided on page 84.



Integrated Reporting Boundary and Materiality Themes

Operating Environment (Page 132)	**Use and impacts on six capitals** (Page 227)
Value Creation Model (Page 70)	
Strategic Priorities (Page 76)	**Materiality Themes** (Page 84)
Stakeholder Engagement (Page 72)	• Economic • Social • Environmental • Governance

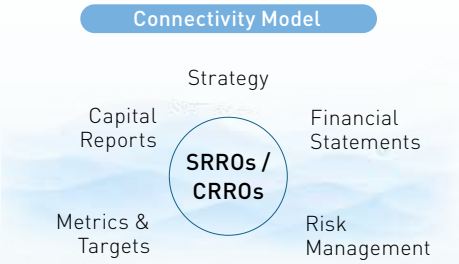
Reporting Process

Step	Actions
Plan	Define the reporting scope, applicable frameworks, timelines, and information requirements, informed by materiality outcomes, stakeholder needs, and benchmarking practices.
Formulate	Develop report content through a cross-functional process led by Finance and ESG Divisions, with inputs from management team and departmental teams.
Validate	Review and validate financial and non-financial data through internal controls, management review, and a combined assurance approach involving relevant functions.
Approve	Final review and approval by the Board of Directors and Audit Committee prior to publication.

Advancing SLFRS S1 and S2 Disclosures

DPL has strengthened its approach to sustainability and climate-related disclosures by expanding quantitative coverage, enhancing Group-wide data inclusion, and integrating SRROs and CRROs across governance, strategy, and risk management processes.

Connectivity between sustainability-related and financial information has been improved, with selected disclosures subjected to independent external assurance to enhance credibility and reliability.



ROADMAP AND PROGRESS IN 2025/26

FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27
• Early Voluntary adoption with qualitative SRRO and CRRO disclosures • Climate-first reporting • Implementing relevant governance structures and risk management processes • Limited coverage of Scope 3 emissions	• Expanded disclosures and initial financial impact assessment for CRROs • First time reporting of full scope / all applicable categories of Scope 3	• Quantitative disclosures for SRROs/CRROs, Group coverage and external assurance • First time reporting comparative figures for Scope 3 all reporting categories	• Further expansion and enhanced financial quantification

Reporting Considerations

Reporting Boundary

The sustainability-related financial disclosures presented in this Report relate to Dipped Products PLC and its subsidiaries, and are aligned, to the extent applicable, with the reporting boundary used for the Audited Financial Statements.

DPL Group (Core Operations)

↓

Hand Protection (Primary Reporting Focus)

↓

Plantation Sector (Separate Reporting with SRRO/CRRO Inclusion)

Key parameters, including the reporting entity, reporting period, presentation currency, and basis of preparation, are applied consistently across both financial statements and sustainability-related disclosures to ensure comparability and coherence.

Sustainability-Related / Climate-Related Risks and Opportunities (SRROs/CRROs)

Based on a structured double materiality assessment, the Group has identified and prioritised material sustainability-related and climate-related risks and opportunities (SRROs and CRROs) relevant to its operations.

Sustainability-related financial disclosures in this Report are focused on these material SRROs and CRROs, reflecting their significance to the Group's value creation and long-term resilience.

Time Horizons

The Group assesses the potential impacts of SRROs and CRROs across defined time horizons:

- **Short-term:** Less than 1 year
- **Medium-term:** 1 to 5 years
- **Long-term:** Beyond 5 years

These time horizons are applied consistently across disclosures and are aligned with the Group's strategic planning and decision-making cycles.

Quantification of Financial Effects

During the year, the Group has made progress in enhancing the quantification of financial impacts associated with selected SRROs and CRROs across short, medium, and long-term horizons.

However, the quantification of certain sustainability-related impacts remains subject to data limitations, methodological challenges, and the complexity of attributing financial outcomes to specific risks and opportunities.

Where direct quantification is not feasible, these risks are addressed within the Enterprise Risk Management (ERM) framework, with mitigation actions disclosed accordingly.

Materiality Threshold

Information is considered material where its omission, misstatement, or obscuring could reasonably influence the decisions of users of general-purpose financial reports.

The Group applies both quantitative and qualitative considerations in assessing materiality. From a financial perspective, a threshold of approximately 5% of Profit Before Tax (PBT) is used as a benchmark, alongside qualitative factors relating to sustainability-related impacts.

Sources of Guidance

In addition to the SLFRS S1 and S2 Sustainability Disclosure Standards, the Group has referred to multiple recognised frameworks and guidance sources in determining material topics, metrics, and disclosures.

These include GRI Standards, SASB Standards, TCFD recommendations, and UN SDGs, among others. The connectivity between these frameworks and their application across disclosures is presented in the ESG Reporting Frameworks Index (page 160).

Connectivity of SLFRS S1 and S2 Disclosures

Pillars of SLFRS S1 and S2	Primary Location of Disclosures	Location of Connected Information
Governance	SLFRS S1 and S2 disclosures – Page 160	Corporate Governance – Page 90
Strategy	SLFRS S1 and S2 disclosures – Page 171	Portfolio Reviews – Page 18, Risks and Opportunities – Page 140 Purpose-driven Strategy – Page 68 Strategic ESG Integration – Page 140
Risk Management	SLFRS S1 and S2 disclosures – Page 165	Risks and Opportunities – Page 140
Metrics and Targets	SLFRS S1 and S2 disclosures – Page 198	Strategic ESG Integration – Page 140, Intellectual Capital – Page 401 Natural Capital – Page 433

About the Report

Improvements Featured in this Year's Integrated Annual Report

Advancing SLFRS S1 and S2 Adoption

- Included Plantation Sector SRROs/ CRROs material to the DPL Group, expanding overall coverage
- Enhanced quantitative disclosures across both SRROs and CRROs
- Strengthened interconnections within and between SRROs/CRROs, and improved linkages to financial information
- SLFRS S1 and S2 disclosures subjected to independent external assurance, enhancing credibility and reliability

DPL Pulse: ESG Roadmap 2030 – Progress Update on 1st Edition & Launch of 2nd Edition

- Progress of DPL Pulse: ESG Roadmap 2030 Targets Vs Performance
- Detailed disclosure shared in capital reports with clear tracking of actions, milestones, and performance indicators
- Section about the launch of DPL Pulse 2nd Edition aligned to Hayleys Lifecode, Review and Revisions Made Effective from 01st April 2026 onwards

Incorporated Suggestions / Recommendations on Improvements Received through Stakeholder Feedback for Integrated Annual Report 2024/25

- Strengthened communication of process of data collection, analysis, interpretation and validation
- Improved clarity and simplified narrative / qualitative information
- Maintained balance between financial and non-financial reporting
- Controlled use of digital and AI capabilities in reporting



Strengthened ESG, Sustainability and Climate Disclosures

- Voluntary Adoption of SASB Standards;
  - » Agricultural Products
  - » Household & Personal Products
- GRI disclosures subjected to independent external assurance, enhancing credibility and reliability
- Dedicated section on sustainable product and process innovations, showcasing improvements in resource use, emissions, water stewardship, and circularity initiatives
- GHG Emissions disclosure verified by external party – full scope reported, with first-time comparative data for Scope 3 disclosures on all applicable categories
- Extensive reporting on social indicators including human rights, diversity and gender related disclosures
- Enhanced disclosures on responsible suppliers and sustainable procurement, including supplier rating system based on Supplier Evaluations for ESG Compliance
- Expanded reporting on people related indicators including the Score achieved from first-ever Employee Perception Survey carried out
- Improved reporting on business ethics, cyber security, data privacy and whistleblowing

Strengthened Corporate Governance Disclosures

- Alignment with updated regulatory and governance requirements
- Enhanced transparency on governance structures, oversight, and accountability
- Integration of ESG Roadmap to corporate governance model
- Improved clarity on Board and committee roles in providing oversight to ESG strategy and implementation

Enhanced Capital Disclosures and Integrated Reporting

- Expanded quantitative coverage across the six capitals, incorporating KPI types across the value chain:

  Input KPIs > Activity KPIs > Output KPIs > Outcome KPIs > Impact KPIs.
- Strengthened connectivity between strategy, material topics, risks, and performance, with clearer articulation of value creation across the Capital Report
- Enhanced the quality and comprehensiveness of Integrated Reporting required by External Assurance Providers
- Provided cross-links to websites, social media content, documents, and videos to support disclosures and enable deeper stakeholder engagement

Legacy Report - Capturing DPL 50th Anniversary Commemoration Activities

- Capturing the Key Milestones of the Last 50 Years
- Dedicated section with Highlights of DPL 50th Anniversary Year commemoration activities - "Celebrating 50 Years with a Purpose" focusing on the key stakeholders in the Purpose Statement
- Connecting the highlights to detailed updates within the report and sharing the future strategic focuses.

Reporting on Contributions to UN SDGs and Alignment with UNGC Principles

- Dedicated disclosures on direct and indirect contributions to the United Nations Sustainable Development Goals (SDGs)
- Strengthened connectivity of SDGs across the Capital Reports, linking business activities and value creation
- Dedicated disclosures on alignment with the UN Global Compact (UNGC) Principles on Human Rights, Labour, Environment, and Anti-Corruption

ACCESSIBILITY & DIGITISATION OF OUR INTEGRATED ANNUAL REPORT

DPL has enhanced the accessibility and engagement of its Integrated Annual Report by transitioning from issuing only printed copies to web-based downloadable document to a dedicated digital microsite.

The Report is now delivered through an interactive platform featuring visual snapshots, video content, and animated highlights, improving how stakeholders engage with both financial and non-financial information.

To extend reach, the Annual Report is actively promoted through social media as a source document for evidence-based data, driving engagement and directing stakeholders to the microsite, with increased interaction from both local and international audiences.

The digital format also enables the externally assured Report to be shared as a supporting document and evidence base across stakeholder engagements, including customer communications, sustainability assessments, and external evaluations.

This shift reflects our commitment to enhancing transparency, accessibility, and stakeholder engagement through digital innovation.

Digital Amplification & Social Media Impact

06

Number of Annual Report related content pieces posted on Social Media

11,000+

Total impressions for social media posts

Digital Reporting Evolution

Year	Evolution in Reporting
Up to FY 2023/24	Annual Reports were primarily published as downloadable documents on the website
FY 2024/25	Introduction of a dedicated microsite to enhance accessibility and user experience
FY 2025/26	Expanded microsite capabilities including visual snapshots, video content, and animated disclosures, enhancing stakeholder engagement and accessibility



Stakeholder Engagement and Global Reach of Our Integrated Annual Report 2024/25;

Engagement & Transparency

- Printed Annual Report copies reached key stakeholders at Annual General Meeting
- Annual Report copies (Printed / E-version) submitted as a supporting document to Award / Audit Platforms
- Zero complaints received related to Financial / Non-Financial Disclosures

Visibility & Reach

1,500+ Total Annual Report page views

79% Local Reach / Traffic

21% International Reach / Traffic

Usability & Interactions

80+ Users accessing the Annual Report page

125 Average monthly visits to the Annual Report page

470 Unique users engaged with Annual Report / Investor Relations content

Digital Tools & Features

- Dedicated Annual Report microsite
- Visual Snapshot-based summaries
- Video-based highlights and storytelling
- Animated presentation of information
- Mobile-friendly and accessible format
- Downloadable report sections and extracts for ease of access and sharing

FY 2025/26, Integrated Annual Report is available at;



SCAN ME

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

About Us

GRI 2-6

We are a global leader in protective handwear, delivering world class products through premium resources, innovation, and manufacturing excellence, supported by over 18,207 employees across hand protection and plantations and serving customers in more than 70 nations. As a proud member of the Hayleys Group, we strengthen Sri Lanka's export economy as we mark our 50th year, driven by sustainability, disciplined growth, and a continued commitment to supporting livelihoods and creating lasting value across generations.



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.

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

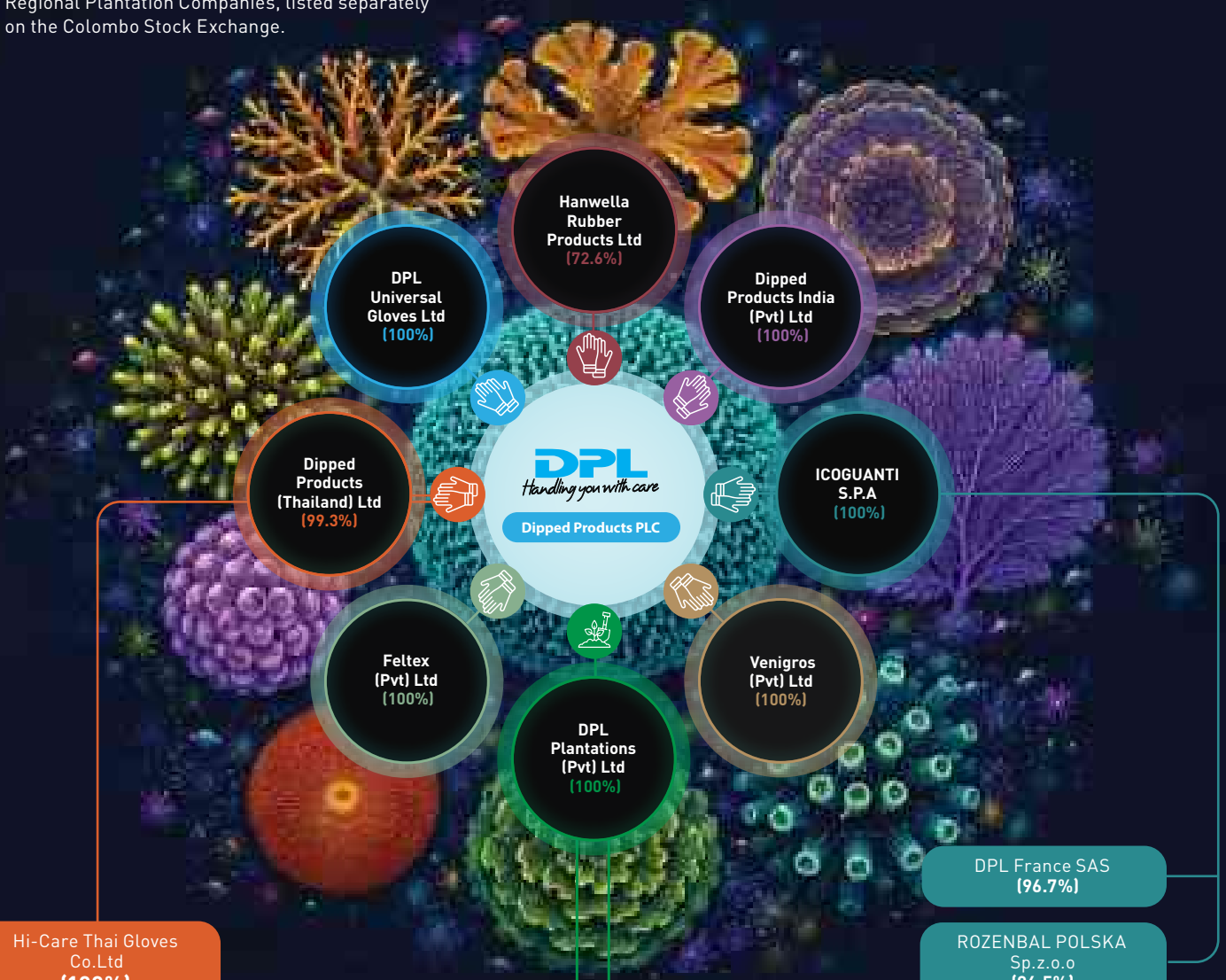
- We prioritise financial performance and accountability to deliver consistent returns to our shareholders,while considering long-term sustainability and ethical practices in our decision making.

Our Planet

- We prioritise sustainability and strive to reduce our environmental 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.



Hi-Care Thai Gloves Co.Ltd **(100%)**

DPL France SAS **(96.7%)**

ROZENBAL POLSKA Sp.z.o.o **(96.5%)**

Kelani Valley Plantations PLC **(72.4%)**

Hayleys Plantation Services (Pvt) Ltd **(66.7%)**

Kalupahana Power Company (Pvt) Ltd **(60%)**

Kelani Valley Resorts (Pvt) Ltd **(100%)**

Horana Plantations PLC **(51%)**

Talawakelle Tea Estates PLC **(74.7%)**

Mabroc Teas (Pvt) Ltd **(100%)**

Mabroc East Africa Ltd **(70%)**

Meridian Exports (Pvt) Ltd **(100%)**

Blue Mountain Tea Exports (Pvt) Ltd **(100%)**

TTEL Hydro Power Company (Pvt) Ltd **(100%)**

TTEL Somerset Hydro Power (Pvt) Ltd **(100%)**

Our Products

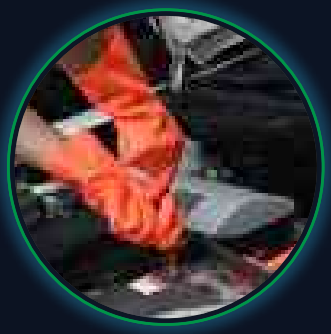
GRI 2-6

UNSUPPORTED
GLOVE RANGE

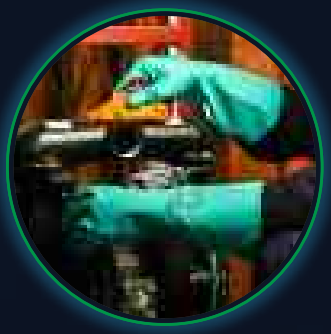
Household



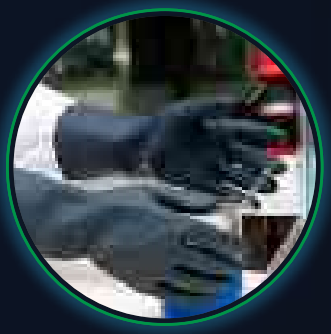
Electrician



Industrial



Chemical Resistant



SUPPORTED
GLOVE RANGE

General Purpose



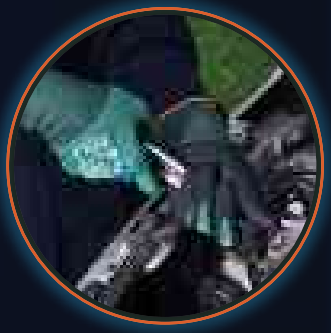
Sleeves



Industrial



Mechanic



DISPOSABLE
GLOVE RANGE

Medical/Healthcare



Industrial/Automotive



Chemical Handling

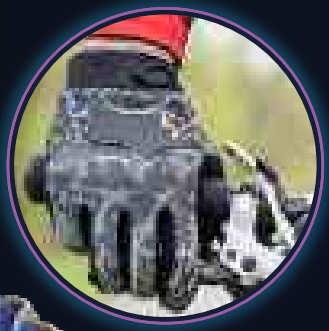


Food Processing



SPORTS
GLOVE RANGE

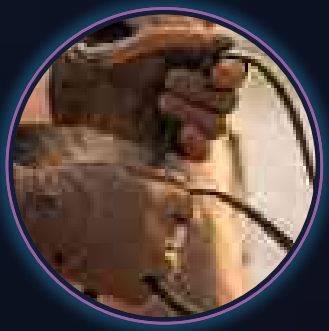
Cycling



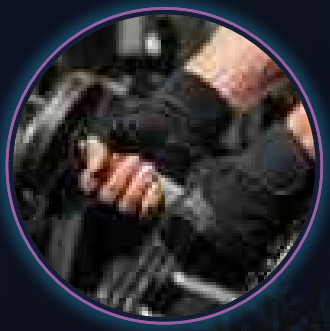
Golf



Equestrian



Weight lifting



About Us

GRI 2-1

Founded in Sri Lanka in 1976, Dipped Products PLC (DPL) has grown into one of the world's leading manufacturers of protective handwear, anchored by our deep heritage and privileged access to premium natural rubber; an essential foundation of our globally recognised quality. This strategic advantage, combined with our commitment to innovation and sustainability, underpins our strong international reputation.

We command approximately 5% of global demand for natural and synthetic latex-based household and industrial gloves and offer a portfolio of over 780+ world-class products, including supported, unsupported, and disposable gloves designed for household, industrial, and medical applications, serving customers in more than 70 countries.

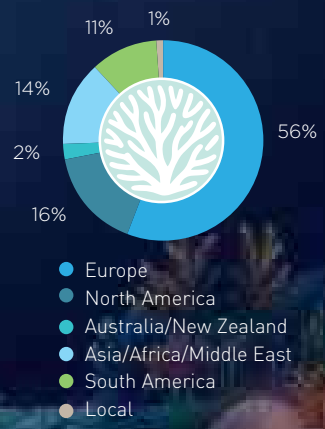
Our globally integrated operations comprise five manufacturing facilities in Sri Lanka and two in Thailand, supported by dedicated marketing and distribution arms in Italy, France, Poland, India, and the Middle East. Headquartered in Colombo, our operations are powered by a workforce exceeding 18,207 employees across our manufacturing and plantation sectors. We are proud to be a member of Hayleys PLC, one of Sri Lanka's largest, most respected, and diversified conglomerates.

HAND PROTECTION



Unsupported Gloves	Supported Gloves	Disposable Gloves	Sports Gloves	Electrician Gloves
352 Varieties	305 Varieties	101 Varieties	11 Varieties	12 Varieties

KEY MARKETS - HAND PROTECTION SECTOR BY VALUE



PLANTATION

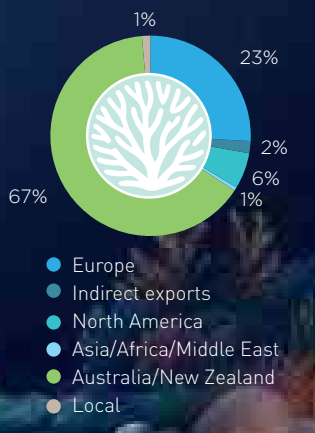
Renowned for producing some of Sri Lanka's highest quality tea and rubber, our plantation sector spans 64,771 acres across 55 estates in four districts and is led by three Regional Plantation Companies; Kelani Valley Plantations PLC, Talawakelle Tea Estates PLC, and Horana Plantations PLC. Their industry leadership is driven by a strong track record of sustainability, innovation, and profitability, underpinned by nature positive agricultural practices, progressive and equitable remuneration models, and a clear focus on technology enabled transformation.

Kelani Valley Plantations PLC operates 25 estates, producing tea, rubber, and a diversified range of other crops.

Talawakelle Tea Estates PLC operates 16 estates, engaged in the cultivation of tea and rubber.

Horana Plantations PLC operates 14 estates, engaged in the cultivation of tea, rubber, and a diversified portfolio of other crops.

KEY MARKETS - PLANTATION SECTOR BY VALUE



OUR COMPETITIVE EDGE

Product Range

We offer a broad and diversified portfolio of glove varieties designed to meet the evolving needs of household, industrial, and medical applications across global markets.

780+ Varieties of gloves

70+ Markets

Advanced Manufacturing

Our advanced manufacturing footprint, spanning facilities in Sri Lanka and Thailand and supported by integrated plantations, enables scale, efficiency, and consistent world-class quality.

05 Facilities in Sri Lanka

02 Facilities in Thailand

55 Estates

Inclusive Supply Chain

We operate an inclusive supply chain that supports a large network of latex producers, ensuring supply security, shared value creation, and long-term resilience.

4,800+ latex producers supported

Rs. 3.5 Bn Payment to farmers

Commitment to Quality

Our commitment to quality is reinforced through extensive certifications across hand protection and plantation operations, ensuring compliance with the highest international standards.

34 certifications in the Hand Protection and Plantation sectors

Strategic Focus on Environmental and Social Sustainability

Sustainability is embedded into our strategy through responsible environmental practices and socially inclusive initiatives that create long-term value for stakeholders.

94% renewable energy usage

3,137 m^3 rainwater harvested

Innovation and R&D Capabilities

Our strong innovation and R&D capabilities, supported by patents and proprietary technology platforms, enable continuous product development and differentiation in competitive global markets.

15 Patents

02 New patents obtained

12 New products

About Us

OUR PRESENCE AND SCALE OF OPERATIONS

We are a global leader in protective handwear, serving customers in over 70 countries across six continents. Our diversified operations extend beyond hand protection to include tea and rubber plantations, with these commodities distributed to key global markets. Supported by 07 manufacturing facilities in Sri Lanka and Thailand, we are well-positioned to meet global demand for natural and synthetic latex-based industrial, medical, and household gloves, reinforcing our strong and enduring international presence.



ITALY

Marketing and distribution of household, industrial and medical gloves and personal protective wear

Revenue : Rs. 9,333 Mn
Employees : 20

POLAND

Marketing and distribution of cleaning equipment

Revenue : **Rs. 951 Mn**
Employees : **11**

FRANCE

Marketing and distribution of cleaning equipment

Revenue : **Rs. 2,379 Mn**
Employees : **11**

INDIA

Marketing and distribution of household, industrial and medical gloves

Revenue : **Rs. 382 Mn**
Employees : **9**

UAE

Marketing and distribution of household, industrial and medical gloves

Revenue : **Rs. 194 Mn**
Employees : **3**

SRI LANKA

5 Manufacturing Facilities
Revenue : **Rs. 29,627 Mn**
Employees : **2,039**

THAILAND

02 Manufacturing Facilities
Revenue : **Rs. 8,258 Mn**
Employees : **586**

07	2,679	05	Rs. 51 Bn
Manufacturing facilities in 2 countries	Workforce	Sales and distribution offices	Revenue

Our Social & Economic Impact

GRI 201-1

OUR SOCIO-ECONOMIC IMPACT

As a leading organisation, we play a pivotal role in Sri Lanka's socio economic development. Beyond generating employment and promoting inclusive growth, we contribute meaningfully to the national economy through export earnings, timely tax payments, and sustained value creation. Moreover, we remain committed to regulatory compliance, community upliftment, and environmental conservation, reinforcing our role as a responsible corporate citizen and a key contributor to Sri Lanka's long-term economic progress.

Value Added Statement

2025 (Rs. 26,684 Mn)	2026 (Rs. 29,399 Mn)
Rs. 1,137 Mn To Shareholders as dividends	Rs. 1,275 Mn To Shareholders as dividends
Rs. 1,606 Mn To Government of Sri Lanka & overseas as taxes	Rs. 1,878 Mn To Government of Sri Lanka & overseas as taxes
Rs. 1,950 Mn To lenders of capital	Rs. 2,073 Mn To lenders of capital
Rs. 5,056 Mn Retained in the business	Rs. 5,333 Mn Retained in the business
Rs. 16,935 Mn To employees as remuneration	Rs. 18,840 Mn To employees as remuneration

EMPLOYMENT GENERATION

We employ a large number of direct and indirect employees across Sri Lanka and overseas, contributing meaningfully to economic growth and development in the markets where we operate. Through the creation of diverse employment opportunities across multiple skill levels, we support livelihoods while promoting inclusive growth. Our commitment to fair wages, safe working conditions, and clear career progression pathways fosters job stability, social equity, and long term workforce development.

- **2,039** Employees in Sri Lanka
- **640** Employees in Overseas
- **80%** Employee Retention Rate
- **Rs. 8 Mn** Investment in Employee Training

COMMUNITY UPLIFTMENT

Benefiting over **30,000+** individuals, our initiatives focused on enhancing living environments, promoting health and nutrition, building community capacity, and empowering communities.

- **30,000+** Beneficiaries
- **Rs. 35 Mn** Investment in CSR
- **2,100+** Mid-day meals provided
- **5,500+** Employee Volunteers hours for CSR

DEVELOPING SUPPLIERS

By continuously engaging with approximately **4,893** smallholder farmers and a diverse supplier base, we build strong, mutually beneficial partnerships that support local communities and strengthen long-term value creation.

- **Rs. 26 Bn** Payment to suppliers
- **100%** New suppliers screened for environmental and social aspects
- **DPL EasyPay** App Launched
- **66%** Existing supplier evaluated

Our Social & Economic Impact

DELIVERING VALUE TO CUSTOMERS

Our leadership in the market stems from a solid global customer base and trusted, long-term customer relationships.

47 New customers	**94%** Customer retention rate	**81%** Customer satisfaction ratio	**04** New markets

ENVIRONMENTAL SUSTAINABILITY

We contribute positively to environmental protection, efficient resource management, and community well-being. We view enhanced sustainability practices as fundamental to creating a better future while driving sustainable business success.

224,645 m^3 Water reused/recycled	**5,592 MWh** Solar Power generated	**94%** Reliance on renewable energy	**1.8%** Reduction in carbon emissions (Scope 1 & 2)

SUPPORTING THE DEVELOPMENT OF CAPITAL MARKETS

Our position as a well-established company, supported by strong performance and stability, contributes positively to investor confidence in the Sri Lankan capital market.

Rs.29.6 Bn Market Capitalisation	**Rs.1.3 Bn** Dividend declared	**71,032** Number of Transactions	**12,961** Shareholders

CONTRIBUTING TO THE GROWTH OF THE EXTERNAL SECTOR

With a strong presence in the global rubber glove market and by serving a significant share of worldwide demand for natural and synthetic latex gloves, we contribute directly to Sri Lanka's national export earnings.

Rs. 51 Bn Export earnings	**07** Presence in countries	**5%** World Market Share	**70+** Countries Served

VALUE CREATION TO GOVERNMENTS

Through our position as a leading manufacturer in the global rubber glove market, we contribute to government revenue via tax payments, thereby supporting the national development goals of the respective countries.

Rs. 1.2 Bn Taxes	All taxes paid as per operating locations' tax regulations and returns filed on time	**2,679** Employment Opportunities	Major Forex earner to the country

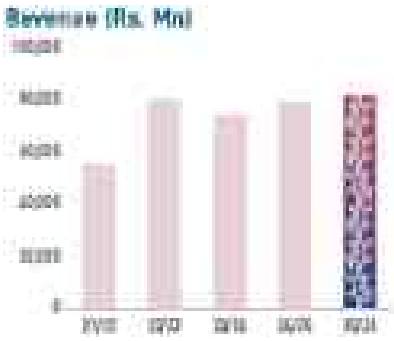

HEALTHCARE
GLOVE
COMFORT AND SAFETY FOR CRITICAL CARE

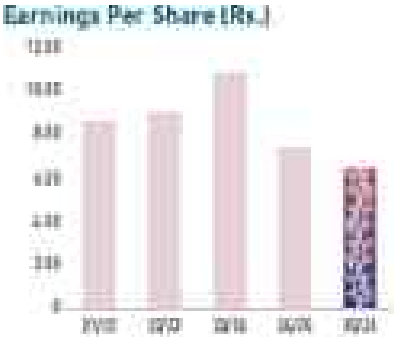
Performance Highlights

FINANCIAL HIGHLIGHTS

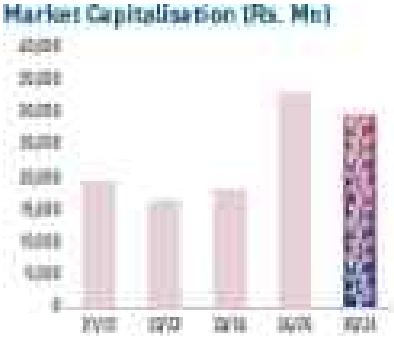
		2025/26	2024/25	% YoY
FINANCIAL PERFORMANCE				
Revenue	Rs. Mn	82,044	79,289	3
Gross Profit	Rs. Mn	17,979	16,564	9
Gross Profit margin	%	22	21	1
Operating profit	Rs. Mn	6,807	7,172	(5)
Operating profit margin	%	8	9	(1)
Profit before tax	Rs. Mn	6,834	6,836	(0)
Profit before tax margin	%	8	9	(1)
Profit after tax	Rs. Mn	4,623	5,034	(8)
Return on equity (%)	%	10	13	(3)
Return on capital employed (%)	%	10	14	(4)
Interest Cover Ratio	Times	7	9	(22)
WORKING CAPITAL RATIOS				
Inventory days	Days	82	75	9
Debtor days	Days	66	59	12
Creditor days	Days	79	70	13
Cash conversion cycle	Days	69	64	8
LIQUIDITY RATIOS				
Current ratio	Times	1.6	1.7	(8)
Quick asset ratio	Times	1.0	1.1	(9)
FINANCIAL STABILITY				
Total assets	Rs. Mn	86,012	74,616	15
Return on assets	%	5	7	(2)
Total liabilities	Rs. Mn	42,500	34,984	21
Shareholders' funds	Rs. Mn	34,827	31,778	10
Non-Controlling Interest	Rs. Mn	8,685	7,853	11
Total debt	Rs. Mn	17,612	12,014	47
Equity/Assets	No.of times	0.5	0.5	(5)
Debt/Equity	No.of times	0.4	0.3	34
Net debt (cash)/Equity	No.of times	0.3	0.1	>100
Debt/Total assets	%	20	16	4
SHAREHOLDER INFORMATION				
No of shares in Issue	Number	598,615,120	598,615,120	-
Earnings per share	Rs.	5.9	6.5	(9)
Dividends per share	Rs.	2.1	1.9	12
Net assets value per share	Rs.	58.2	53.1	10
Closing price	Rs.	49.4	55.0	(10)
Market capitalisation	Rs. Mn	29,572	32,924	(10)
P/E ratio	No.of times	8.40	8.50	(1)
Dividend payout	%	36.2	29.4	7
Dividend cover	No.of times	2.8	3.4	(19)
Dividend yield	%	4.3	3.5	1

Financial Capital







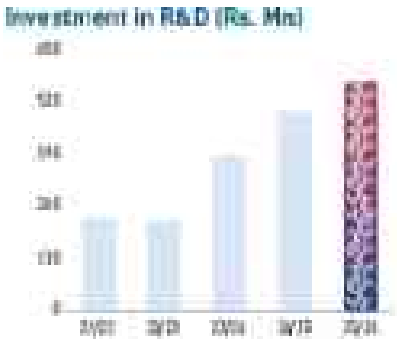


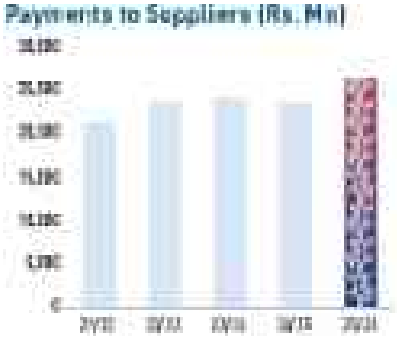
NON-FINANCIAL HIGHLIGHTS

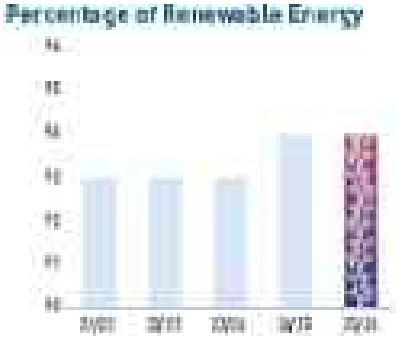
		2025/26	2024/25	% YoY
MANUFACTURING PERFORMANCES				
Property, plant and equipment	Rs. Mn	35,657	30,107	18
Capital expenditure	Rs. Mn	7,845	4,407	78
Manufacturing facilities- Locations	HP	7	7	-
No. of Estates	Plantations	55	55	-
Asset Turnover ratio	Rs. Mn	1.0	1.1	(17)
AN INSPIRED TEAM				
Total employees	No.	2,679	2,570	4
Payments to employees	Rs. Mn	16,584	14,854	12
Employee retention rate	%	80	80	-
No. of promotions	No.	42	51	(18)
Female representation	%	34	33	1
Investment in training	Rs. Mn	8	11	(27)
Total training hours	Hours	124,122	85,865	45
Average training hours/employee	Hours	50	36	39
Profit per Employee*	Rs. Mn	2.55	2.65	(4)
Revenue per Employee*	Rs. Mn	30.62	28.77	6
Value added per Employee*	Rs. Mn	11.05	10.38	6
PRODUCTS AND INNOVATION				
New products launched	No.	12	15	(20)
Investment in R &D	Rs. Mn	570	495	15
Customer satisfaction	%	81	85	(4)
Customer retention	%	94	94	-
Strength of R&D team	Number	19	20	(5)
New customers	Number	47	77	(39)
SUSTAINABLE OPERATIONS				
Payments to suppliers	Rs. Mn	26,349	23,612	12
Beneficiaries	No.	30,000	21,000	42
Investment in CSR	Rs. Mn	35	17	106
Instances of socio-economic regulatory non-compliance	No	0	0	-
Small scale suppliers	%	93	93	-
ENVIRONMENTAL PERFORMANCES				
Energy consumption	GJ Mn	2.22	2.29	(3)
Renewable energy	%	94	94	-
Water consumption	m^3	2.33	2	8
Carbon footprint	$MtCO_2e$	233,957	188,264	24
GHG Emissions Intensity (Scope 1 & 2)	$KgCO_2e$/pair	0.066	0.070	(6)
GHG Emissions Intensity (Scope 1, 2 & 3)	$KgCO_2e$/pair	0.783	0.658	19
Energy intensity	MJ/per pair	7.43	8.01	(7)
Water intensity	Liters/per pair	7.82	7.58	3
Sustainable Water Sourcing	%	9.8	8.8	1
Instance of Environmental Non-compliance	Number	0	0	-

**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).*









Highlights of the Year

Rs. 82 Bn
Revenue

Catering 70+
Countries

Rs. 86 Bn
Total Assets

Rs. 6.8 Bn
Profit Before Tax

Rs. 4.6 Bn
Profit After Tax

Rs. 5.88
Earnings per Share

Rs. 2.13
Dividend per Share

Rs. 29.6 Bn
Market Capitalisation

Rs. 1.2 Bn
Taxes Paid

Rs. 58.18
Net Assets Per Share

Rs. 7.8 Bn
Capital Investment

12,961 Shareholders

CAPITAL MARKETS

Share Price

Rs. 74.50	Rs. 45.90	Rs. 49.40
High	Low	Closing

HAND PROTECTION SECTOR

12 New Products Launched

94% Reliance on Renewable Energy

Rs. 570 Mn
Investment in R&D

80%
Employee Retention Rate

94%
Customer Retention Rate

2% Reduction in Scope 2 Emissions YoY

PLANTATION SECTOR

05 New Products Launched

85% Reliance on Renewable Energy

Rs. 36 Mn
Investment in R&D

4%
National Rubber Production

5%
National Tea Production

Rs. 35 Mn
Investment in CSR

30,000+
CSR Beneficiaries

Rs. 325 Mn
Investment in CSR

485,000+
CSR Beneficiaries

Exploring a Reef of Possibilities

AN EVOLVING LEGACY

60 species of seahorses inhabit coastal and reef ecosystems worldwide, with coral habitats providing shelter, protection, and anchor points that allow them to thrive.

Just as seahorses flourish in environments that offer safety and support, DPL continues to evolve by creating protective wear that empowers people and strengthens communities. We believe true progress is built not only through innovation, but through creating conditions where individuals can feel protected, grow with confidence, and realise their full potential.





A STEADFAST LEGACY

100,000+ green sea turtles have been recorded returning in a single nesting season to beaches connected to coral reef ecosystems. These reefs provide nourishment, protection, and safe pathways that support one of the ocean's most extraordinary long-distance journeys across generations.

Like green sea turtles that return with certainty to the places that sustain them, DPL continues to move forward with purpose, guided by enduring values and trusted foundations. We believe meaningful progress is not achieved alone; it is nurtured through the relationships, environments, and shared strengths that support growth today while safeguarding opportunities for generations to come.



A PRINCIPLED LEGACY

500 Liters of seawater a day can be filtered by a single giant clam, helping keep surrounding coral reef ecosystems clear, balanced, and healthy.

Like the giant clam, whose continuous contribution strengthens the health of the ecosystem around it, DPL creates lasting value through purposeful action and responsible stewardship. We believe meaningful progress comes not only from what we achieve, but from the environments we help sustain; creating stronger communities, healthier futures, and growth that endures over time.

A DIVERSIFIED LEGACY

70% of the sand on some tropical white-sand beaches can originate from parrotfish,

which feed on reef surfaces and gradually create fine sand that becomes part of nearby coastlines

Like the parrotfish, whose countless small actions shape something far greater over time, DPL believes meaningful progress is created through the power of many contributions working together. By bringing together diverse strengths, perspectives, and capabilities, we transform individual efforts into lasting value that supports communities, strengthens industries, and creates impact that endures.

A BOUNDLESS LEGACY

7 meters of wingspan allows giant manta rays to glide across coral reefs in search of feeding grounds and natural cleaning stations, where smaller reef fish remove parasites from their bodies and help sustain their health.

Like the giant manta ray, whose strength and range are sustained by the ecosystems it returns to, DPL believes lasting progress is enabled not by scale alone, but by continuous renewal, meaningful partnerships, and the environments that help people and businesses thrive. By combining specialised expertise with an interconnected approach, we continue to evolve with purpose and create value that extends far beyond today.

A SUSTAINING LEGACY

10,000 microscopic stinging cells can exist across a sea anemone's tentacles, creating a protected refuge within coral reef ecosystems where clownfish can live, shelter, and thrive through a remarkable biological adaptation.

Like the clownfish, which thrives through adaptation and a relationship built on mutual support, DPL believes enduring success is created when people feel protected, empowered, and able to grow with confidence. By fostering trusted relationships and building environments that strengthen resilience, we create the conditions for progress that is sustained, inclusive, and built to last.

Key Milestones

1976
Incorporation of Dipped Products LTD

1981
Capacity enhancement by 166%

1982
Three-fold capacity expansion, plant automation and re-development of factory complex

Listed as a Public Listed entity of the Colombo Stock Exchange



1986
Third capacity expansion

1990
Acquisition of rubber thread operation

1992
Incorporation of Grossart Ltd
Incorporation of DPL Plantations Ltd

1993
Expansion of Grossart Ltd

1994
Incorporation of Venigros Ltd and installation of production lines

1995
Acquisition of KVPL, Commencement of production at Venigros Ltd

1998
Incorporation of Neoprex Ltd



1999
Commencement of production at Neoprex Ltd

2000
Acquisition of 60% stake in ICOGUANTI S.p.A Italy

2005
Commencement of Dipped Products (Thailand) Ltd

2026

Celebrating the Golden Jubilee, turn to next page for our **50th Anniversary Journey**.

2025

Acquisition of Hi-Care Thai Gloves Co.Ltd.

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

DPL
CELEBRATING 50 YEARS OF PROTECTING YOU ALWAYS

Celebrating 50 Years with Purpose. 50 meaningful initiatives. One enduring purpose.

For five decades, DPL's journey has been guided by a belief that protection extends far beyond the products we manufacture.

It lives in the communities we uplift.
The people we empower.
The partnerships we nurture.
And the environments we are committed to preserving for generations to come.

As we marked 50 years of protecting people around the world, we chose to celebrate this milestone not through words alone, but through meaningful action.

Across Sri Lanka, Thailand and India, our teams came together to complete 50 initiatives aligned with our purpose of "Protecting You Always."

From strengthening healthcare and supporting education to restoring ecosystems, recognising farming communities and celebrating the people behind our success, each initiative reflected the values that have shaped DPL for half a century.

Some initiatives were carefully planned. Others emerged from moments of urgent need, such as the Cyclone Ditwah relief efforts, where our teams came together to support affected employees, farming communities and families during a time of uncertainty.

Together, these initiatives became more than a milestone celebration.

They became a reflection of who we are. An ecosystem connected by purpose, responsibility and care.

Fifty initiatives. Six stakeholder groups. One shared purpose that continues to guide everything we do.

Protecting You Always.

OUR 50-YEAR IMPACT AT A GLANCE

50+
Meaningful Initiatives Completed

3
Countries United
Sri Lanka
Thailand | India

30,000+
Lives Positively Impacted

15,000+
Mangroves Planted

2 Mn+
Crabs Released

50,000
Gloves Donated

400+
Employees, Farmers and Community Members Supported Through Ditwah Relief & Response Initiatives

3,500+
Volunteer Hours Contributed

5,000+
Students Supported Through Educational Initiatives

Multiple
Healthcare, Environmental and Community Development Projects

OUR PURPOSE IN ACTION

Across our six purpose pillars, DPL continued creating meaningful impact through initiatives that strengthened communities, empowered people, supported farming partners, protected the environment, and reinforced long-term sustainable value creation.

Together, these initiatives reflect how our purpose of "Protecting You Always" extends far beyond manufacturing and into the lives, communities, ecosystems, and stakeholder relationships connected to our journey.

Our Community

23 Initiatives

Across Sri Lanka, Thailand, and India, DPL advanced meaningful community impact through initiatives focused on healthcare access, education, vulnerable community support, disaster response, and social cohesion—strengthening resilience, wellbeing, and opportunity where it matters most.



50,000 Protective gloves donated to strengthen community health and frontline worker protection

30,000+ Community beneficiaries positively impacted across healthcare, education, welfare, and relief initiatives

3,500+ Volunteer hours mobilised in support of community initiatives

Rs. 35+ Mn Community investment directed towards healthcare, education, disaster response, and vulnerable community supports

3 Countries Meaningful impact created across Sri Lanka, Thailand, and India

Our People

6 Initiatives

Throughout the year, DPL celebrated and supported the people who continue to drive its success through initiatives focused on employee engagement, wellbeing, workplace safety, volunteerism, recognition, and solidarity during times of need.



1,000+ Employees Engaged through recognition, celebration, safety, and wellbeing initiatives

475 Participants mobilised through the Move for Hope – Run • Walk • Cycle anniversary initiative

Multiple Locations Employee engagement and appreciation initiatives delivered across Sri Lanka and Thailand

500+ Employees Reached through workplace safety awareness and occupational wellbeing initiatives

DPL
CELEBRATING 50 YEARS OF PROTECTING YOU ALWAYS

Our Planet

11 Initiatives

Guided by our commitment to environmental stewardship, DPL continued investing in biodiversity conservation, ecosystem restoration, pollution prevention, environmental awareness, and nature-positive community action to strengthen long-term ecological resilience.



Impact Highlights - Planet

15,000+ Mangroves planted to restore coastal ecosystems

Approx. 2 Million+ Crabs released into Songkhla Lake ecosystems to support biodiversity regeneration

11 Environmental stewardship, restoration, and conservation initiatives delivered

150+ Participants Engaged through environmental clean-ups, awareness programmes, and conservation action

Multiple Ecosystems Positive impact created across coastal, marine, forest, biodiversity, and urban green habitats

Our Suppliers

8 Initiatives

DPL continued strengthening partnerships with farming communities through supplier recognition, rural supply chain strengthening, family support, and digital accessibility initiatives—reinforcing resilience, trust, and inclusive value creation across the supply network.



Impact Highlights - Suppliers

520+ Farmers Engaged through supplier recognition and appreciation initiatives

5 Farming Regions Supplier engagement initiatives delivered across key farming communities

1 Farmer laboratory enhancement initiative strengthening rural supply chain capability

1 Digital accessibility solution introduced for rural farmer payment convenience

75+ Farmer Family Beneficiaries Supported through education-focused family safeguarding initiatives

Our Customers

Customer Appreciation Initiative

For five decades, the trust and partnerships built with customers across global markets have remained an important part of DPL's journey.

As part of our 50th anniversary celebrations, DPL extended specially curated appreciation gifts to selected long-standing customers and partners in recognition of the trust, collaboration, and shared growth built over the years.



Impact Highlights - Customers

100 Customer appreciation gifts distributed globally

36 International markets reached through customer engagement initiatives

70+ Countries

Customer relationships supported across international markets

50 Years Celebrating enduring trust, collaboration, and shared growth

Our Shareholders

Shareholder Engagement & Milestone Recognition Initiative

As DPL marked its 50th year, the Company continued engaging shareholders and broader capital market stakeholders through milestone initiatives reflecting its long-term commitment to transparency, governance, and sustainable value creation.

The commemorative bell ringing ceremony at the Colombo Stock Exchange marked an important milestone in DPL's corporate journey, celebrating five decades of resilience, growth, and stakeholder trust.



Impact Highlights - Shareholders

Commemorative bell ringing ceremony conducted at the Colombo Stock Exchange

50 Years Celebrating DPL's corporate legacy, resilience, and growth journey

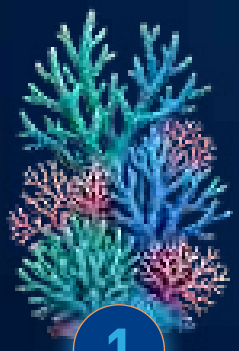
Listed Market Presence Reinforcing stakeholder confidence, transparency, and long-term value creation

DPL
CELEBRATING 50 YEARS OF PROTECTING YOU ALWAYS

From Ideas to Impact, From Milestone to Movement

50 YEARS. 50 MEANINGFUL ACTIONS. ONE SHARED PURPOSE.

Our 50th anniversary was never meant to be just a celebration.
It was an opportunity to create meaningful impact for the people, communities and the planet we are part of. What began as a simple question evolved into a company-wide movement — driven by purpose, powered by our people.



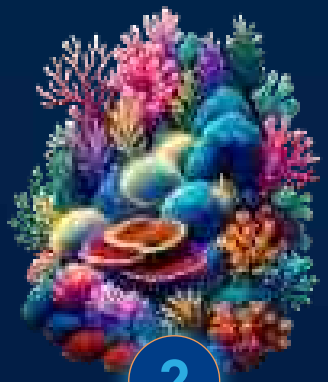
1

THE SPARK

IDEATION STAGE

The Question : *How do we commemorate 50 years meaningfully?*

As DPL approached its 50-year milestone, the focus was not on celebration alone, but on how this moment could create meaningful and lasting value.



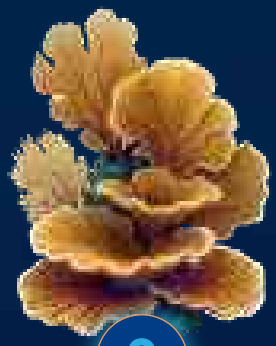
2

LEADERSHIP ALIGNMENT & RESOURCE ALLOCATION

A conscious decision was made to invest in impact — not celebration.

Aligned with our purpose of "Protecting You Always," leadership committed to creating a commemorative journey that would leave a meaningful legacy through purposeful action.

Resources were allocated to deliver 50 meaningful initiatives across our stakeholder pillars.

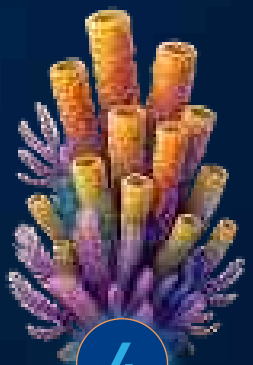


3

TEAMS COME TOGETHER

A cross-functional DPL 50 Organising Committee was formed with representation across the organisation.

Pillar leaders and teams came together to shape the vision, coordinate implementation, and bring purpose to life through collective ownership.



4

EMPLOYEE-DRIVEN CO-DESIGN & CO-DELIVERY

Our people volunteered their time, ideas and expertise to help shape the journey. A larger team was involved in organizing and delivering each activity.

Through employee participation, collaboration and shared ownership, meaningful activities were co-designed and co-delivered to create impact where it mattered most.

April 2025

LAUNCH OF THE DPL 50 ANNIVERSARY LOGO AT THE W3 PLANT OPENING

Hanwella Factory Location

The official launch of our 50-year commemorative journey began with the unveiling of the DPL 50 anniversary identity at the opening of our new W3 plant at Hanwella, marking the start of a year-long movement of purpose-driven action.

ACROSS OUR FOOTPRINT

Impact delivered across communities and locations in:

- Sri Lanka
- Thailand
- India



May–October 2025

PURPOSE IN MOTION

Week by week. Month by month.

We delivered meaningful action across our stakeholder pillars—creating impact for communities, empowering people, protecting the planet, strengthening partnerships, and creating shared value.
Across this period, the DPL 50 journey came to life through continuous engagement, collaboration and purposeful action.

STAKEHOLDER PILLARS:

- Our Community
- Our People
- Our Planet
- Our Suppliers
- Our Customers
- Our Shareholders



November 2025

WHEN PURPOSE CHANGED COURSE

Cyclone Ditwah struck.

Communities faced urgent humanitarian need.
Plans paused.
Priorities shifted.
Resources were redirected.

CELEBRATION BECAME SOLIDARITY.

When disaster struck, our people responded with compassion, agility and collective commitment. What began as a commemorative journey quickly became a humanitarian response—mobilising support where it was needed most.

IMPACT RESPONSE HIGHLIGHTS

- Employee volunteers mobilised
- Relief materials distributed
- Partnerships activated
- Communities supported



December 2025-February 2026

MOMENTUM CONTINUES

Even in the face of disruption, the journey continued. We adapted, stayed committed, and continued delivering meaningful initiatives across our stakeholder pillars—demonstrating resilience, shared ownership and the enduring strength of purpose in action.



Pillar Activity Highlights

OUR COMMUNITY

- Education & school support
- Healthcare & wellbeing
- Disaster relief & recovery

OUR PEOPLE

- Run Walk Cycle
- Safety Week and Wellbeing initiatives
- Employee recognition & appreciation

OUR PLANET

- Mangrove planting & restoration
- Biodiversity protection
- Environmental clean-ups & awareness

OUR SUPPLIERS

- Farmer community empowerment
- Livelihood support programmes
- Partnership strengthening

OUR CUSTOMERS

- Responsible solutions for everyday needs
- Customer engagement & exhibitions
- Product quality & innovation showcases

OUR SHAREHOLDERS

- Transparent communication
- Sustainable value creation
- Recognition & milestone achievements

March – April 2026

THE FINALE

We marked the completion of 50 years with purpose through 50 meaningful activities, carried out with the hope that many of these initiatives will continue to grow and create lasting impact in the years ahead.

The commemorative journey culminated with a special celebration that brought our people together to honour the milestones, memories and shared efforts that shaped DPL's 50-year legacy.

It was a fitting finale to a year defined by purpose, people and progress, reflecting the spirit that continues to shape the future of DPL.

CELEBRATING 50 YEARS WITH PURPOSE THROUGH 50 MEANINGFUL ACTIVITIES.



Beyond 50

THE LEGACY CONTINUES

Some initiatives were never intended to end with our 50th year.
They were designed to create lasting value, strengthen resilience,and leave a meaningful legacy for future generations.

The journey continues.
The purpose remains.

TOGETHER, WE CREATE A FUTURE WORTH PROTECTING.

50-YEAR IMPACT AT A GLANCE

50 Meaningful initiatives	**30,000+** Lives impacted	**15,000+** Mangroves planted
50,000+ Gloves donated	**Multiple** Communities supported	**3** Countries impacted

OUR COMMUNITY

Scope	Activity Name	Location	Impact Area	Refer Capital for more Details of the Activity
1	Public Healthcare Infrastructure Development and Rehabilitation Support Programme	Ratnapura, Sri Lanka	Health, Safety & Wellbeing	Social & Relationship (Page 362)
2	Employee Community Blood Donation Initiative	Biyagama, Sri Lanka	Health, Safety & Wellbeing	Social & Relationship (Page 364)
3	Community Blood Donation Drive	Songkhla, Thailand	Health, Safety & Wellbeing	Social & Relationship (Page 364)
4	Education Access Scholarship Programme	Hat Tai, Thailand	Education & Capacity Building	Social & Relationship (Page 360)
5	Community Earthquake Preparedness & Emergency Resilience Drill	Songkhla, Thailand	Emergency Response & Disaster Relief	Social & Relationship (Page 369)
6	School Fire Safety Observation & Emergency Evacuation Drills	Songkhla, Thailand	Health, Safety & Wellbeing	Social & Relationship (Page 369)
7	Empowering Young Minds – National Children's Day Initiative	Songkhla, Thailand	Education & Capacity Building	Social & Relationship (Page 359)
8	Educational Learning Resource Support for Local Schools	Songkhla, Thailand	Education & Capacity Building	Social & Relationship (Page 361)
9	Community Healthcare Support for Vulnerable Patients	Rattaphum, Thailand	Health, Safety & Wellbeing	Social & Relationship (Page 363)
10	Support for Visually Impaired & Vulnerable Children	Monaragala, Sri Lanka	Community Welfare & Poverty Alleviation	Social & Relationship (Page 368)
11	Occupational Health Protection Support for Municipal Workers	Monaragala, Sri Lanka	Health, Safety & Wellbeing	Social & Relationship (Page 363)
12	Large-Scale Community Protective Glove Donation Initiative	Sri Lanka	Health, Safety & Wellbeing	Social & Relationship (Page 370)
13	Transforming Learning Access – Parangiyawadiya School Support	Horowpathana, Sri Lanka	Education & Capacity Building	Social & Relationship (Page 357)
14	Parangiyawadiya Library & Digital Learning Access Initiative	Horowpathana, Sri Lanka	Education & Capacity Building	Social & Relationship (Page 357)
15	Community Preventive Healthcare & Eye Care Outreach	Colombo, Sri Lanka	Health, Safety & Wellbeing	Social & Relationship (Page 364)
16	Life-Saving Blood Donation Campaign – Firstlight 50th Anniversary Edition	Ratnapura, Sri Lanka	Health, Safety & Wellbeing	Social & Relationship (Page 355)
17	Flood Recovery & Humanitarian Relief Support	Hat Yai, Thailand	Emergency Response & Disaster Relief	Social & Relationship (Page 370)
18	Faith, Community & Social Harmony Programme	Kottawa, Sri Lanka	Culture, Harmony & Social Cohesion	Social & Relationship (Page 367)
19	Orphanage & School Support for Vulnerable Children	Maharashtra, India	Community Welfare & Poverty Alleviation	Social & Relationship (Page 363)
20	Medical Supplies Donation to Health Institution	Colombo, Sri Lanka	Health, Safety & Wellbeing	Social & Relationship (Page 363)
21	Strategic Medical Equipment Donation for Public Healthcare	Monaragala, Sri Lanka	Health, Safety & Wellbeing	Social & Relationship (Page 362)
22	Secret Santa Community Book Donation Initiative	Biyagama, Sri Lanka	Education & Capacity Building	Social & Relationship (Page 360)
23	Flood Relief Support for Farming Communities	Kegalle & Monaragala, Sri Lanka	Emergency Response & Disaster Relief	Social & Relationship (Page 370)

OUR PEOPLE

Scope	Activity Name	Location	Impact Area	Refer Capital for more Details of the Activity
24	Employee Appreciation & Recognition Celebration	Thailand	Employee Engagement & Recognition	Human (Page 285)
25	DPL 50th Anniversary Employee Celebration	Colombo	Employee Culture & Belonging	Human (Page 285)
26	Move for Hope – Run, Walk & Cycle Charity Movement	Colombo	Employee Wellbeing & Volunteerism	Human (Page 40)
27	Group-wide Safety Week & Workplace Safety Awareness Campaign	Sri Lanka	Occupational Health, Safety & Safety Culture	Human (Page 268)
28	Employee Celebration Across Locations	Multiple Locations	Employee Wellbeing & Engagement	Human (Page 285)
29	Employee Flood Relief Support for Affected Colleagues	Sri Lanka	Employee Wellbeing & Emergency Support	Human (Page 287)

OUR PLANET

Scope	Activity Name	Location	Impact Area	Refer Capital for more Details of the Activity
30	Mangrove Restoration & Environmental Conservation Initiative	Thailand	River, Ocean & Marine Conservation	Social & Relationship (Page 374)
31	Opening of EcoPulse Nature Reserve	Hanwella, Sri Lanka	Biodiversity Conservation	Natural (Page 465)
32	Native Tree Planting Initiative at Hanwella Eco Park	Hanwella, Sri Lanka	Forest Restoration	Natural (Page 467)
33	Community Clean-Up Programme	Biyagama, Sri Lanka	Pollution Prevention	Social & Relationship (Page 372)
34	EcoPulse Cloud Forest Restoration Initiative	Lindula, Sri Lanka	Forest Restoration	Natural (Page 468)
35	Coastal Biodiversity Restoration – Songkhla Lake	Thailand	River, Ocean & Marine Conservation	Social & Relationship (Page 374)
36	Circular Recycling & Waste Segregation Initiative	Thailand	Pollution Prevention	Social & Relationship (Page 373)
37	World Environment Conservation Community Clean-Up	Thailand	Environmental Advocacy & Partnerships	Social & Relationship (Page 373)
38	"Birds, Bees and Butterflies" established a sanctuary for all species	Hanwella, Sri Lanka	Biodiversity Conservation	Natural (Page 467)
39	Community Awareness on Co-Existence with Nature	Lindula	Environmental Advocacy & Partnerships	Natural (Page 471)
40	Lamphu Green Space Restoration Initiative	Songkhla, Thailand	Forest Restoration	Social & Relationship (Page 375)

OUR SUPPLIERS

Scope	Activity Name	Location	Impact Area	Refer Capital for more Details of the Activity
41	Farmer Laboratory & Service Enhancement Initiative	Monaragala, Sri Lanka	Strengthening Rural Supply Chain	Social & Relationship (Page 321)
42	Farmer Recognition & Appreciation Ceremony – Monaragala	Monaragala, Sri Lanka	Supplier Recognition and Appreciation	Social & Relationship (Page 338)
43	Farmer Recognition & Appreciation Ceremony – Kegalle	Kegalle, Sri Lanka	Supplier Recognition and Appreciation	Social & Relationship (Page 338)
44	Farmer Recognition & Appreciation Ceremony – Ratnapura	Ratnapura, Sri Lanka	Supplier Recognition and Appreciation	Social & Relationship (Page 338)
45	Farmer Recognition & Appreciation Ceremony – Akurassa	Akurassa, Sri Lanka	Supplier Recognition and Appreciation	Social & Relationship (Page 338)
46	Farmer Recognition & Appreciation Ceremony – Middeniya	Middeniya, Sri Lanka	Supplier Recognition and Appreciation	Social & Relationship (Page 338)
47	Education Support for FSC Farmer Families	Monaragala, Sri Lanka	Social Safeguarding & Support for Farmer Families	Social & Relationship (Page 356)
48	DPL Easy Pay Digital Farmer Payment Initiative	Monaragala, Sri Lanka	Digital Accessibility for Rural Farmer Network	Social & Relationship (Page 325)

OUR CUSTOMERS

Scope	Activity Name	Location	Impact Area	Refer Capital for more Details of the Activity
49	50th Anniversary Customer Appreciation Initiative	Global	Customer Relationship Stewardship	Social & Relationship (Page 293)

OUR SHAREHOLDERS

Scope	Activity Name	Location	Impact Area	Refer Capital for more Details of the Activity
50	50th Anniversary Bell Ringing Ceremony at the Colombo Stock Exchange	Colombo	Shareholder Engagement & Milestone Recognition	Social & Relationship (Page 37)

Awards and Recognitions

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.



Business Excellence

National Business Excellence Awards 2025

1. Overall Gold Award Winner
2. Gold Award Winner – Extra Large Category
3. Winner of Excellence in Corporate Governance and Strategy
4. Silver Award Runner-Up for Excellence in Global Market Reach
5. Gold Award Winner in the Manufacturing – Other Sector Category
6. Winner of Excellence in Environmental, Social and Governance

Innovation, Product & Manufacturing Excellence

Thai Ministry of Public Health's Food and Drug Administration (FDA) Quality Award 2026

7. Award for Excellence in Product Quality

Hayleys Chairman's Awards 2025

8. Winner – Hand Protection Category for Laurel Lite & Therm Chemical and Thermal Protective Gloves with Novel Dipping Technology
9. Merit Award – From Natural Rubber to Nitrile: A Breakthrough in Glove Manufacturing – Transformation of Legacy Infrastructure into a High-Demand Nitrile Production Line

Sustainability & Environmental Leadership

Best Corporate Citizen Sustainability Awards 2025

10. Winner of the Environment Integration Category
11. Recognised among the Top 10 Best Corporate Citizens in Sri Lanka

Presidential Environment Awards 2025

12. Highest Category Award - Silver in the Rubber-Basd Products Manufacturing Industries Category

Sri Lankan Sustainability Awards 2025

13. Winner of the Sustainable Eco Design Award
14. Winner of the Sustainable Construction in Manufacturing Award
15. Certificate of Recognition in Biodiversity

Sri Lanka Clean Energy Sustainability Leadership Awards 2025

16. Winner of the Project of the Year – Green Building (Solar Project) Category



Export & Market Leadership

National Chamber of Exporters Awards

17. Most Outstanding Exporter Overall
18. Gold Award Winner in the Rubber and Rubber Products Sector (Extra Large Category)
19. Best Performing Exporter in Emerging Markets
20. Highest Net Foreign Exchange Earner
21. Recognition of Differently Abled Persons in Export-Oriented Enterprises

Presidential Export Awards

22. Merit Award in the Latex Rubber Products Category

People, Diversity & Community Impact

The Great HR Awards by Chartered Institute of Personnel Management Sri Lanka (CIPM)

23. Winner of the Manufacturing Sector

SATYN Magazine's Women Friendly Workplace Awards 2025

24. Winner of the Women's Empowerment Beyond the Workplace to Rural Communities Category

Ceylon Chamber of Commerce's DEI Champions Awards 2025

25. Certificate of Excellence – Corporate Sector Special Jury Award

Governance & Reporting

CA Sri Lanka's TAGS Awards 2025

26. Gold Award in the Manufacturing Companies Category (Group Turnover Above LKR 50 Billion)
27. Certificate of Recognition for Integrated Reporting
28. Certificate of Recognition for Sustainability Reporting

CMA Excellence in Integrated Reporting Awards 2025

29. Winner of the Manufacturing Sector
30. Recognised among the Ten Best Integrated Reports

ACCA Sustainability Reporting Awards 2025

31. Winner of the Manufacturing Sector

National Supply Chain Excellence Awards

32. National Commendation Award of Excellence Best Supply Chain Practicing Organisation – Extra Large Scale Manufacturing)

Ceylon National Chamber of Industries (CNCI) Achiever Awards 2025

33. National Bronze Award in the Manufacturing Sector (Extra Large Category)

A Steadfast Legacy

Among the most enduring relationships within a coral reef ecosystem is that between the green sea turtle and the coral reef itself. Guided by the Earth's own magnetic field across thousands of kilometres of open ocean, green sea turtles return with remarkable constancy to the same reef systems and feeding grounds, decade after decade. There, they graze on the seagrass and algae that would shade and smother the coral beneath, depriving it of the sunlight it needs to survive and compromising the very foundations of the reef. It is a steadfast act of stewardship, one that has preserved the reef's equilibrium, vitality and continuity across generations.

For over five decades, leadership at DPL has provided the steady direction that has allowed our business to thrive. Grounded in values that have endured through changing industries and evolving landscapes, it continues to reinforce the foundations around us, guiding our people, our operations and our partnerships with clarity and purpose. It is this disciplined, long-term thinking that continues to shape a legacy of enduring strength, built to stand across generations.

LEADERSHIP



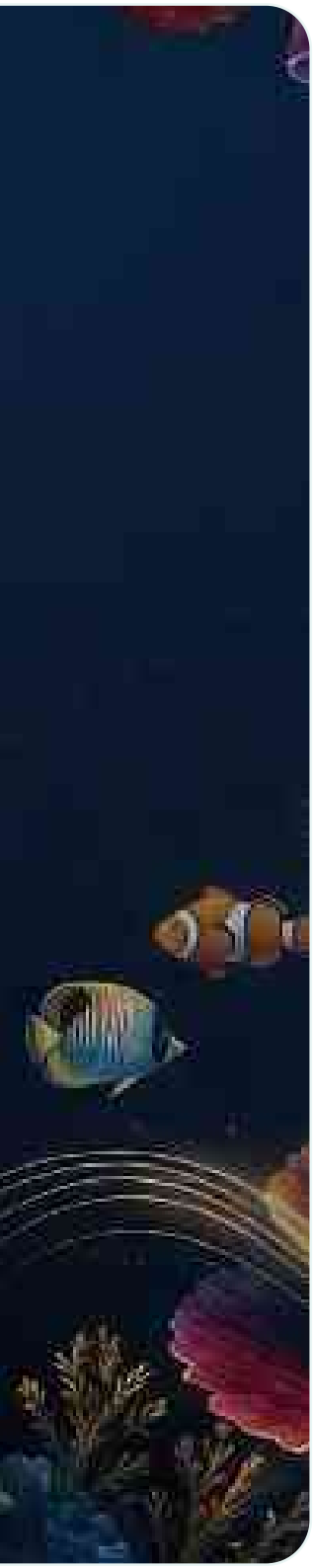
Joint Statement of the Chairman and the Managing Director



Mohan Pandithage

Executive Chairman

> The journey from our incorporation in 1976 to where we are today has been shaped by deliberate choices, long-term investments, operational discipline and the collective commitment of people who believed in the possibilities before them.



GRI 2-22, 2-14

Dear Shareholders,

It is with pride and strong sense of purpose that we present the Integrated Annual Report and Financial Statements of Dipped Products PLC for the financial year ended March 31, 2026. This year represents a defining moment in the history of our Company, as DPL marks its 50th anniversary; a milestone that invites both reflection and renewed ambition.

Five decades ago, DPL began with a vision to build a Sri Lankan manufacturing enterprise that could compete with confidence beyond its shores. Today, we stand as a globally trusted leader in advanced hand protection solutions, serving customers across more than 70 countries and representing the strength, discipline and potential of Sri Lankan industry on the world stage.

The journey from our incorporation in 1976 to where we are today has been shaped by deliberate choices, long-term investments, operational discipline and the collective commitment of people who believed in the possibilities before them. It is deeply fulfilling to reflect on how that conviction has translated into a business of scale, relevance and resilience, strengthened by a diversified global customer base, integrated supply networks, advanced manufacturing capability and a firm commitment to responsible growth.

Our purpose, Protecting You Always, has remained the core anchor of this journey. It is a promise that extends beyond the products we manufacture. It guides how we safeguard lives, support industries, strengthen partnerships, empower livelihoods and contribute to the communities and environments connected to our business.

During the year, this purpose found renewed expression as DPL celebrated its 50th anniversary through meaningful action. Across Sri Lanka, Thailand and India, teams came together to carry out 50 purpose-led initiatives spanning healthcare, education, rural livelihoods, environmental restoration, disaster response and employee engagement. These initiatives were a fitting tribute to five decades of progress, reminding us that the true measure of an organisation lies not only in the value it creates for itself, but in the value it creates for others.

Rs. 82 Bn
Revenue

Rs. 6.8 Bn
Profit Before Tax

Navigating Shifting Currents

The year under review unfolded against a global operating environment that remained complex and at times unpredictable. Geopolitical tensions, shifting trade dynamics, inflationary pressures, energy price volatility, raw material constraints and the increasing impact of climate-related disruptions continued to influence markets and supply chains across the world.

For export-oriented manufacturing businesses, these conditions required constant vigilance, disciplined operational management and the agility to respond as market conditions shifted. At the same time, global customers continued to place greater emphasis on supply continuity, quality assurance, regulatory compliance, traceability, responsible sourcing and credible environmental and social practices.

DPL's ability to navigate these conditions with stability is a reflection of the business model we have built over time. Our vertically integrated structure, diversified manufacturing capability, long-standing customer relationships, strong quality systems and continued investments in innovation, digital transformation, energy efficiency and responsible resource management enabled the Group to remain focused on value creation despite the external pressures that shaped the year.

A Year of Distinction - A Reef of Recognition

Our 50th year also stood as a period of recognition and affirmation, reflecting the strength of the organisation we have built and the confidence placed in DPL by the wider business community.

We commenced the year as the Overall Winner at the National Business Excellence Awards and concluded it with Sri Lanka's highest export honour as the Most Outstanding Exporter 2025 at the NCE Export Awards. Recognition in the Business Today Top 40, further reflected DPL's standing as a mature, trusted and high-performing organisation.

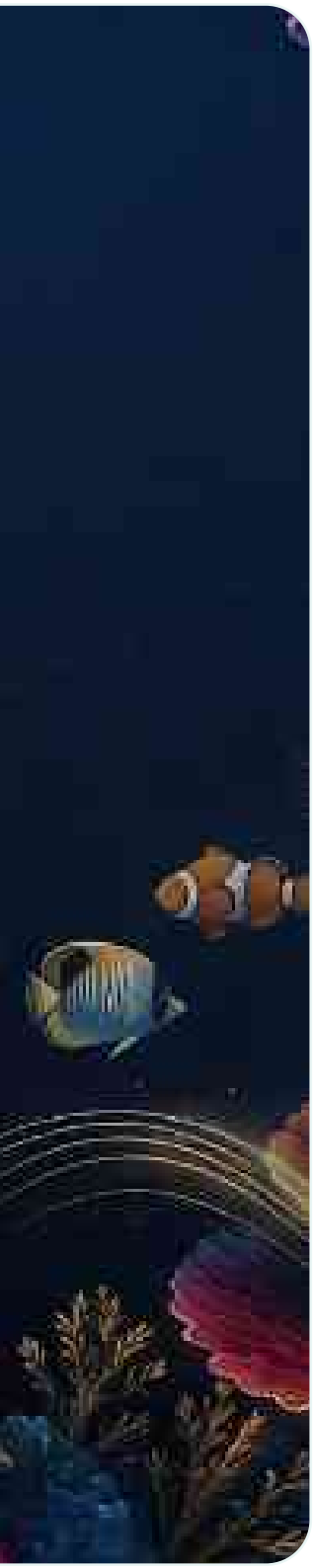
Joint Statement of the Chairman and the Managing Director



Pushpika Janadheera

Managing Director

> DPL's growth over five decades has not been defined by scale alone. It has been shaped by the depth and quality of the ecosystem we have built across manufacturing, sourcing, compliance, customer relationships and sustainability.



These accolades are not merely achievements. They are affirmations of our market leadership, governance standards, operational excellence and enduring stakeholder confidence.

Holding Steady Through the Currents

Against this backdrop, the Group delivered a measured yet resilient performance in FY 2025/26, underscoring the strength of our execution and the continued relevance of our strategic direction.

Group Revenue increased by 3% year-on-year to Rs. 82,044 million, reflecting stability amidst sectoral and macroeconomic pressures. The Hand Protection segment, which accounted for 62% of total Group Revenue, recorded a 10% increase in Revenue to Rs. 51,124 million. This performance was supported by value-added innovation, product diversification, market expansion and stronger customer partnerships across key geographies.

The performance of the Hand Protection segment is particularly encouraging given the dynamic nature of global demand and the increasing complexity of customer requirements. Strategic investments across Sri Lanka and Thailand continued to enhance our ability to serve premium and customised glove requirements with greater precision, consistency and responsiveness. These investments are aligned with our aspiration to deepen DPL's presence in higher-value hand protection categories while strengthening our global manufacturing base.

The Plantation sector faced a more challenging year, with Revenue declining by 6% to Rs. 31,244 million, mainly due to adverse weather conditions and softer commodity prices which affected both yield and quality. The performance of this sector reinforces the importance of productivity enhancement, climate adaptation and continued operational discipline in sustaining long-term value.

Despite the external pressures that shaped the year, the Group maintained a strong focus on efficiency and cost discipline. Gross Profit increased by 9% to Rs. 17,979 million, supported by ongoing efforts to improve productivity, adopt technology and optimise costs across the business.

Profit Before Tax stood at Rs. 6,834 million, while Profit After Tax amounted to Rs. 4,623 million for the year. The Group sustained dividend distributions, reaffirming its commitment to shareholder returns.

47
New Customers

94%
Customer Retention Rate

Total Assets increased by 15% to Rs. 86,012 million, further strengthening the Group's balance sheet and supporting our ability to invest in the next phase of growth.

Foundations Beneath the Reef

DPL's growth over five decades has not been defined by scale alone. It has been shaped by the depth and quality of the ecosystem we have built across manufacturing, sourcing, compliance, customer relationships and sustainability.

Today, the Group offers a portfolio exceeding 780 glove variants, enabling DPL to compete not only through manufacturing capacity, but through technical excellence, specialised product development and customer-specific solutions.

Our manufacturing footprint across Sri Lanka and Thailand is supported by a tightly integrated upstream network of 55 estates and over 6,000 latex producers. This structure provides supply security, operational control and strategic continuity, while enabling stronger traceability and responsible sourcing practices in line with evolving global expectations.

The Group's commitment to quality and compliance is reflected in 34 internationally recognised certifications, while its sustainability model is strengthened by approximately 94% renewable energy usage. These foundations position DPL as a globally competitive enterprise with the capacity to adapt, endure and lead through changing market conditions.

Layer by Layer: Five Decades of Progress

The evolution of DPL has been guided by a clear strategic philosophy: to build capability ahead of demand and invest with long-term conviction.

Joint Statement of the Chairman and the Managing Director

From the early years, DPL focused on strengthening manufacturing capability, governance and market confidence. The Company's listing on the Colombo Stock Exchange in 1982 reinforced public accountability and created a platform for disciplined growth.

The decades that followed were marked by purposeful integration across the value chain. Our entry into upstream rubber operations, together with investments in key manufacturing entities, enhanced control and capability, laying the foundation for the vertically integrated business we operate today.

The acquisition of ICOGUANTI in Italy in 2002 and the commencement of operations in Thailand in 2005 marked important steps in extending DPL's international presence, strengthening DPL's presence beyond Sri Lanka and laying the foundation for a more globally competitive manufacturing enterprise. More recently, the acquisition of Hi-Care Thai Gloves Co. Ltd. in 2025 further expanded our regional footprint and strengthened our global competitiveness.

Throughout this journey, the Group has continued to move into higher-value product segments, strengthen specialised manufacturing capabilities and embed digital systems across operations. Each phase of growth has contributed to a more integrated and globally relevant business, positioned to serve evolving customer needs with confidence.

Across Oceans and Markets

Rooted in Sri Lankan manufacturing excellence and strengthened by a global outlook, DPL continued to advance its international presence during the year.

The acquisition of Hi-Care Thai Gloves Co. Ltd. represented a significant step in strengthening our manufacturing base in Thailand while expanding our product range through the inclusion of low-weight glove capabilities. Together with our existing operations in Sri Lanka and Thailand, this expansion strengthens our ability to serve customers with greater continuity, flexibility and responsiveness.

> *"Throughout this journey, the Group has continued to move into higher-value product segments, strengthen specialised manufacturing capabilities and embed digital systems across operations."*

The development of marketing arms and market presence in key regions further supports our ambition to deepen customer engagement and improve access to emerging opportunities. As global supply chains continue to evolve, a wider international footprint enables DPL to manage risk more effectively while capturing growth across diversified markets.

The continued expansion of our global presence also reflects an important strategic priority: to ensure that DPL remains close to customers, responsive to changing demand and well positioned to compete in specialised and value-added categories where quality, reliability and trust are critical.

Building the Structures of Tomorrow

Innovation remains central to DPL's ability to create value in a specialised and increasingly demanding global hand protection market. During the year, the Group continued to strengthen its manufacturing footprint through strategic investments in advanced production infrastructure, robotic automation, capacity expansion and sustainable manufacturing systems, positioning DPL for the next phase of growth and export competitiveness.

During the year, the Group continued to progress several expansion and capacity enhancement initiatives across its manufacturing locations, including the Kottawa facility and Hanwella Rubber Products Limited. These initiatives include the development of advanced glove dipping plants, automation and robotic manufacturing technologies for specialised glove applications, and enhancements to natural rubber production capabilities. The projects are intended to strengthen operational efficiencies, support future capacity requirements, and further enhance the Group's export-oriented manufacturing capabilities.

Alongside physical infrastructure expansion, the Group continued progressing its Industry 4.0 transformation journey through investments in robotic dipping systems, the BID-eX Manufacturing Execution System, AI-enabled optimisation and advanced industrial automation technologies. These initiatives strengthened operational visibility, process control and data-driven decision-making across manufacturing operations, improving production efficiency, reducing material wastage and enhancing product consistency and quality execution. Our journey toward ISO 27001 certification further strengthens digital trust and reinforces the security and integrity of our systems.

Further, we also continued to invest in product development, sustainable innovation and customer-focused solutions that respond to evolving industry needs. Through the Interface Green sustainable innovation platform, the Group accelerated the development of next-generation products, launching 12 new products and securing two additional patents, bringing the total number of patents to 15.

These achievements reflect the strength of our innovation pipeline and our continued focus on product differentiation. Inroads were also made in specialised and niche glove categories, including higher-value Industrial, Sports, Electrical and emerging mobility-related applications. These areas represent important opportunities as customers increasingly seek solutions that combine safety, comfort, compliance and sustainability.

While digitalisation, automation and artificial intelligence continue to create significant opportunities for operational advancement, DPL remains committed to adopting these technologies with clear governance, strategic discipline and long-term purpose. For the Group, technology is not pursued as an end in itself, but as a key enabler of sustainable growth, manufacturing excellence and future-ready operations.

Our People: The Strength of Our Legacy

More than any system, strategy or investment, it is our people who remain the true strength of DPL.

Across our operations, the commitment and skill of our employees continue to shape the culture and performance of the Company. Their contribution has been central to our ability to navigate complex market conditions, maintain quality, pursue innovation and deliver consistently to customers around the world.

During the year, our people-first philosophy was recognised through the CIPM Great HR Award for the Manufacturing Sector. This recognition reflects the emphasis we place on engagement, leadership development, accountability, workplace dignity and employee well-being.

Our 50th anniversary created meaningful moments of unity and reflection across the organisation. The Move for Hope Run, Walk and Cycle brought employees together across locations, while celebrations and Long Service Awards recognised the loyalty and dedication of those who have contributed to DPL's journey over many years.

Safety and employee well-being remained key priorities throughout the year. DPL Safety Week, conducted across all Sri Lankan and Thailand operations, reinforced the shared responsibility we carry for workplace well-being. Our WRAP Certification further reflects our adherence to global standards in social compliance, human rights and responsible workplace practices.

As we look ahead, building future-ready leadership, strengthening talent pipelines and nurturing a culture of care, accountability and innovation will remain central to sustaining DPL's momentum.

Trust Anchored in Consistency

Customer trust has been one of the strongest constants in DPL's journey. Across global markets, customers continue to rely on DPL for quality, consistency, compliance and product integrity. During the year, DPL recorded no major customer-raised product compliance incidents, reflecting the strength of our assurance processes and our commitment to regulatory readiness across markets.

The Thai FDA Quality Award further affirmed our focus on product safety, compliance and continuous improvement. In a sector where trust is built through consistent performance over time, such recognitions carry deep significance.

The implementation of a new Customer Relationship Management system during the year marked an important step in strengthening responsiveness, improving customer insights and enabling more agile engagement across our global footprint. Together with our innovation-led approach and quality discipline, this contributed to a customer retention rate of 94%.

Our ability to sustain long-term relationships is grounded in a simple but powerful principle: trust must be earned continuously through performance, partnership and integrity.

Networks that Sustain the Whole

DPL's supplier ecosystem remains a strategic source of strength and value creation.

During the year, we continued to strengthen a diverse supplier network across small, medium and large-scale partners, supporting operational continuity, flexibility and responsible sourcing.

In Sri Lanka, the Firstlight Initiative remained central to our efforts to support rural farming communities and strengthen the long-term sustainability of the natural rubber industry. The digitisation of the Firstlight farmer network through DPL Easy-Pay improved efficiency, financial inclusion and transparency, while the establishment of the Monaragala latex collection and laboratory facility enhanced quality assurance and reliability at source.

Our Farmer Recognition and Appreciation Programmes held special significance during our 50th year, honouring the contribution of farming communities who have been deeply connected to our value chain and growth story.

We also progressed our readiness for EUDR compliance, strengthening traceability, responsible sourcing practices and supply chain integrity in line with evolving global regulatory requirements.

These initiatives reflect our belief that supply chains must be built not only for efficiency, but for transparency, shared progress and long-term continuity.

Protection Beyond the Shore

As DPL's role in global manufacturing continues to grow, so does our responsibility to the communities and environments connected to our operations.

Joint Statement of the Chairman and the Managing Director

During the year, our 50 purpose-led anniversary initiatives gave practical expression to this responsibility. These initiatives supported healthcare, education, rural livelihoods, environmental restoration, disaster response and employee engagement, reinforcing our belief that protection extends beyond the products we manufacture.

Together, these actions reflect a purpose that is lived, not merely stated. They show that protection, for DPL, is a wider responsibility to people, communities, industries and the natural world.

Governance that Holds the Structure

Strong governance continues to provide the foundation for DPL's growth, continuity and stakeholder confidence.

DPL's governance framework is strengthened by its alignment with the Hayleys Group's governance principles, while remaining firmly embedded in the Company's own oversight structures, policies and ethical standards. The Hayleys Way and the DPL Business Code of Conduct provide a clear ethical blueprint for our people, reinforced by a Group-wide zero-tolerance approach to bribery and corruption.

During the year, we advanced our reporting maturity through the adoption of SLFRS S1 and S2, complemented by first-time external assurance over sustainability-related financial disclosures. This represents an important step in strengthening transparency, credibility and stakeholder confidence in the way we measure and communicate sustainability-related risks and opportunities.

The Board remains committed to maintaining effective governance, strengthening risk management and ensuring that DPL continues to operate with integrity, accountability and foresight.

> *"A 50-year journey is never built by one generation alone. It is shaped by the vision of those who began it, the commitment of those who strengthened it and the belief of those who continue to carry it forward."*

Regenerating the Ecosystem We Share

Sustainability is deeply embedded in how DPL creates value. It shapes our strategy, informs our investments and strengthens our ability to respond to a rapidly changing operating environment.

During the year, our ESG leadership was recognised through multiple national accolades, including being named the ESG category winner at the National Business Excellence Awards. DPL also received recognition at the Sri Lanka Sustainability Awards, the Presidential Environment Award and the Best Corporate Citizen Sustainability Awards, where we were ranked among the Top 10 and secured the Environment Integration Category award.

The launch of the second edition of DPL Pulse: ESG Roadmap 2030, aligned with the enhanced Hayleys Lifecode framework, marked a significant progression in our sustainability journey. It provides a more structured and measurable pathway across our core pillars of Planet, People, Product and Partner.

Our inaugural ESG Forum further strengthened engagement, bringing together leading voices and cross-sector expertise to advance dialogue on sustainability issues most relevant to our business and stakeholders.

During the year, we also achieved ISO 50001 Energy Management System Certification and continued to invest in AI-driven energy optimisation and resource-efficient infrastructure. Our environmental and biodiversity-focused actions advanced through the launch of the EcoPulse Nature Reserve and the EcoPulse Cloud Forest Restoration Initiative, while DPTL Thailand's mangrove restoration and biodiversity programmes further extended this commitment across our regional footprint.

These initiatives support our transition toward lower-carbon operations while enhancing long-term competitiveness. As our business continues to grow, ESG integration will remain a key priority, not only as a responsibility, but as a strategic enabler of relevance and value creation.

Fortified for the Future

The pace at which the global business landscape is evolving can be both demanding and disorienting, as organisations navigate increasing geopolitical tensions, shifting trade policies, supply chain disruptions, currency volatility, inflationary pressures and rapidly evolving regulatory expectations. In addition, intensifying global competition, rising energy and logistics costs, changing workforce dynamics and continued pricing pressures within international markets continue to reshape the operating environment for export-oriented manufacturers.

At the same time, rapid technological advancement, sustainability-driven regulation, digital transformation and evolving customer expectations are reshaping industries and redefining competitiveness. While these shifts present new challenges, they also create meaningful opportunities for organisations that are agile, disciplined and forward-looking.

As DPL enters its next chapter, our ambition is clear. We will continue to expand our global footprint, strengthen our diversified manufacturing base across Sri Lanka and Thailand and deepen our presence in higher-value hand protection segments. The greenfield development at Katunayake will serve as an important growth platform, adding new capacity and strengthening DPL's ability to pursue innovation, advanced manufacturing and scale in the years ahead.

Our future will also be shaped by advanced manufacturing, robotics, intelligent automation, digital transformation and responsible AI adoption. These capabilities will enhance precision, productivity, agility and customer value, while positioning DPL to compete with greater strength in global markets.

Looking ahead, we remain conscious of the challenges that will continue to shape the operating environment. Trade policy uncertainty, raw material volatility, climate-related risks and evolving regulatory expectations will require discipline, foresight and continued investment in stability. Our focus on supply chain integrity, responsible sourcing and operational excellence will therefore remain central to our strategy.

Sustainability will continue to be a defining pillar of our growth. We will advance our commitments in climate resilience, biodiversity stewardship and responsible manufacturing, recognising that our future is tied to the prosperity of the economy, society and environment of which we are part.

Above all, our people will remain at the centre of this journey. Their capability, commitment and belief in DPL's purpose will determine how confidently we move forward.

Appreciation

As we close a year of deep significance, we do so with gratitude for every person who has been part of DPL's story. A 50-year journey is never built by one generation alone. It is shaped by the vision of those who began it, the commitment of those who strengthened it and the belief of those who continue to carry it forward.

We extend our sincere appreciation to our Deputy Chairman and the Board of Directors for their guidance, stewardship and confidence in the strategic direction of the Company. We are equally grateful to our management teams across the Group, whose leadership, discipline and resolve have helped DPL navigate a demanding operating environment while remaining focused on the future.

To every member of the DPL family across our manufacturing operations, global offices and international markets, we offer our heartfelt thanks. Your dedication is seen not only in the results we deliver, but in the care, precision and pride with which you carry out your work each day. You have been the strength behind our progress and will remain the force that shapes the next chapter of our journey.

We also extend our appreciation to our customers for the trust they continue to place in us, to our suppliers and farming communities whose contribution begins long before a glove is made, to our business partners who help extend DPL's reach across the world and to our shareholders whose confidence enables us to pursue our ambitions with clarity and conviction.

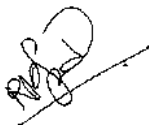
Fifty years have shaped who we are. The years ahead will define what we become.

With a strong foundation, a clear strategic direction and a purpose that continues to guide us, DPL moves forward with confidence, committed to creating enduring value for all those connected to our journey.

DPL is not only prepared for the future, we are positioned to shape it.



Mohan Pandithage
Chairman



Pushpika Janadheera
Managing Director

Board of Directors



MOHAN PANDITHAGE
Executive Chairman



RAJITHA KARIYAWASAN
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

GRI 2-11

Mohan Pandithage
Executive Chairman

Appointed to the Board on January 01, 2007

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

Since assuming the role of Chairman and Chief Executive of Hayleys PLC in 2009, Mr. Pandithage's strategic vision has redefined the growth trajectory of Hayleys, transforming the Hayleys Group to one of Sri Lanka's most diversified, sustainable and socio-economically impactful enterprises. His foresight in capturing emerging opportunities and driving strategic investments in key industries have significantly enhanced the Group's earnings potential and long-term resilience and he was named as 'Business Leader For the Year 2025' by LMD. Mr. Pandithage is an accomplished industry veteran and respected leader in the field of transportation and logistics, having led the Group's Transportation Sector prior to this appointment as Chairman of the Hayleys Group. He was the first Sri Lankan to be awarded the Pinnacle Lifetime Award by the Chartered Institute of Logistics and Transport and has been honoured with the prestigious 'Best Shipping Personality' Award by the Institute of Chartered Shipbrokers, in recognition of his outstanding contributions to the industry. He was also inducted as a 'Legend of Logistics' by the Sri Lanka Logistics and Freight Forwarding Association.

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. Mr. Pandithage also serves as Honorary Consul of the United Mexican States (Mexico) to Sri Lanka.

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 Fabric PLC, Singer (Sri Lanka) PLC, Hayleys Fibre PLC, Talawakelle Tea Estates PLC, Kelani Valley Plantations PLC, Horana Plantations PLC, Alumex PLC, The Kingsbury PLC and Hayleys Leisure PLC. He also serves as a Non-Executive Director on the Board of Diesel & Motor Engineering PLC.

Rajitha Kariyawasan
Executive Deputy Chairman

Appointed to the Board on May 16, 2016

Mr. Rajitha 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. He is 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. 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.

He is also a Director of Hayleys PLC, Hayleys Fibre PLC and of companies in the Purification, Hand Protection and Eco Solutions sectors of the Hayleys Group.

Pushpika Janadheera
Managing Director

Appointed to the Board on August 01, 2017

Mr. Pushpika 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.

Fellow Member of the CA Sri Lanka (Institute of Chartered Accountants of Sri Lanka), Associate Member of the Chartered Institute of Managements Accountants (CIMA-UK), Associate Member of Global Management Accountants (CGMA) of UK and the National Institute of Accountants of Australia. He holds BSc 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. He was a Council Member of the Institute of Chartered Accountants of Sri Lanka.

He is also a Director of several companies in the Hand Protection sector of the Hayleys Group.

Sarath Ganegoda
Non-Executive Director

Appointed to the Board on September 01, 2009

Mr. Sarath Ganegoda is an accomplished corporate leader counting over 30 years of multifaceted experience across diverse industries. He has held several senior leadership positions in large private sector organisations in Sri Lanka and overseas. Having served the Hayleys Group between 1987 and 2002, he rejoined in 2007 and was appointed to the Group Management Committee the same year. Mr. Ganegoda was appointed to the Board of Hayleys PLC on 24th September 2009. He is currently

responsible for the Strategic Business Development Unit and Group Information Technology of Hayleys PLC. He is also the Deputy Chairman of Alumex PLC.

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

Mr. Ganegoda is an Executive Director of Hayleys PLC and Non-Executive Director of Haycarb PLC, Hayleys Fabric PLC, Hayleys Fibre PLC, Kelani Valley Plantations PLC, Horana Plantations PLC, Singer (Sri Lanka) PLC, The Kingsbury PLC and Hayleys Leisure PLC. He serves on the Boards of several private and unlisted public companies in the Hayleys Group.

Ramesh Nanayakkara

Executive Director – Overseas Operations

Appointed to the Board on July 01, 2014

Mr. Ramesh 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.

He is also a Director of several companies in the Hand Protection sector of the Hayleys Group.

Gamini Gunaratne

Non-Executive Director

Appointed to the Board on August 06, 2015

Mr. Gamini Gunaratne has held diverse leadership positions in both private and state sector organisations. He previously served as Vice Chairman of National Water Supply and Drainage Board.

He presently serves as a Non Executive Director of Hayleys PLC, Horana Plantations PLC, Vallibel Power Erathna PLC, Swisstek Ceylon PLC, East West Properties PLC, Hiru Rice Products (Private) Limited and Sri Lanka Institute of Information Technology (Guarantee) Limited (SLIIT). He is also the Chairman of Lanka Hotels and Residencies (Pvt) Ltd (Sheraton Colombo).

Indika Prasad

Executive Director - Sales & Marketing

Appointed to the Board on September 01, 2018

Mr. Indika 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.

He is also a Director of several companies in the Hand Protection sector of the Hayleys Group.

Chandika Ratnasiri

Executive Director - Engineering & Projects

Appointed to the Board on April 01, 2022

Mr. Chandika Ratnasiri joined Dipped Products PLC in 2007 and serves as Director – Engineering & Projects, overseeing Group-wide engineering initiatives and leading the maintenance and reliability of manufacturing operations across facilities in Sri Lanka and Thailand. He plays a key role in driving capital investment, automation, and operational excellence aligned with the Group's long-term strategic objectives.

He holds a Bachelor of Science (BSc) and a Master of Science (MSc) in Engineering with First Class Honours from Moscow State University, USSR, and is a Member of the Institution of Engineering and Technology (MIET), UK.

With over three decades of experience, Mr. Ratnasiri has held senior leadership roles in multinational organisations across Sri Lanka, Europe, and the ASEAN region. He has a strong track record in delivering large-scale industrial projects, driving process optimisation, and integrating advanced technologies to enhance operational efficiency and resilience.

He also leads the environmental sustainability pillar of the Group's ESG initiatives, supporting its commitment to responsible and sustainable manufacturing.

He is also a Director of D P L Universal Gloves Limited.

Ms. Brindhiini Perera

Non-Executive Director

Appointed to the Board on October 19, 2022

Ms. Brindhiini Perera holds a Master's degree in Mechanical Engineering from Imperial College London. She brings several years of experience across both publicly listed and privately held companies, serving in director-level positions and contributing to strategic oversight and business growth initiatives.

Ms. Perera adds an important technical dimension to Board deliberations through her background in mechanical engineering. Her understanding of manufacturing environments, industrial processes and operational efficiency brings valuable perspective to discussions relating to the Group's manufacturing and industrial operations.

Ms. Perera serves as Director of 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, The Fortress Resorts PLC, Delmege Limited, Otwo Biscuit (Private) Limited, The Canbury Biscuit Company Limited, Manatee Clothing Company (Pvt) Ltd, Eurocarb Products Ltd (UK), Haylex Ltd (UK) and Dhammika & Priscilla Perera Foundation.

Board of Directors

Nanda Fernando

Independent Non-Executive Director

Appointed to the Board on January 03, 2024

Mr. Nanda Fernando is a Banker with over four decades of experience in banking. He currently serves as a Business Consultant. He is the Managing Director of Professional Business Consultants (Pvt) Ltd; a Company engaged in providing financial planning and advisory services.

He is engaged in uplifting productivity in companies, resulting in increased stakeholder benefits. He possesses a proven track record of strategic leadership, business growth, and exceptional financial performance. He provided effective leadership to Sampath Bank, utilizing his expertise to drive organizational success and deliver exceptional value to stakeholders. He is also well-known for his proven professional skills in Financial Management and Analysis, Business Development and Growth, Risk Management and Compliance, Team Leadership and Talent Development, Operational Excellence, Stakeholder Engagement, and Relationship Management.

Prior to his current role, Mr. Fernando was attached to Sampath Bank as its Managing Director. He served Sampath Bank for 36 years from the year of its inception. Earlier in his career, he served Hatton National Bank PLC for almost 6 years.

He is a Senior Fellow of the Institute of Bankers Sri Lanka and possesses a Master of Business Administration from Sikkim Manipal University, India

Mr. Fernando serves as an Independent Non-Executive Director of Haycarb PLC, Hatton National Bank PLC, Assetline Finance PLC, R I L Property PLC, and as a Non-Executive Director R-E-D Capital Asia (Pvt) Ltd.

Professor Arjuna De Silva

Independent Non-Executive Director

Appointed to the Board on January 03, 2024

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

Professor De Silva is a Board Certified Specialist in General Medicine and was awarded FRCP from the Royal College of Physicians London, and a Board Certified trainer in Gastroenterology. He 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, as the Team physician for the London Olympics, Head of the Sri Lanka Cricket Medical Advisory Committee and Member of the Medical panel for the National Cricket Team. He also served as the Chairman of the South Asian Regional Anti-doping Agency, Sri Lanka Anti-Doping Agency (SLADA), and George Steuart Finance Limited, and as a Director of Sri Lankan Airlines Limited. He has served as a Member of the National Science and Technology Commission, a Member of the National Sports Council, Member of the Board of Management of the Post Graduate Institute of Medicine Colombo and Associate Editor of the World Journal of Gastroenterology.

Yohan Perera

Senior Independent Director

Appointed to the Board on April 01, 2024

Mr. Yohan Perera is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA) and a Fellow Member of the Chartered Institute of Management Accountants (FCMA)- UK. He served as the Managing Partner of KPMG Sri Lanka and Maldives whilst 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. He has over 40 years of experience in audits of conglomerates and listed companies with diversified business interests.

Mr. Perera served as the President of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) during the years 2006 and 2007 and was a former Chairman of the Sri Lanka Auditing Standards Committee. He also served as a Board Member of the Confederation of Asian and Pacific Accountants (CAPA), one of four regional organizations (ROs) recognized by the International Federation of Accountants (IFAC).

He currently serves as an Independent Non-Executive Director on the Boards of Hayleys PLC, Haycarb PLC, Overseas Realty (Ceylon) PLC, Commercial Bank of Ceylon PLC, E. B. Creasy & Co. PLC, Laxapana PLC, Muller & Phipps (Ceylon) PLC and World Vision Lanka. Has served as a Commissioner of the Securities & Exchange Commission of Sri Lanka, Member of the Monetary Policy Consultative Committee of the Central Bank of Sri Lanka. Member of the Governing Council of the Post Graduate Institute of Management of the University of Sri Jayewardenepura.

Ms. Anomi Wanigasekera

Independent Non-Executive Director

Appointed to the Board on December 04, 2024

Ms. Anomi Wanigasekera is the Senior Partner of Julius & Creasy, a prominent law firm in Sri Lanka, founded in 1879 and also heads the Intellectual Property Division of the firm. Ms. Wanigasekera is a leading Commercial Lawyer with a wealth of knowledge and extensive experience of over 42 years.

Ms. Wanigasekera is a Life Member of the Bar Association of Sri Lanka and Colombo Law Society. She holds a Master's degree from the University of Wales on International Trade Law and holds Diplomas in Intellectual Property Law, International Trade Law, Banking and Insurance Law of the Institute of Advanced Legal Studies of the Incorporated Council of Legal Education expanding her legal knowledge in distinct fields of law. She has contributed to many local as well as international journals on different topics.

Ms. Wanigasekera has extensive experience in all Intellectual Property prosecution as well as enforcement matters and transactional matters. Ms. Wanigasekera also overlooks drafting and reviewing of contracts and advises on regulatory compliance matters.

She is an Independent Non-Executive Director of Haycarb PLC and Horana Plantations PLC. She is also a Member of the International Trademark Association (INTA) and co-chairs the INTA General Advisory Council South Asia region for the term 2026–2027, Member of the INTA Unfair Competition Committee for the term 2026-2027, Member and Councilor of the Asian Patent Attorneys Association (APAA) and the Vice President of the APAA Sri Lanka Group.

Timothy Speldewinde

Independent Non-Executive Director

Appointed to the Board on April 01, 2025

Mr. Timothy 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.

Mr. Speldewinde serves as an Independent Non Executive Director of Hayleys PLC, Haycarb PLC and Hayleys Fabric PLC. He also serves as an 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 PLC. He is also Director of Contemporary Ceylon (Pvt) Ltd.

Dr. Upul Ratnayake

Executive Director - Technical & R&D

Appointed to the Board on April 01, 2025

Dr Upul Ratnayake joined Dipped Products PLC in 2016 as Group Manager – Research & Development and was subsequently appointed General Manager/Head of Technical and Research & Development in 2017. In 2025, he was appointed to the Board as an Executive Director.

Dr Ratnayake holds a PhD in Polymer Technology and Material Engineering from Loughborough University UK, a Postgraduate Diploma in Chemical Analysis from University of Colombo, and a BSc in Applied Sciences from University of Sri Jayewardenepura.

He was a founding member of the Sri Lanka Nanotechnology Initiative and played a key role in the establishment of Sri Lanka Institute of Nanotechnology, where he served as a Senior Scientist. With over 25 years of experience in research and development within the rubber and latex industry, he specializes in nanomaterial-enabled rubber-based products and advanced material technologies.

Dr Ratnayake currently serves as an External Member of the Faculty Board of the Faculty of Applied Sciences at the University of Sri Jayewardenepura. He is a Fellow Member and former Vice President of the Plastics and Rubber Institute of Sri Lanka (PRISL). He was awarded the President's Award for Scientific Publications in 2009 and the National Technology Award in 2016 by the National Science Foundation. In addition, he serves as a Visiting Lecturer and External Examiner at both 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 & Legal



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



Amila Priyadarshana
Chief Financial Officer



Andrea Certusi
Country Manager -
ICOGUANTI



Gaurav Sharma
Country Manager -
DPL India



Pradeep Silva
General Manager
Engineering

The Corporate Management



HAND PROTECTION SECTOR

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 - (Thailand Operations)

Ms. Vasana Wanigasekara
Sales

Thusitha Perera
Human Resources & Legal

Nilaksha Pushpakumara
Operations

Sampath Kumara
Procurement & Logistics

Asanka Fonseka
Sales & Marketing (DUGL/SPG)

Amila Priyadarshana
Finance

Pradeep Silva
Engineering

Thomas Taddei
Country Manager - (DPL France)

Andrea Certusi
Country Manager - (ICOGUANTI)

Gaurav Sharma
Country Manager - (DPL India)

DEPUTY GENERAL MANAGERS

Tilak Warakawalage
Operations (DL)

Gamini Karunarathne
Process

Randika Prasad
Operations (Thailand Operations)

ASSISTANT GENERAL MANAGERS

Nishan Buddhika
Finance

GROUP MANAGERS/FACTORY MANAGERS

Chamara Wimalawardena
Factory Manager (HL)

Nishantha Jayasinghe
Factory Manager (DPL Biyagama)

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 Packing Operations

Dinesh Wickramasuriya
Group Logistics

Dinesh Thandakkara
Group Sales

Kapila Harischandra
Group Environment

Tiron Peiris
Group Process Excellence

Lakmal Wickramaarachchi
Group Packing Materials

Danushka Rathnayake
Group Projects

Kalana Devapriya
Group Quality Systems

Ms. Devaki Rodrigo
Group Laboratory

Jayanath Rupasinghe
Group Energy

Ms. Shevanthie Perera
Group Marketing & Corporate Communications

Nithipong Navaparitthikul
Group QA/QC/WT (Thailand Operations)

Nipol Samolee
Group HR/SMR/Packing/ME (Thailand Operations)

Ms. Selvaraj Princy
Group R&D and Process Control (Thailand Operations)

Suresh Karunathilake
Group Finance (Thailand Operations)

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. Vinodani Dabare
Regional Business Development

Nilush Kumara
Compounding (HL)

Suranga Hettiarachchi
Production (DPL Biyagama)

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)

Indika Wickramaratne
Information Technology

Ms. Saranika Kumararathne
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)

Buddhika Ariyarathne
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 (DPL Biyagama)

Chathuranga Vijayananda
Finance

Gihan Udagama
Finance

Indika Krishantha
Central Warehouse (DPL Biyagama)

Mahendra Ariyapala
Health & Safety

Lakshitha Chathuranga
Operations (DUGL)

Amila Bandara
Engineering (HL)

Jinesh Munasinghe
Business Development (Disposable Gloves)

Ms. Sanjeewani Abeysinghe
Human Resources & Administration (Non-Zone)

Chandana Ranaweera
Finance

Thakshila Weerarathna
International Sales

Suditha Shamika
Engineering (DL)

The Corporate Management

Thisara Shanuka
Production (DPL Biyagama)

Ms. Devika Herath
Quality Systems (DPL Biyagama)

Sugath Peiris
Supply Chain

Rasanga Gammanpila
Finance Processes

Ben Fernando
Customer Service

Ranuka Abeywardena
Regional Business Development

Chamika Deshan
TSP Operations (DPL Biyagama)

Ms. Siriwan Jindarat
Business Development
(Thailand Operations)

Ms. Sasithorn Chuaybumrung
Procurement (Thailand Operations)

Sanjaya Kumara
Engineering (Thailand Operations)

Ms. Orawan Chaiharn
Environment Safety and Health
(Thailand Operations)

Muhammadsukree Hayeelapeh
Administration/QMR (Thailand Operations)

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)

Luca Pavesi
Commercial -Agents (ICOGUANTI)

Ms. Kelly Bui
Finance (DPL France)

Laurent Soubigou
IT (DPL France)

Lukasz Grzechnik
Commercial (Rozenbal Polska)

Ms. Joanna Kamieniecka
Finance (Rozenbal Polska)

Piotr Lewandowski
Logistics (Rozenbal Polska)

Benley Costa
International Sales (Thailand Operations)

Nobel Sebastian
Finance (Hi-Care)

Pramual Thongrakjan
Production (Hi-Care)

Kapila Jeewantha
Regional Business Development
(DPL Middle East)

Rajitha Bandara
Regional Business Development
(DPL Middle East)

Bappa Khan
Regional Business Development
(DPL India)

Paidi Dileep
Regional Business Development
(DPL India)



PLANTATION

Mohan Pandithage
Chairman

Dr. Roshan Rajadurai
Managing Director - KVPL/TTE/HPL

KELANI VALLEY PLANTATIONS PLC

Senaka Alawattegama
Director/CEO

OPERATIONAL DIRECTORS

Viren Ruberu
Low Country

Vidura Weerabahu
Finance

Dilum Pathirana
Up Country

Indra Gallearachchi
Up Country Crop Diversification

GENERAL MANAGERS

Dr. Anuruddha Gamage
Human Resources & Corporate
Sustainability

Madhawa Wickramaratne
Marketing

REGIONAL GENERAL MANAGERS

Senaka Fernando
Dewalakande

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

Chandana Senevirathne
Finance

TALAWAKELLE TEA ESTATES PLC

Nishantha Abeysinghe
Director/CEO

OPERATIONAL DIRECTORS

Kosala Wijesekera
Plantation

Gimhan Jayathilake
Plantation

Thusitha Rodrigo
Strategic Performance Management

Ms. Vindya Perera
Finance

GENERAL MANAGERS

Krishna Ranagala
Sustainability & QSD

SNR. DEPUTY GENERAL MANAGER – ESTATES

Eranga Egodawela
Bearwell

Bandara Dassanayake
Agro Forestry and Projects

HORANA PLANTATIONS PLC

Johann Rodrigo
Director/CEO

Buddhi Gunasekara
Director Plantation - Low Country

Manik Weerasinghe
Director Plantation - Tea

GENERAL MANAGERS

Ajith Nissanka
Finance

Pushpika Samarakoon
Corporate Affairs

Wasantha Gunawardene
Marketing



An Evolving Legacy

Among the most adaptive relationships within a coral reef ecosystem is that between the seahorse and sea fan coral. Guided by awareness, balance and intelligent positioning, seahorses anchor themselves to sea fan corals using their prehensile tails, remaining stable and conserving energy as currents and conditions shift around them. The sea fan coral, in turn, relies on those very currents to filter nutrients and sustain its own growth, its branching structures providing the grip and shelter that allow the seahorse to hold steady in waters that are constantly in motion. It is this stillness within change, each depending on the other to endure, that sustains the wider reef through uncertainty and evolution.

At DPL, our strategic direction is shaped by this same balance of adaptability and long-term stability. Grounded in the values and foundations that have guided the Company over five decades, our strategy continues to evolve in deliberate response to shifting industries, emerging technologies and new opportunities. By aligning our capabilities, investments and partnerships as one interconnected ecosystem, we strengthen our collective resilience, respond with confidence to evolving conditions and position the Company for sustained, long-term growth.

THE STRATEGIC REPORT



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
- Rs. 43.5 Bn Equity
- Rs. 17.6 Bn Debt



HUMAN CAPITAL
- 18,207 Employees
- Rs. 45 Mn Investment in training and development

MANUFACTURED CAPITAL
- 7 Manufacturing locations
- 55 Estates
- Rs. 7.8 Bn investment in property plant and equipment
- Rs. 1 Bn Investment in energy and water

INTELLECTUAL CAPITAL
- 19 R&D experts
- 34 Accreditations and certifications

SOCIAL AND RELATIONSHIP CAPITAL
- Rs. 35+ Mn Investment in community development
- Rs. 26 Bn Payment to suppliers

NATURAL CAPITAL
- 64,771 acres Land extent
- 38,002 Mt Raw materials consumption
- 2.22 GJ Mn Energy consumption
- 2.3 m^3 Mn Water consumption

VALUE CREATION PROCESS ACTIVITIES

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

OUR PURPOSE
Protecting you always.

OUR MISSION
DPL strives to be the preferred global hand protection provider.

OUR VISION IS BASED ON SIX STRATEGIC PILLARS

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

OUR BUSINESS IS DRIVEN BY TWO VERTICALS



HAND PROTECTION
- Procurement of raw materials
- Research and development
- Quality Assurance
- Packaging
- Global Marketing and Distribution



PLANTATIONS
- Land Management
- Cultivation
- Harvesting
- Processing & Manufacturing
- Marketing and Sales

CORPORATE GOVERNANCE

RISK MANAGEMENT

OUTPUTS

- Rs. 82 Bn Group Revenue
- Rs. 6.8 Bn Group PBT

- 689 New employees
- 50 Hours of training per employee
- Rs. 6.5 Bn Payments to employees

- 01 new plant facilities
- Rooftop solar across 05 operational sites
- Platinum LEED certification for the sports glove factory
- Rs. 81 Mn Cost saving from efficiency initiatives

- 02 new Patents applied
- 12 New products developed in 2024/25



- 30,000+ CSR beneficiaries reached
- 66% Existing suppliers evaluated
- 47 new customers acquired

- 233,957 $MtCO_2e$ Emissions generated
- 6,321 Mt Waste generated
- 94% Renewable energy used

OUTCOMES

- 10% Return on Equity (ROE)
- Rs. 5.88 Earnings per Share (EPS)
- Rs. 2.13 Dividend per Share



- High calibre team
- Rs. 30 Mn Revenue per Employee
- Rs. 11 Mn value added per employee
- Employee retention ratio 80%

- The first green building-rated factory in Sri Lanka
- Improved productivity
- Enhanced efficiency
- High-quality products
- Sustainable production

- Enhanced Advanced technology
- State-of-the-art manufacturing facilities
- Cost optimisation efficiency gains

- 65% local procurement
- 94% customer retention
- Increased local economic value creation

- 94% renewable energy utilisation
- 6.6 Mn kWh renewable energy generated
- 224,645 m^3 water recycled/reused
- 15 environmental stewardship initiatives implementeddeve

IMPACT

Strategic Piller:

Relavant Stakeholders:

Relavant SDGs:

Strategic Piller:

Relavant Stakeholders:

Relavant SDGs:

Strategic Piller:

Relavant Stakeholders:

Relavant SDGs:

Strategic Piller:

Relavant Stakeholders:

Relavant SDGs:

Strategic Piller:

Relavant Stakeholders:

Relavant SDGs:

Strategic Piller:

Relavant Stakeholders:

Relavant SDGs:

Responding to Our Stakeholders

GRI 2-26, 2-29

At DPL, stakeholder engagement is central to the way we operate and grow. We believe that strong, transparent, and continuous dialogue with our stakeholders creates mutual value and fosters long-term trust. Through ongoing engagement, we gain insight into evolving stakeholder expectations and address them proactively. Stakeholder prioritisation is guided by their influence on our business and their potential impact on our operations. An overview of our stakeholder engagement activities during the year is presented below.

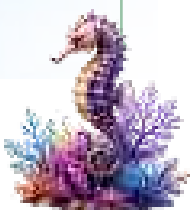
Our Stakeholder Engagement Process

Step 1
Stakeholder mapping
Criteria for identifying and prioritising stakeholders

Step 2
Determine approach
Determine the engagement approach and mechanisms, including the required intensity, frequency, and logistics

Step 3
Conduct engagement
Conduct stakeholder engagement according to the criteria identified under step 2 above

Step 4
Review feedback
Identify risks/ opportunities from feedback and determine actions



Impact on stakeholder			
L	M	H	
Low	Medium	High	

Level of engagement		
Low	Medium	High

INVESTORS & SHAREHOLDERS

Level of engagement: ● Impact on stakeholder: H

Methods of Engagement

- 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)

Key Concerns Raised

- Strength of governance and risk management
- Strategic resilience and execution
- Capital allocation effectiveness
- Growth opportunities
- ESG performance and commitments
- Share price performance
- Macroeconomic risk exposure
- Transparent and timely communication

Our Response

- Strong corporate governance framework
- Proactive and integrated risk management practices
- Prudent financial management with a focus on balance sheet strength and liquidity
- Effective execution of our strategy, delivering strong earnings growth
- Capacity expansion to meet emerging and future demand
- Exploration of opportunities in new and existing markets
- Implementation of the DPL Pulse ESG roadmap

Value Created	Relevant Material Topics	Link to Capitals	Relevant Strategy Pillar
10% Return on Equity	• Regulations and compliance • Macro-economic impacts • Operational efficiency and productivity • Market presence • Energy consumption • Technology and product innovations		

CUSTOMERS

Level of engagement: Impact on stakeholder: H

Methods of Engagement

- 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)

Key Concerns Raised

- High product quality
- Consistent and reliable supply
- Competitive pricing
- Ease and efficiency of transactions
- Assured quality of processes, systems, and products
- Responsible and sustainable operations
- Social and environmental stewardship

Our Response

- Ongoing investments in innovation and value-added solutions
- Investments to enhance distribution efficiency and effectiveness
- Sustained focus on product and process sustainability
- Integration of sustainable practices into business processes and decision-making
- Continuous compliance with quality, safety, and environmental certifications

Value Created	Relevant Material Topics	Link to Capitals	Relevant Strategy Pillar
81% Customer Satisfaction Rate	• Product responsibility • Product quality • Product & Packaging lifecycle • Customer satisfaction • Customer requirements on sustainability • Climate change adaptation		

EMPLOYEES

Level of engagement: Impact on stakeholder: H

Methods of Engagement

- Engagement through trade unions (ongoing)
- Performance appraisals (annual)
- Staff meetings (ongoing)
- Work-life balance initiatives (ongoing)
- Grievance mechanism (ongoing)

Key Concerns Raised

- Adequate and competitive remuneration structures
- Safe, inclusive, and conducive working environment
- Attractive rewards and benefits, including healthcare coverage
- Promotion of physical and mental well-being
- Continuous learning, skills development, and career advancement opportunities

Our Response

- Sustained investment in training and skills development
- Enhancement of employee facilities and working conditions
- Provision of financial and non-financial support mechanisms
- Continued focus on occupational health, safety, and well-being
- Constructive and regular engagement with trade unions

Value Created	Relevant Material Topics	Link to Capitals	Relevant Strategy Pillar
80% Employee Retention Rate	• Regulations and compliance • Operational efficiency and productivity • Operational safety and emergency preparedness		

Responding to Our Stakeholders

SUPPLIERS & BUSINESS PARTNERS

Level of engagement: ● Impact on stakeholder: H

Methods of Engagement

- Supplier forums (annual)
- Relationship managers (ongoing)
- Firstlight Programme (ongoing)
- Corporate website (ongoing)
- Press releases (when required)
- One-to-one engagement (when required)

Key Concerns Raised

- Commitment to ethical business conduct
- Fair, transparent, and predictable pricing mechanisms
- Timely settlement of payments
- Consistent demand and long-term supplier relationships
- Efficient and transparent transaction processes
- Financial support to mitigate import restrictions
- Supplier competency development and capacity building

Our Response

- Timely payments to support uninterrupted supplier operations
- Greater transparency on future demand
- Supplier development initiatives
- Financial and non-financial support to ensure supplier sustainability

Value Created	Relevant Material Topics	Link to Capitals	Relevant Strategy Pillar
65% of our natural latex is procured from 4,800+ local farmers through the Firstlight programme	• Environmental and social issues along the supply chain • Product responsibility • Product quality • Regulations and compliance • Product & Packaging lifecycle • Human rights assessment		

COMMUNITIES

Level of engagement: ● Impact on stakeholder: M

Methods of Engagement

- CSR and community development initiatives (ongoing)
- Grievance mechanisms (ongoing)
- Press releases (when required)



Key Concerns Raised

- Promotion of local employment and livelihoods
- Investment in community development and corporate social responsibility initiatives
- Proactive management to minimise environmental impacts

Our Response

- Promoting employment opportunities in local communities
- Proactive management of environmental impacts arising from operations
- Sustained investment in community engagement and development programmes

Value Created	Relevant Material Topics	Link to Capitals	Relevant Strategy Pillar
515,000+ CSR Beneficiaries	• Regulations and compliance • Impacts of infrastructure and project development • Water discharge and effluents • Community and livelihood development		

GRI 207-3

GOVERNMENT & REGULATORS

Level of engagement: Impact on stakeholder: L

Methods of Engagement

- 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)

Key Concerns Raised

- Contribution to national export earnings and foreign exchange inflows
- Payment of taxes in support of government revenue
- Alignment with national economic development objectives
- Full compliance with relevant regulatory requirements
- Commitment to positive societal and environmental outcomes

Our Response

- Full compliance with all applicable government regulations and guidelines
- Maintaining close, transparent, and constructive relationships with relevant regulatory authorities
- Timely payment of taxes and statutory obligations
- Generation of export income to support Sri Lanka's balance of payments
- Employment generation and contribution to community development

Value Created	Relevant Material Topics	Link to Capitals	Relevant Strategy Pillar
100% Compliance with government regulations and guidelines	• Regulations and compliance • Human rights assessment		

Mechanisum for seeking advice and rasing concerns

DPL maintains confidential and accessible mechanisms that enable employees, suppliers, customers, communities and other stakeholders to seek advice on responsible business conduct and report actual or suspected misconduct. Concerns may be raised through dedicated reporting channels, including anonymous reporting options, and are reviewed through an independent investigation process that safeguards confidentiality and protects whistleblowers from retaliation, refer pages 431 and 432 for more details for whistleblower procedure and communication channels.

Processes to Remediate Negative Impacts

All reported concerns are assessed through a structured investigation process and addressed through appropriate corrective and preventive actions. Depending on the nature of the issue, remediation measures may include policy improvements, corrective action plans, disciplinary measures, stakeholder engagement and ongoing monitoring to prevent recurrence.



Strategic Priorities and Resource Allocation

STRATEGIC PRIORITIES AND RESOURCE ALLOCATION

Our strategy is anchored in six strategic priorities that guide resource allocation across the six capitals. In doing so, we balance business performance with sustainability objectives, enabling us to deliver sustainable, triple bottom-line growth.



Hand Protection

	Profitable Growth	Customer Focus	Innovation and Digitalisation
Progress in FY 2025/26	• **Product diversification:** Shifted the product mix towards high-value, specialised solutions. • **Capacity upgrades:** Added new production lines to complement the changes in the product mix. • **Strengthened operational efficiency:** through the implementation of lean management principles, waste reduction initiatives and process optimisation initiatives across manufacturing facilities. • **Supplier diversification** to benefit competitive pricing and procurement efficiencies. • **Enhanced supply chain efficiencies** by introducing inhouse packaging and printing lines. • **Improved logistics efficiencies** through centralised warehouses, centralized procurement of raw materials and direct contracts with shipping lines effectively mitigating the impact of rising freight costs. • **Established regional warehouses** in the Middle East to reduce lead times and mitigate shipping disruptions.	• **Customer led innovation:** Prioritised the development of high-value, customised products tailored to niche market segments. • **Implemented customised CRM system** to improve responsiveness and complaint management. • **Expanded market reach** by establishing DPL dedicated sales offices in France, Italy,Poland, India and Middle East. • **Deployed sales representatives** in selected markets such as Australia, Canada and parts of Europe. • **Participated in leading international trade fairs** to promote new product ranges and attract new customers. • **Ensured compliance** with key certifications related to quality, environmental standards, occupational health and safety, and food safety.	• **Made substantial investments in plant technology,** including the integration of robotic systems and upgrades to manufacturing facilities. • **Commissioned a fully robotic household glove plant**. • **Continued investment in research and development** to introduce new products and process innovations. Development of application specific glove ranges. • **R&D training sessions** including structured mentoring sessions and technical documentation. • **Digitisation initiatives** strengthened operational efficiency, enhanced real-time visibility, and improved responsiveness through advanced systems, and cloud-based solutions across the value chain. These include CRM implementation, migration to cloud infrastructure platforms, Modernisation of the Manufacturing Execution System (MES) and Digitisation of latex collection and high risk product testing systems.

Hand Protection



	Inspired and Dedicated Team	Climate Action	Value Chain and Community Development
Progress in FY 2025/26	• **Ensured Human Resources policies** and procedures remain aligned with evolving global trends through timely reviews and updates. • **Strengthened Learning and Development** to build an internal talent development. DPL launched a long term in house technician development programme with NITA to build a sustainable internal talent pipeline. • **Enhanced recruitment processes** with LinkedIn sourcing, and engagement with universities. • **Invested in occupation health and safety** initiatives. This included mental health services. • **Fostered a performance-driven culture** supported by a transparent reward and recognition framework via the Performance Management System. • **Linking ESG criteria to performance evaluation** ensuring that incentives drive long-term environmental, social, and governance outcomes. • **DEI Training program**s to reinforce Diversity, Equity & Inclusion (DEI) across the organisation. • **Developed a flexible and versatile workforce** capable of adapting to fluctuating demand and dynamic work schedules.	• **Reviewed and updated existing policies** supported by training and awareness initiatives. • **Monitoring and reporting** of climate and sustainability related risks and opportunities under SLFRS 1 and SLFRS 2. This section of the report has also been externally assured. • **Ensured all standard reporting requirements** were met and aligned with evolving regulatory expectations and global trends. • **Expanded the portfolio of sustainable products,** including biodegradable materials, FSC®-certified paper packaging, and fair-trade certified rubber gloves. • **Investing on environmentally conscious projects** such as biodiversity conservation, reforestation, pollution prevention and wildlife conservation. • **Renewable energy** generation and consumption. • **Investments in energy efficient plant and machinery**.	• **Developing smallholder rubber farmers** under the Firstlight Initiative. • Developed and **launched DPL EasyPay app** to digitised rural farmer payments. • **Developed new farmer networks** in emerging regions such as Ampara, Anuradapura and Matale. • **Training farmers** to adopt responsible plantation practices • **Rolled out a digital latex collection** system to enhance efficiency and traceability. • **Conducted supplier recognition** and development programmes. • **Invested in various CSR projects** to support and uplift local communities under 6 main themes covering Education, Health, Nutrition and wellbeing, poverty eradication and response to disaster.



Strategic Priorities and Resource Allocation

Plantation Sector

Profitable Growth	Customer Focus	Innovation and Digitalisation

Progress in FY 2025/26

Profitable Growth

- **Sustained investments in automation** to enhance operational efficiency.
- **Continuously allocated resources towards field development** and ongoing improvements.
- Maintained a strong focus on elevating **product quality** while driving overall productivity gains.
- **Prioritised the expansion and diversification** of cultivated crop varieties to strengthen agricultural output and resilience.

Customer Focus

- **Product quality and operational integrity** were maintained through strict adherence to established guidelines, standards, and operating procedures, ensuring consistent performance and manufacturing excellence.
- **Focused on product innovation** and strengthening the customer value proposition at Mabroc Teas.
- **Maintained a dedicated team** to uphold and continuously improve quality and food safety management systems.

Innovation and Digitalisation

- **Integrated new technologies** to reduce labour costs and enhance overall productivity.
- **Smart Agriculture initiatives**
  - Smart weather stations and soil monitoring.
  - Drone technology for crop health analysis, fertilizer application.
  - Cloud based MIS and centralized data systems.

Resource Allocation

Profitable Growth

Rs. 7.8 Bn — Capital Expenditure

55 — Estates in Sri Lanka

7 — Manufacturing Facilities

Customer Focus

Rs. 2.1 Bn — Selling and distribution expenditure

36 — Sales and marketing experts in Headquarters

322 — OEM/Private label partnerships

Innovation and Digitalisation

Rs. 111 Mn — Investment in IT and digitization

Rs. 570 Mn — Investment in R&D

19 — R&D experts

100% — IT Security with Strict Access controls

Measuring Progress

Profitable Growth

USD 269 Mn — Revenue Reported

10% — Return on Capital Employed

Rs. 5.88 — Earnings Per Share

Rs. 2.13 — Dividend Per Share

Rs. 58.18 — Net Asset Per Share

Customer Focus

47 — New customers

04 — New markets reached

81% — Customer Satisfaction Score

94% — Customer Retention Ratio

Innovation and Digitalisation

Rs. 81 Mn — Annual savings from efficiency initiatives

12 — New products (Hand Protection)

02 — New patents (Hand Protection)

15 — New products in the pipeline (Hand Protection)

Rs. 875 Mn — Revenue from Sustainable Products

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).

Plantation Sector

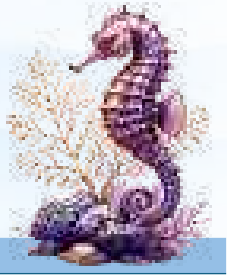
Inspired and Dedicated Team	Climate Action	Value Chain and Community Development

Progress in FY 2025/26

- Focused on **training and development** to increase productivity.
- Introduced the **industry first grievance hotline**, VKR 360 grievance system.

- Ensured all standard reporting requirements were met and aligned with evolving **regulatory expectations** and global trends.
- Engaged in **biodiversity and reforestation** projects.
- **Renewable energy** generation and consumption.
- Launch of a recycling processing centre.

- **Engaged with smallholder tea growers** and encouraged them through annual recognition programs, technical support, quality and traceability improvements.



Resource Allocation

Rs. 16.5 Bn
Payments to employees

Rs. 45 Mn
Investment in Training

689
New Recruitments

50 Hrs
Average Training per employee

Rs. 124 Mn
Investment in environment initiatives

85%
Renewable energy usage

16%
Increase in rain water harvesting

Rs. 359 Mn
Investment in CSR

Rs. 26.3 Bn
Payment to suppliers

Rs. 2.2 Mn
Investment in supplier development

21
Active logistic & distribution partners

Measuring Progress

80%
Employee retention ratio (Hand Protection)

Rs. 30.6 Mn
Revenue per employee

Rs. 11 Mn
Value added per employee

77%
Employee retention ratio (Plantation)

5,592 MWh
Solar power generated across the Group

1.7 m^3 Mn
Waste water treated

1.8%
Reduction in Scope 1 & 2 emissions

94%
Reliance on renewable energy

3,915 $MtCO_2e$
Total GHG Emission offset

9
New strategic business partners onboard

65%
Local natural latex procurement

100%
New Suppliers screened

66%
Existing suppliers evaluated for ESG compliance

485,000+
CSR beneficiaries in Plantations

Strategic Priorities and Resource Allocation

Profitable Growth	Customer Focus	Innovation and Digitalisation
Future focus areas		
Short Term • Driving operational efficiency and cost discipline to streamline processes and enhance overall profitability. • Investing in new manufacturing facilities to expand production capacity. • Expanding into key markets by strengthening distribution networks in regions such as South America and Middle East. • Advancing sustainability initiatives to support long-term environmental stewardship and responsible growth.	**Short Term** • Promoting DPL brands through a differentiated and specialized product portfolio, strengthening brand positioning and customer value. • Strengthening customer relationships. • Expanding market presence to drive growth and diversification.	**Short Term** • Leverage the increased production capacity, alongside reducing cost of production through continuous process improvements to enhance operational efficiency and profitability. • Streamlining raw material usage to improve consistency, optimise performance, and strengthen cost efficiency in glove manufacturing.
Long Term • Developing innovative glove solutions to address evolving customer needs and enhance product differentiation. • Embedding ESG principles into our business strategy to drive sustainable and responsible value creation. • Expanding our global footprint, with a presence in over 70 countries, to strengthen competitiveness and market reach. • Leveraging digitalisation and automation to improve operational efficiency, enhance product quality, and support scalable growth.	**Long Term** • Leveraging an outsourced platform to effectively serve price-sensitive market segments, enhancing competitiveness and market reach. • Strengthening electrician glove sales in Europe through targeted market development and customer engagement initiatives. • Expanding market share in South America to drive geographic diversification and support sustainable growth.	**Long Term** • Positioning DPL as a market leader in unsupported industrial chemical gloves, strengthening brand leadership, differentiation, and competitive advantage. • Investing in the development of R&D capabilities through postgraduate qualifications and targeted training, enhancing technical expertise, fostering innovation, and supporting long-term product leadership.



Inspired and Dedicated Team

Progress in FY 2025/26

Short Term

- Enhancing employee learning and development, targeting a year-on-year increase in learning hours and strengthening measurement of training effectiveness to build future-ready capabilities.
- Establishing a robust talent pipeline for critical technical skills, ensuring continuity, capability building, and long-term competitiveness.
- Implementing targeted retention programs focused on employee engagement and satisfaction, strengthening workforce stability and performance.
- Advancing digital learning and technology integration to enable continuous development and a more agile, skilled workforce.
- Promoting employee well-being and a dynamic workplace.
- Adopting innovative and inclusive recruitment practices, minimizing unconscious bias and reducing paper usage to support diversity and sustainability.
- Launching structured engagement and retention initiatives to enhance employee experience, foster loyalty, and support long-term organizational success.

Long Term

- Establish a comprehensive talent pipeline and succession planning.
- Cardre rationalisation and automation.
- Maintain healthy industrial relations.

Climate Action

Short Term

- Reducing our carbon footprint through targeted initiatives that lower emissions and support long-term environmental sustainability.
- Expanding the use of renewable energy to decrease reliance on conventional energy sources and improve energy efficiency.
- Implementing advanced waste management strategies to eliminate landfill waste and promote circular resource use.
- Strengthening responsible procurement practices to minimize environmental impact across the value chain and support sustainable sourcing.

Long Term

- Targeting near-total renewable energy use by 2030 to reduce environmental impact and enhance energy resilience.
- Aligning operations with the UN SDGs to embed sustainability into core business practices.
- Expanding eco-friendly production, including LEED-certified facilities, to improve efficiency and environmental performance.
- Enhancing recycling and resource efficiency across the value chain to promote circularity and minimize waste.

Value Chain and Community Development

Short Term

- Enhancing the latex collection process to eliminate errors and improve the efficiency and timeliness of supplier payments, strengthening supply chain reliability.
- Increasing local sourcing of natural rubber to improve supply security, support local economies, and reduce supply chain risks.
- Diversifying the supplier base by sourcing alternative suppliers to enhance resilience and flexibility.
- Achieving procurement cost efficiencies across key material inputs to support margin improvement and operational sustainability.
- Consolidating Group freight volumes to optimise logistics, reduce transportation costs, and improve overall supply chain efficiency.

Long Term

- Conduct supplier and risk management.



Managing our Trade Offs

Our strategic priorities guide decision-making and disciplined resource allocation. In pursuing these priorities, we carefully manage trade-offs across the six capitals defined by the Integrated Reporting Framework-financial, manufactured, human, social and relationship, intellectual, and natural capital-balancing short-term performance with long-term value creation. The following section outlines these trade-offs, highlighting both the immediate impacts and the long-term benefits within our strategic framework.

	Finance Capital	Human Capital	Intellectual Capital
Profitable growth	We have prioritized strategic Capex investments to expand production capacity and distribution capabilities. While this has impacted short-term liquidity, it positions the Company for sustained revenue growth and long-term value creation.	The strategic expansion of our operations not only generates new employment opportunities but also cultivates an environment that enables continuous professional development and individual growth across our workforce.	Profitable growth fuels greater investment in R&D, strengthening our intellectual capital through continuous innovation, the development of proprietary knowledge, and the advancement of differentiated technological capabilities.
Customer focus	Our commitment to customer-focused product innovation creates significant value for our clients, supporting faster revenue growth and enhancing overall financial capital.	Increased customer focus enhances our human capital by creating new and evolving opportunities in sales, marketing, and customer relationship management, while fostering strong customer-centric skills and mindsets across the organization.	A strong focus on our customers enables us to generate deep insights that underpin our intellectual capital, enhancing innovation, improving services, and ensuring effective customer engagement strategies.
Innovation & Digitalisation	We are making investments in R&D and digitisation that, while impacting short-term financials, position the Company for transformative long-term returns through innovation, operational efficiency, and enhanced financial performance.	Our investments in innovation and digitalisation enhance human capital by increasing productivity, building future-ready skills and enabling employees to deliver greater value through more strategic, high-impact activities.	We leverage our R&D capabilities to convert innovation into tangible intellectual capital, including proprietary technologies, protected inventions, and specialized expertise that drive differentiation and long-term competitive advantage.
Inspired and dedicated team	Our investment in our employees while impacting short-term financials, are critical to building talent, strengthening capabilities, and enabling a more productive, efficient, and high-performing organization over the long term.	Our investment in enriching the employee value proposition fosters an inspired, high-performing workforce, improves talent attraction and retention, deepens engagement, collaborative knowledge sharing, and fosters a resilient, innovation-led culture that enhances organizational capability.	Our engaged and motivated workforce is a critical driver of intellectual capital, enabling continuous skill development, effective knowledge retention, and a culture of innovation and problem-solving. This, in turn, strengthens our proprietary capabilities and enhances our brand reputation.
Climate action	We are investing in sustainable energy solutions such as biomass and solar power, which, while requiring significant initial capital, are anticipated to deliver lasting cost efficiencies and reinforce long-term financial and environmental sustainability.	By embracing climate action, we create not only a better working environment but also a stronger sense of purpose across our workforce, reinforcing our EVP and positioning the Company as a responsible employer that attracts and retains talent aligned with our sustainability values.	We are advancing climate action through pioneering R&D in sustainable products. This not only supports environmental sustainability but also strengthens our intellectual capital through the creation of proprietary technologies, innovative processes, and specialized material expertise that enhance long-term competitiveness.
Value chain and community development	Strategic investments across our value chain enhance supply chain efficiency, which is expected to deliver a sustained and positive impact on financial capital over the medium to long term.	Our leadership in driving and communicating CSR initiatives across the value chain strengthens our EVP by demonstrating a tangible commitment to ethical practices. This not only enhances employee engagement but also positions us as an employer of choice, supporting talent attraction and long-term workforce loyalty.	Through strategic partnerships across our value chain, we drive meaningful community impact while strengthening intellectual capital. By fostering local insights, building strong stakeholder relationships, and co-creating solutions, we enhance innovation and reinforce our social license to operate.

	Natural Capital	Social & Relationship Capital	Manufactured Capital
Profitable growth	Our disciplined reinvestment of profits into eco-efficient technologies enables us to reduce environmental impact and preserve natural capital, while delivering operational savings that support ongoing profitability creating a sustainable cycle of value creation linking financial performance and environmental stewardship.	Our ability to generate sustainable, profitable growth supports the consistent delivery of fair returns to stakeholders-through dividends, employee compensation, and partner payments. This consistency builds trust, enhances stakeholder relationships, and fosters long-term commitment and engagement.	Our sustained profitable growth supports ongoing investments in production and distribution capabilities, enabling the modernization and expansion of manufactured capital, improving operational efficiency, and extending our reach across key markets.
Customer focus	With customers placing increasing importance on transparency and environmental stewardship, our adherence to product certifications and industry standards plays a key role in preserving natural capital. This commitment provides credible assurance of responsible resource management, aligning our operations with customer values and reinforcing long-term brand loyalty.	By deepening customer engagement, we strengthen Stakeholder and Relationship Capital, fostering loyalty and enhancing our understanding of evolving customer needs, all of which are essential to sustaining long-term growth and value creation.	By proactively responding to evolving customer needs, we invest in sales, digital capabilities, and production capacity, continuously refining our manufactured capital to ensure it remains aligned with delivering optimal customer value and supporting long-term growth.
Innovation & Digitalisation	We leverage innovation and digitalisation to strengthen our stewardship of natural capital, developing solutions that optimize resource consumption, reduce environmental impact, and support the regeneration of ecosystems-reinforcing our commitment to sustainable value creation.	We leverage innovation and digitalisation to enhance operational efficiency and strengthen customer relationships. By improving service delivery and responsiveness, we increase customer satisfaction, build trust, and foster long-term loyalty that supports sustained value creation.	We continue to enhance our digital infrastructure through ongoing innovation, strengthening our manufactured capital. This enables greater operational efficiency, scalability, and the development of advanced service delivery models that support sustained growth and value creation.
Inspired and dedicated team	An engaged and environmentally conscious workforce plays a critical role in safeguarding natural capital. Through their commitment to reducing waste and promoting responsible resource use, our employees actively contribute to environmental stewardship, supporting our broader sustainability objectives and long-term value creation.	Our people play a pivotal role in strengthening Social and Relationship Capital. Through active participation in CSR initiatives, they build community trust and reinforce our social license to operate, while their commitment to delivering exceptional customer service fosters loyalty, drives advocacy, and deepens long-term customer relationships.	We have enhanced investments in employee facilities to strengthen our manufactured capital, creating a more supportive and modern work environment that promotes productivity, well-being and overall workforce effectiveness.
Climate action	Through dedicated climate action, including significant reductions in emissions and the promotion of responsible resource consumption, we actively mitigate our environmental impact and safeguard the resilience and integrity of our natural capital, supporting long-term sustainable value creation.	Our proactive and progressive approach to climate action significantly strengthens our brand reputation as a responsible and forward-looking organization, resonating positively with customers, investors, suppliers, and the wider community, and reinforcing long-term stakeholder trust and confidence.	Our climate action initiatives drive the integration of energy-efficient designs and advanced technologies into our infrastructure, enhancing the quality, sustainability, and resource efficiency of our manufactured capital while supporting long-term value creation.
Value chain and community development	We actively engage with suppliers and communities to build a sustainable value chain. Through these partnerships, we promote responsible sourcing, reduce waste and emissions, and support local environmental initiatives-contributing directly to the preservation and enhancement of natural capital and reinforcing long-term sustainable value creation.	We strengthen our relationships with local communities, enhancing our reputation, fostering goodwill, and creating a more supportive and collaborative operating environment that underpins sustainable long-term value creation.	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 reflect its most significant impacts on the economy, environment, and society, including impacts on human rights.

MATERIALITY ASSESSMENT PROCESS

The Group undertakes an annual materiality assessment in line with the methodology adopted by the Hayleys Group. This process follows a clearly defined seven step framework to identify and prioritise material matters. Materiality assessments are conducted separately for the Hand Protection and Plantation sectors, after which the results are consolidated through a weighted scoring process to determine matters material to the DPL Group as a whole.

1: Define process parameters based on

The Group's business model	Strategic aspirations	Discussions with Heads of divisions	Reporting frameworks (GRI and IR)

Step 2: Filtration of the extensive list of identified topics based on organisational impact and stakeholder impact

Financial Impact	Innovation Opportunity	Reputation	Externalities	Link to strategy	Risk	Stakeholder impact
Potential impact on the Group's short-, medium-, and long-term financial results, cash flow generation, and financial stability.	Opportunities stemming from material issues to develop new products or processes, potentially improving the Company's competitive position.	Potential implications for the Company's reputation and its ability to compete effectively.	Potential impacts arising from external variables, including exchange rates, interest rates, commodity prices, and climate change, among others.	Matters related to value creation which form the basis of boardroom discussions	The magnitude and likelihood of internal and external risks.	The magnitude and likelihood of exposure to both external and internal risk factors.



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

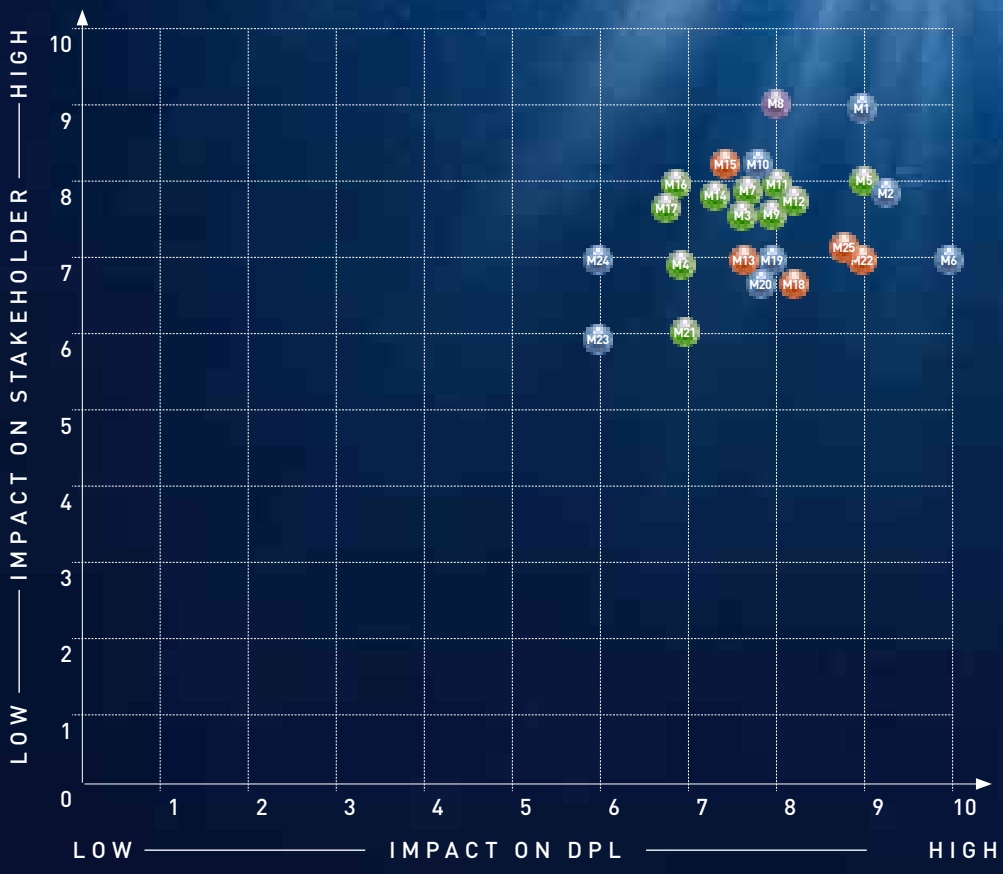
Group operations	Industry dynamics, risks and opportunities discussions with Heads of divisions	External stakeholders

Step 5: Determine disclosures based on

IR Framework	GRI Standards	Performance Management/KPI Framework

MATERIALITY MATRIX





MATERIAL TOPICS

ENVIRONMENTAL

- M2 Product & Packaging Lifecycle
- M4 Water Stress & Consumption Management
- M5 Materials
- M7 Climate Change Adaptation
- M9 Waste
- M11 Chemical Management
- M13 Physical Climate Risks – Rainfall
- M14 Emissions & Air Quality
- M16 Energy Consumption
- M17 Biodiversity
- M21 Water Discharge & Effluents

SOCIAL

- M1 Product Responsibility
- M3 Product Quality
- M6 Customer Satisfaction
- M10 Environmental & Social Issues Along Supply Chain
- M19 Customer Requirements on Sustainability
- M20 Operational Safety & Emergency Preparedness
- M23 Human Rights Assessment
- M24 Community & Livelihood Development

ECONOMIC

- M12 Macro-economic Impacts
- M18 Impacts of Infrastructure & Project Development
- M18 Technology & Product Innovations
- M22 Operational Efficiency & Productivity
- M25 Market Presence

GOVERNANCE

- M8 Regulations & Compliance

Determining Material Matters

GRI 3-2

No.	Material Topic	Category	Materiality Compared to the Previous Year	Relevant GRI/SASB Standard	SDG	Impacted strategic pillar	Relevant Capitals
M1	Product Responsibility	Social	High	GRI 416-1, 416-2, 417-1, 417-2, 417-3; SASB CG-HP-250a.1, 250a.3, 250a.4; SRRO 02	SDG 3, 12	Customer Focus	Manufactured
M2	Product Quality	Social	High	GRI 416-1, 416-2, 417-1; SASB CG-HP-250a.1; SRRO 02	SDG 3, 12	Customer Focus	Manufactured
M3	Product & Packaging Lifecycle	Environmental	High	GRI 301-1, 301-2, 301-3, 306-1 to 306-5; SASB CG-HP-410a.1, 410a.2; SRRO 02	SDG 12, 13	Innovation & Digitalization	Intellectual
M4	Water Stress & Consumption Management	Environmental	Low	GRI 303-1, 303-3, 303-5; SASB FB-AG-140a.1, 140a.2, CG-HP-140a.1, 140a.2; CRRO 01, CRRO 02	SDG 6, 12	Natural Capital	Natural
M5	Materials	Environmental	High	GRI 301-1, 301-2, 301-3; SASB CG-HP-410a.1; SRRO 02, CRRO 01	SDG 12	Natural Capital	Natural
M6	Customer satisfaction	Social	High	GRI 416-1, 417-1, 418-1; SASB CG-HP-250a.4; SRRO 02	SDG 8, 12	Customer Focus	Social & Relationship
M7	Climate Change Adaptation	Environmental	High	GRI 201-2, 305-1 to 305-5; SASB FB-AG-110a.2; CRRO 01, CRRO 02	SDG 13	Climate Action	Natural
M8	Regulations & Compliance	Governance	High	GRI 2-27, 206-1; SASB FB-AG-140a.3; SRRO 01	SDG 16	Profitable Growth	Financial
M9	Waste	Environmental	High	GRI 306-1 to 306-5; SASB CG-HP-410a.2; SRRO 02	SDG 12	Natural Capital	Natural
M10	Environmental & Social Issues Along Supply Chain	Social	Low	GRI 308-1, 308-2, 414-1, 414-2; SASB FB-AG-430a.1, 430a.2, 430a.3; SRRO 01, CRRO 01	SDG 8, 12, 17	Value Chain & Community Development	Social & Relationship
M11	Chemical Management	Environmental	Low	GRI 303-2, 305-7, 306-1, 306-2; SASB CG-HP-250a.3; SRRO 01	SDG 3, 12	Natural Capital	Natural
M12	Physical Climate Risks – Rainfall	Environmental	High	GRI 201-2; SASB FB-AG-140a.1, 140a.2; CRRO 01	SDG 13	Climate Action	Natural
M13	Macro-economic impacts	Economic	High	GRI 201-1, 201-2, 203-1, 203-2; SASB CG-HP-000.A, 000.B	SDG 8	Profitable Growth	Financial

GRI 3-2

No.	Material Topic	Category	Materiality Compared to the Previous Year	Relevant GRI/SASB Standard	SDG	Impacted strategic pillar	Relevant Capitals
M14	Emissions & Air Quality	Environmental	Low	GRI 305-1, 305-2, 305-3, 305-4, 305-5, 305-7; SASB FB-AG-110a.1, 110a.2	SDG 13	Climate Action	Natural
M15	Impacts of Infrastructure & Project Development	Economic	Low	GRI 203-1, 203-2, 413-1; SASB CG-HP-000.B; CRRO 02	SDG 8, 9, 11	Value Chain & Community Development	Manufactured
M16	Energy Consumption	Environmental	Low	GRI 302-1, 302-2, 302-3, 302-4, 302-5; SASB FB-AG-130a.1; CRRO 02	SDG 7, 13	Climate Action	Natural
M17	Biodiversity	Environmental	High	GRI 101-1 to 101-8; SASB FB-AG-430a.1, 430a.3; CRRO 01	SDG 15	Natural Capital	Natural
M18	Technology & Product Innovations	Economic	High	GRI 301-2, 302-5; SASB CG-HP-410a.2; SRRO 02	SDG 9, 12	Innovation & Digitalization	Intellectual
M19	Customer Requirements on Sustainability	Social	High	GRI 417-1, 416-1; SASB CG-HP-410a.2, CG-HP-430a.1; SRRO 02	SDG 12	Value Chain & Community Development	Social & Relationship
M20	Operational Safety & Emergency Preparedness	Social	Low	GRI 403-1 to 403-10; SASB FB-AG-320a.1	SDG 3, 8	Inspired & Dedicated Team	Human
M21	Water Discharge & Effluents	Environmental	Low	GRI 303-2, 303-4; SASB FB-AG-140a.2, 140a.3; CRRO 01, CRRO 02	SDG 6, 12	Natural Capital	Natural
M22	Operational Efficiency & Productivity	Economic	New Topic	GRI 302-3, 302-4, 201-1; SASB FB-AG-130a.1; CRRO 02	SDG 8, 9	Profitable Growth	Manufactured
M23	Human Rights Assessment	Social	Low	GRI 406-1, 407-1, 408-1, 409-1, 410-1, 411-1, 414-2; SASB FB-AG-430a.2, 430a.3	SDG 5, 8, 10, 16	Inspired & Dedicated Team	Human
M24	Community & Livelihood Development	Social	Low	GRI 413-1, 413-2, 203-2; SASB FB-AG-430a.3	SDG 1, 3, 4, 8, 11	Value Chain & Community Development	Social & Relationship
M25	Market Presence	Economic	New Topic	GRI 202-1, 202-2; SASB CG-HP-000.A; SRRO 02	SDG 8	Profitable Growth	Financial

Determining Material Matters

GRI 3-3

Managing Material Topics

Capitals	Material Topics Captured
Financial Capital	8. Regulations & Compliance; 13. Macro-economic Impacts; 25. Market Presence; 22. Operational Efficiency & Productivity
Social & Relationship Capital	1. Product Responsibility; 6. Customer Satisfaction; 10. Environmental & Social Issues Along Supply Chain; 19. Customer Requirements on Sustainability; 23. Human Rights Assessment; 24. Community & Livelihood Development
Human Capital	8. Regulations & Compliance; 20. Operational Safety & Emergency Preparedness; 23. Human Rights Assessment
Manufactured Capital	1. Product Responsibility; 2. Product Quality; 8. Regulations & Compliance; 15. Impacts of Infrastructure & Project Development; 22. Operational Efficiency & Productivity
Intellectual Capital	3. Product & Packaging Lifecycle; 8. Regulations & Compliance; 18. Technology & Product Innovations; 19. Customer Requirements on Sustainability
Natural Capital	4. Water Stress & Consumption Management; 5. Materials; 7. Climate Change Adaptation; 8. Regulations & Compliance; 9. Waste; 11. Chemical Management; 12. Physical Climate Risks – Rainfall; 14. Emissions & Air Quality; 16. Energy Consumption; 17. Biodiversity; 21. Water Discharge & Effluents

Strategic Priorities & Resources Allocation	Material Topics Captured
Profitable Growth	8. Regulations & Compliance; 13. Macro-economic Impacts; 22. Operational Efficiency & Productivity; 25. Market Presence
Customer Focus	1. Product Responsibility; 2. Product Quality; 6. Customer Satisfaction
Innovation & Digitalization	3. Product & Packaging Lifecycle; 18. Technology & Product Innovations
Inspired & Dedicated Team	20. Operational Safety & Emergency Preparedness; 23. Human Rights Assessment
Climate Action	4. Water Stress & Consumption Management; 5. Materials; 7. Climate Change Adaptation; 9. Waste; 11. Chemical Management; 12. Physical Climate Risks – Rainfall; 14. Emissions & Air Quality; 16. Energy Consumption 17. Biodiversity; 21. Water Discharge & Effluents
Value Chain & Community Development	10. Environmental & Social Issues Along Supply Chain; 15. Impacts of Infrastructure & Project Development; 19. Customer Requirements on Sustainability; 24. Community & Livelihood Development

SLFRS S1 / S2	Material Topics Captured
SRRO 01: Increasing Compliance Requirements	8. Regulations & Compliance; 10. Environmental & Social Issues Along Supply Chain; 11. Chemical Management
SRRO 02: Growing Customer Preference for Renewable and Recycled Material-Based Product Solutions	1. Product Responsibility; 2. Product Quality; 3. Product & Packaging Lifecycle; 5. Materials; 6. Customer Satisfaction; 9. Waste; 18. Technology & Product Innovations; 19. Customer Requirements on Sustainability; 25. Market Presence
CRRO 01: Climate-driven Variability in Weather Patterns Impacting Raw Materials Sourcing/ Production	4. Water Stress & Consumption Management; 5. Materials; 7. Climate Change Adaptation; 10. Environmental & Social Issues Along Supply Chain; 12. Physical Climate Risks – Rainfall; 14. Emissions & Air Quality; 17. Biodiversity; 21. Water Discharge & Effluents
CRRO 02: Early Energy and Water Investments Translating to Cost Efficient and Climate Resilient Expansions in Future	4. Water Stress & Consumption Management; 7. Climate Change Adaptation; 14. Emissions & Air Quality; 15. Impacts of Infrastructure & Project Development; 16. Energy Consumption; 21. Water Discharge & Effluents; 22. Operational Efficiency & Productivity

CORPORATE GOVERNANCE



A Principled Legacy

The giant clam is among the reef's most powerful contributors, its presence extending far beyond its own survival. Its strong, layered shell provides structure and shelter to the surrounding reef, while its natural filtration processes actively cleanse the water, maintaining the clarity that corals depend upon to photosynthesise and thrive. Over time, the clam's outer surface becomes a living foundation, as algae and other marine organisms take root and flourish upon it. In this way, the giant clam actively fortifies the reef, sustaining life well beyond its own form and reinforcing the health, balance and continuity of the ecosystem.

At DPL, our governance frameworks serve as a fortified foundation for our disciplined oversight, ethical conduct and transparent decision-making. It is this principled architecture, steadily reinforced over five decades, that fosters the stability, trust and accountability upon which sustainable progress is built, and through which our legacy continues to endure across generations.

Corporate Governance

The Board of Dipped Products PLC ('DPL') is pleased to confirm that, throughout the financial year 2025/26, DPL complied with the applicable corporate governance provisions and disclosure practices required of a Sri Lanka incorporated listed company. The Company's governance framework, aligned with that of its parent company, Hayleys PLC, provides the foundation for effective oversight, sound decision-making, risk management and accountability, supporting the Group's long-term resilience and sustainable value creation.

Governance Report Overview

Corporate governance is at the core of how we lead, adapt, and grow. This Report outlines our governance architecture, Board and Executive leadership, and the key governance decision and matters considered during the year in support of sustainable and long term value creation.

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- Structure (page 91)
- Delegation (page 91)

Board Compliance (page 92)

- Governance frameworks (page 93)
- Code of best practices (page 105)

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Board Composition (page 98)

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Board Sub Committees (page 97)

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- Nominations and Governance Committee (page 97)
- Remuneration Committee (page 97)

GOVERNANCE ARCHITECTURE

The Board has ultimate responsibility for the management, strategic direction, culture, performance, and long term sustainability of Dipped Products PLC (DPL). In discharging this responsibility, the Board delegates leadership within a framework of prudent and effective controls to assess and manage risks while pursuing strategic objectives.

In particular, the Board is responsible for:

- The formulation and approval of strategy
- Oversight of material investments, acquisitions, and divestments
- Approval of significant capital expenditure
- Oversight of DPL's capital structure, funding, and financing arrangements
- Ensuring that appropriate policies, systems, and controls are in place to support performance, integrity of reporting, and compliance.

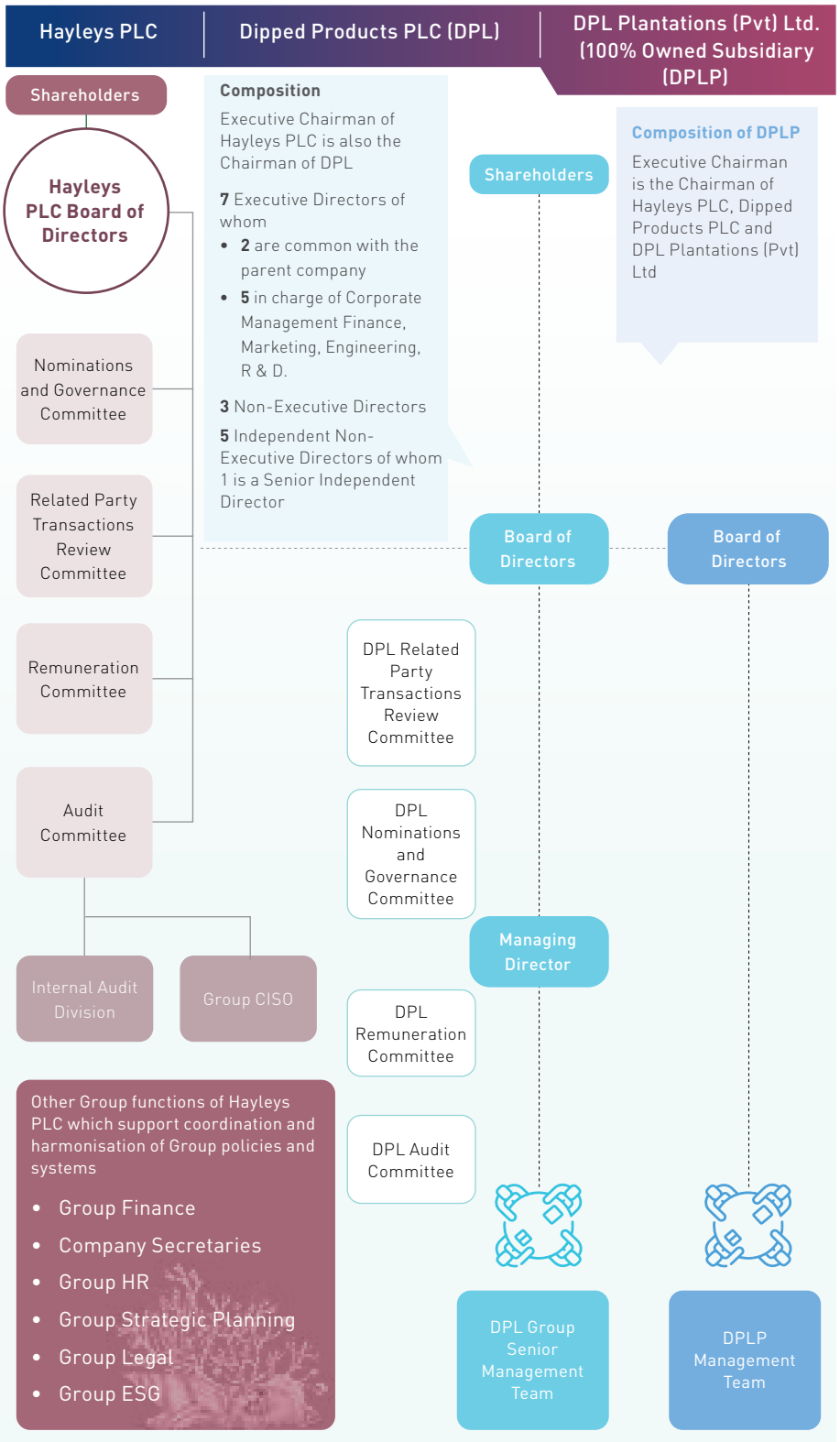
Delegation to Board Committees

While retaining overall accountability, the Board discharges certain responsibilities directly and others through its principal Board Committees, each operating under clearly defined Terms of Reference. During the year, the Board was supported by the following Committees:

- Audit Committee
- Nominations and Governance Committee
- Remuneration Committee
- Related Party Transactions Review Committee

The Board is supported by the Managing Director ('MD') and the Corporate Management Team, who are responsible for the execution of strategy and day to day operations of DPL.

The governance framework of DPL, including the roles and responsibilities of the Board and its Committees, is established in accordance with the Articles of Association, the Listing Rules of the Colombo Stock Exchange, and applicable governance best practices.



GRI 2-27, 415-1

COMPLIANCE

Governance Frameworks Adopted

Regulatory

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

Voluntary

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

Board Compliance

DPL's robust and effective governance frameworks ensure compliance with applicable laws, regulations, codes, and recognised best practices through appropriate oversight and internal controls. During the year under review, the Board confirms the following:

- The Board is satisfied that it discharged its duties and responsibilities effectively throughout the financial year.
- DPL has complied with the Corporate Governance Rules set out in Section 9 of the Listing Rules of the CSE.
- DPL's Independent Non Executive Directors meet the criteria for independence as stipulated in the Listing Rules of the CSE .
- The Chairman, MD, and all Directors satisfy the applicable fit and proper assessment criteria.
- The Board has complied with DPL's Corporate Policies including the Policy on Matters Relating to the Board of Directors.
- During the year under review, no material violations of laws or regulations were identified, and no material fines or penalties were imposed on DPL for non compliance.

Highlights of the Year

Changes in Board composition	Mr. T. A. B. Speldewinde and Dr. R. M .N. U. Ratnayake were appointed to the Board w.e.f. April 01, 2025
Changes to policies	During the year, the Board reviewed the Company Policies, and the Policy on Matters Relating to the Board of Directors was updated taking into account evolving governance practices and operational requirements.
Board engagement	Active engagement through Director insights, common directors in subsidiaries, frequent meetings and ongoing knowledge sharing sessions. **04** Board Meetings **04** Audit Committee Meetings **01** Budget Review Meeting **24** Monthly Management Committee Meetings
Risk Management	Enhanced the Group's risk governance framework to strengthen oversight of sustainability and climate related risks and opportunities.

Governance Outcomes

Enterprise Risk Management

- Holistic process to identify, measure and mitigate ESG risks.
- DPL Pulse ESG Roadmap 2030.
- Assurance by Messers Ernst & Young page 148.
- Inclusion of SRROs and CRROs.

Structure and Oversight

- 100% compliance with relevant laws and regulations
- Zero tolerance of bribery and corruption
- Comprehensive policy framework

Ethics and Culture

- Corporate values
- ESG integration
- Compliance with the Hayleys Way

Transparent Reporting

- Transparent reporting of internal and external ESG factors

Stakeholder Engagement

- Meaningful and impactful stakeholder relationships

GRI 2-23, 2-24

Our Policy Framework

We are committed to maintaining the highest standards of corporate governance. We have established a comprehensive framework of policies, procedures, and controls to ensure strict governance and oversight.

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	• 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	• Social Accountability Policy • Pregnant Mothers' Policy • Higher Education Assistance Policy • Late Attendance & Overtime Policy • Flexible Work Arrangement Policy	

Corporate Governance

GRI 2-17

Certifications

These certifications show the effectiveness of our processes and procedures.

03 Certificates on Ethical Trade, Labour Practices and Social Compliance.

05 Certifications on Responsible Sourcing and Environmental Stewardship

03 Certifications on Product Quality and Compliance

04 Certifications on International Management Systems

GRI 2-12

Role of the Board

The Board's primary governance responsibilities are summarised below:

Strategic Leadership	Policy & Capital Stewardship	Oversight & Performance Governance	Ethics, Compliance & Accountability
• Provides long-term strategic direction and organisational vision • Evaluates emerging market trends, risks, and competitive developments • Considers stakeholder expectations in strategic decision-making • Guides sustainable growth and long-term value creation initiatives	• Approves governance policies and strategic frameworks • Reviews and approves capital and resource allocation priorities • Ensures efficient utilisation of financial and operational resources • Supports investment decisions aligned with corporate objectives	• Oversees organisational performance against approved strategic objectives • Monitors enterprise risk management and internal control effectiveness • Assesses external economic, environmental, and industry developments • Maintains accountability for governance, operational resilience, and performance outcomes	• Promotes a culture of integrity, accountability, and ethical conduct • Ensures compliance with regulatory, statutory, and disclosure requirements • Safeguards transparency through effective reporting and stakeholder engagement • Oversees governance practices supporting responsible and sustainable business conduct

AN EFFECTIVE BOARD

The Board of Directors continues to provide strong ethical and strategic leadership, ensuring the balanced consideration of stakeholder interests while driving sustainable value creation and effective resource stewardship.

Board Composition GRI 2-9

The composition of the Board is fundamental to maintaining strong corporate governance, as an appropriate balance of skills, experience, independence, and perspectives enhances the quality of Board deliberations and decision-making. A diverse and well-rounded Board broadens collective expertise, strengthens objective oversight, and supports the effective evaluation of matters presented for consideration.

Collectively, the Board possesses extensive experience across financial management, risk oversight, regulatory compliance, sustainability, product innovation, international market development, and strategic business growth. This diversity of expertise enables the Board to provide effective leadership and informed strategic guidance in a dynamic business environment.

The Board demonstrates strong capabilities across several key areas that support its oversight responsibilities and strategic direction in addressing Sustainability and Climate-Related Risks and Opportunities (SRROs and CRROs), including:

- Financial Reporting and Capital Management – supported by Directors with extensive backgrounds in finance, accounting, investments, banking, and corporate finance.
- Product and Process Innovation – strengthened by Directors with expertise in research and development, engineering, operational excellence, business applications, and product development.

- Business Development and International Market Expansion – supported by Directors with significant experience in marketing, sales, strategic partnerships, and global market growth initiatives.
- Risk Management and Sustainability Oversight – guided by Directors with expertise in enterprise risk management, supply chain management, governance frameworks, and ESG-related matters.
- Legal and Regulatory Compliance – reinforced by Directors with knowledge and experience in governance, legal affairs, regulatory requirements, and policy development.

This robust and balanced Board composition ensures that the Company is well-positioned to navigate evolving business challenges, strengthen resilience, and capitalize on opportunities for sustainable long-term growth and value creation.

Alignment with Hayleys Group Governance

The Chairman, Deputy Chairman, Mr. Sarath Ganegoda, Mr. Gamini Gunaratne, Mr. Yohan Perera and Mr. Timothy Speldewinde are members of both the DPL Board and the Hayleys Board. The Chairman, Deputy Chairman, MD and Mr. Sarath Ganegoda are Members of the Hayleys Group Management Committee. They serve as a key link between the DPL Group and the Hayleys Group, ensuring alignment of values, culture, and strategic direction. Multi layered oversight by the DPL Board and its sub committees, together with the Hayleys Group Management Committee and Board, provides a high level of governance oversight. The MD, who is also a Member of the Hayleys Group Management Committee, leads the development and execution of the DPL strategy, supported by regular reporting that enables effective oversight by the Hayleys Group.

Gender Representation and Age Diversity

The table below outlines the current gender representation of the Board. As at March 31, 2026, the Board had 2 female directors.

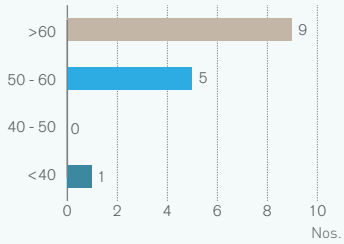


13 Male



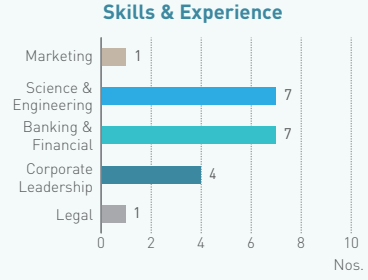
2 Female

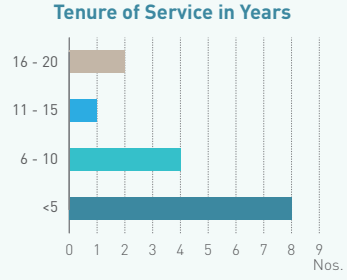
Gender representation	Number of Board members		Nationality
	Number	%	
Male	13	87%	All Directors are Sri Lankans
Female	2	13%	



Skills and Experience

The Board's collective composition reflects a well balanced mix of skills, experience, and tenures, enabling it to discharge its roles and responsibilities objectively and effectively. Recognising that an appropriate blend of competencies is essential for effective governance and for providing constructive oversight and challenge to management, the Board ensures that, both collectively and individually, Directors possess the requisite skills, knowledge, expertise, and experience. The summary sets out an overview of the skills and experience of the Directors, based on the current Board skills matrix. This matrix is reviewed annually by the Nominations and Corporate Governance Committee to ensure the Board continues to have the capabilities required to effectively fulfil its duties and support succession planning.





Balance of Power

The Board comprises seven Executive Directors and eight Non Executive Directors, of whom five are Independent Non Executive Directors. All Independent Non Executive Directors meet the independence criteria set out in Section 9 of the CSE Listing Rules. The composition of Executive Directors is appropriately balanced by the presence of Independent and Non Executive Directors, further strengthened by the appointment of a Senior Independent Director. This structure ensures a robust balance of power and authority within the Board, exceeding the minimum requirements for regulatory compliance.



Executive Directors (Including Chairman, Deputy Chairman and Managing Director)



Non-Independent Non-Executive Directors



Independent Non-Executive Directors

GRI 2-10, 2-13

BOARD APPOINTMENTS, RE-ELECTIONS, RETIREMENT AND RESIGNATION

Appointments

Directors are appointed by shareholders at the Annual General Meeting ('AGM') through a formal and transparent process, based on recommendations made by the Board of Directors. In making such recommendations, the Nominations and Governance Committee evaluates the Board's collective knowledge, experience, skills, and diversity against DPL's strategic objectives and identifies any areas requiring strengthening. All appointments are communicated to the CSE and shareholders through appropriate corporate disclosures and press releases, which include a brief profile of the appointed Director.

Re-election/ Re-appointment

In accordance with DPL's Articles of Association, one third of the Directors, excluding the MD, retire by rotation at each AGM. Directors so retiring are eligible to offer themselves for re election by shareholders at the AGM. Recommendations for re-election are made by the Nominations and Governance Committee and are subject to approval by the Board. Any Director appointed by the Board to fill a casual vacancy arising since the previous AGM is required to seek re election by shareholders at the next AGM.

5 Directors will retire by rotation and being eligible, subject themselves for re-election at the forthcoming AGM.

Retirement and Resignations

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.

There were no Director resignations/ retirements during the Financial Year under review.

GRI 2-13,2-18

BOARD SUB COMMITTEES

The Audit, Related Party Transactions Review, Nominations and Governance, and Remuneration Committees of DPL maintain lines of engagement with the corresponding Board Committees of the parent company to ensure alignment of goals, objectives, and governance standards across the Group. In compliance with Section 9.3.3 of CSE Listing Rules, the Chairman of the Board does not serve as the Chair of any Board Committee. The publicly listed plantation companies within the Group have established their own Board Committees in accordance with the requirements of Section 9 of the CSE Listing Rules.

Board Sub Committee	Areas of Oversight	Composition	Further information
Audit Committee	Financial reporting process, the integrity of the financial statements, the systems of internal control, the internal and external audit processes, governance, controls, risk management, reporting and assurance processes relating to sustainability related financial disclosures, and the Company's process for monitoring compliance with laws and regulations.	Mr. P. Y. S. Perera - Chairman, Senior Independent Director Mr. T. A. B. Speldewinde – Independent, Non-Executive Director Mr. M. N. R. Fernando - Independent Non-Executive Director Ms. A. I. Wanigasekera - Independent Non-Executive Director	Report of the Audit Committee on page 489
Nominations and Governance Committee	Compliance with established corporate governance principles, review and recommend new directors, regularly review the structure, size, composition gender representation and competencies of the Board, and the Succession Plan of the Company.	Mr. P. Y. S. Perera - Chairman, Senior Independent Director Mr. M. N. R. Fernando - Independent Non-Executive Director Prof. A. P. De Silva - Independent Non-Executive Director Mr. K. D. G. Gunaratne - Non-Executive Director Mr. S. C. Ganegoda - Non-Executive Director	Report of the Nominations and Governance Committee on page 482
Remuneration Committee	Determine the policy of the remuneration package of the Directors and Key Management Personnel.	Mr. P. Y. S. Perera - Chairman, Senior Independent Director Mr. M. N. R. Fernando - Independent Non-Executive Director Prof. A. P. De Silva - Independent Non-Executive Director Mr. K. D. G. Gunaratne - Non-Executive Director Mr. S. C. Ganegoda - Non-Executive Director	Report of the Remuneration Committee on page 484
Related Party Transactions Review Committee	Review proposed related party transactions of the Group companies	Mr. P. Y. S. Perera - Chairman, Senior Independent Director Mr. M. N. R. Fernando – Independent Non Executive Director Ms. A. I. Wanigasekera – Independent Non Executive Director Mr. T. A. B. Speldewinde - Independent Non Executive Director Mr. K. D. G. Gunaratne – Non Executive Director Mr. S. C. Ganegoda – Non Executive Director	Report of the Related Party Transactions Review Committee on page 486

Meetings and Minutes

Board meetings are scheduled well in advance and the annual calendar is communicated to Directors at the beginning of each financial year. During the year, the Board met on four occasions. Clearly defined guidelines and established processes are in place to support the efficient conduct and effectiveness of Board meetings.

- Board minutes are circulated in advance for review and formally approved at the next meeting. Any unresolved concerns are recorded in the minutes, and Directors have access to past Board papers and minutes.
- Directors are provided with accurate, relevant, and timely information to support effective decision making. Executive Directors and Key Management Personnel attend Board meetings, facilitating open and transparent engagement.
- Resolutions concerning business matters may be passed by circulation, within regulations.

Meeting Attendance

Name of Director	Executive/ Non executive/ Independent Non executive	Appointment to the Board	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nominations and Governance Committee Meetings	Related Party Transactions Review Committee Meetings
Mr. A. M. Pandithage	Executive	2007	4/4	N/A	N/A	N/A	N/A
Mr. H. S. R. Kariyawasan	Executive	2016	4/4	N/A	N/A	N/A	N/A
Mr. R. H. P. Janadheera	Executive	2017	4/4	N/A	N/A	N/A	N/A
Mr. S. C. Ganegoda	Non- Executive	2009	4/4	N/A	2/2	2/2	4/4
Mr. N. A. R. R. S. Nanayakkara	Executive	2014	4/4	N/A	N/A	N/A	N/A
Mr. K. D. G. Gunaratne	Non- Executive	2015	4/4	N/A	2/2	2/2	4/4
Mr. K. M. D. I. Prasad	Executive	2018	4/4	N/A	N/A	N/A	N/A
Mr. B. K. C. R. Ratnasiri	Executive	2022	4/4	N/A	N/A	N/A	N/A
Ms. K. A. D. B. Perera	Non- Executive	2022	3/4	N/A	N/A	N/A	N/A
Mr. M. N. R. Fernando	Independent, Non- Executive	2024	4/4	4/4	2/2	2/2	4/4
Prof. A. P. De Silva	Independent, Non- Executive	2024	4/4	N/A	2/2	2/2	N/A
Mr. P. Y. S. Perera	Independent, Non- Executive (Senior Independent)	2024	4/4	4/4	2/2	2/2	4/4
Ms. A. I. Wanigasekera	Independent, Non- Executive	2024	4/4	4/4	N/A	N/A	4/4
Mr. T. A. B. Speldewinde	Independent, Non- Executive	2025	4/4	2/2	N/A	N/A	2/2
Dr. R. M. U. N. Ratnayake	Executive	2025	4/4	N/A	N/A	N/A	N/A

Dipped Products PLC - Board And Sub-Committee Meeting Schedule 2025/26												
	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY
Board			B			B			B			B
Audit Committee			A			A			A			A
Remuneration Committee									RE			RE
Nomination & Governance Committee									N			N
Related Party Transactions Review Committee			RP			RP			RP			RP
Annual General Meeting	AGM											

B Board | **A** Audit Committee | **RE** Remuneration Committee | **N** Nominations & Governance Committee | **RP** Related Party Transactions Review Committee | **AGM** AGM

Role and Responsibilities

GRI 2-12, 2-13

Role	Responsibilities
Chairman	• Setting the ethical tone for the Board and Company; • Setting the Board's annual work plan and the agendas, in consultation with the Company Secretaries and the MD • Building and maintaining stakeholder trust and confidence • Ensuring effective participation of all Directors 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.
MD	• 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	• 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 documents and facilitating access to legal advice in consultation with the Board, where necessary. • All Directors have access to the advice and services of the Company Secretaries as necessary. Appointment and removal of the Company Secretaries is a matter for the Board.
Senior Independent Director (SID)	• 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 Company 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 other Directors 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.

Director Independence

Director independence is assessed in accordance with the criteria set out in Section 9.8.3 of CSE Listing Rules. The Board conducts an annual assessment of independence based on declarations and other information provided by Non Executive Directors. Based on this process, the Board confirms that all Directors classified as independent meet the prescribed independence criteria.

Director Interests and Related Party Transactions

Directors disclose their business interests at the time of appointment and annually thereafter, with details maintained by the Company Secretaries in a Register available for inspection in accordance with the Companies Act. Other than the interests disclosed on page 58 of this report, Directors have no direct or indirect interest in any contract or proposed contract with the Company. All related party transactions requiring approval were reviewed by the Related Party Transactions Review Committee in line with the Group's policy and applicable regulations, ensuring such transactions are fair and in the best interests of DPL. Details of related party transactions are disclosed in Note 33 to the financial statements on page 557. The Board also reviews the number of external directorships held by each Director as at March 31, 2026 and is satisfied that all Directors devote sufficient time to effectively 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 Total Companies in Sri Lanka: 156	Executive Chairman	12 / 01	132 / 11	**Executive Director** • Dipped Products PLC • Hayleys PLC • Haycarb PLC • Singer (Sri Lanka) PLC • Hayleys Fabric PLC • Hayleys Fibre PLC • Alumex PLC • The Kingsbury PLC • Hayleys Leisure PLC • Talawakelle Tea Estates PLC • Kelani Valley Plantations PLC • Horana Plantations PLC **Non-Executive Director** • Diesel & Motor Engineering PLC	**Executive Director** Hayleys Group Companies – 132 **Non-Executive Director** • Beata Power (Pvt) Ltd • Joule Power (Pvt) 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 • Ocean Network Express Lanka (Private) Limited • Sojitz Kelanitissa (Pvt) Ltd • The Beach Resorts Ltd
Rajitha Kariyawasan Total Companies in Sri Lanka: 18	Deputy Chairman	03 / 01	04/ 10	**Executive Director** • Hayleys PLC • Haycarb PLC • Dipped Products PLC **Non-Executive Director** • Hayleys Fibre PLC	**Executive Director** Hayleys Group Companies– 04 **Non-Executive Director** Hayleys Group Companies– 10
Pushpika Janadheera Total Companies in Sri Lanka: 07	Managing Director	01 / 00	06 / 00	**Executive Director** Dipped Products PLC	**Executive Director** Hayleys Group – 6 Companies

Name of Director	Classification	Listed Companies (*ED/**NED)	Unlisted Companies (ED*/NED**)	Listed Company Names	Unlisted Company Names
Sarath Ganegoda Total Companies in Sri Lanka: 68	Non-Executive Director	02 / 09	00 / 57	**Executive Director** • Hayleys PLC • Alumex PLC **Non-Executive Director** • Dipped Products PLC • Haycarb PLC • Singer (Sri Lanka) PLC • Hayleys Fabric PLC • Hayleys Fibre PLC • Hayleys Leisure PLC • The Kingsbury PLC • Kelani Valley Plantations PLC • Horana Plantations PLC	**Non-Executive Director** Hayleys Group Companies– 57
Yohan Perera Total Companies in Sri Lanka: 09	Independent Non-Executive Director (Senior Independent Director)	00 / 08	00 / 01	**Non-Executive Director** • Dipped Products PLC • Hayleys PLC • Haycarb PLC • Commercial Bank of Ceylon PLC • E B Creasy & Company PLC • Laxapana PLC • Muller & Phipps Ceylon PLC • Overseas Realty PLC	**Non-Executive Director** World Vision Lanka
Ramesh Nanayakkara Total Companies in Sri Lanka: 04	Executive Director	01 / 00	02 / 01	**Executive Director** • Dipped Products PLC	**Executive Director** Hayleys Group Companies– 02 **Non-Executive Director** D H T Cement (Private) Limited
Chandika Ratnasiri Total Companies in Sri Lanka: 02	Executive Director	01 / 00	01 / 00	**Executive Director** • Dipped Products PLC	**Executive Director** Hayleys Group Companies– 01
Indika Kulathunga Total Companies in Sri Lanka: 03	Executive Director	01 / 00	02 / 00	**Executive Director** • Dipped Products PLC	**Executive Director** Hayleys Group Companies– 02
Dr. Upul Ratnayake Total Companies in Sri Lanka: 01	Executive Director	01 / 00	00 / 00	**Executive Director** • Dipped Products PLC	-
Gamini Gunaratne Total Companies in Sri Lanka: 10	Non-Executive Director	00 / 06	01 / 03	**Non-Executive Director** • Dipped Products PLC • Hayleys PLC • East West Properties PLC • Horana Plantations PLC • Swisstek Ceylon PLC • Vallibel Power Erathna PLC	**Executive Director** • Lanka Hotels and Residencies (Pvt) Ltd **Non-Executive Director** • Hiru Rice Products (Private) Limited • Sri Lanka Institute of Information Technology (Guarantee) Limited (SLIIT) • College of Fashion and Design (Pvt) Ltd

Name of Director	Classification	Listed Companies (*ED/**NED)	Unlisted Companies (ED*/NED**)	Listed Company Names	Unlisted Company Names
Brindhiini Perera Total Companies in Sri Lanka: 16	Non-Executive Director	00 / 11	00 / 05	**Non-Executive Director** • Dipped Products PLC • Haycarb PLC • The Kingsbury PLC • Hayleys Leisure PLC • Singer (Sri Lanka) PLC • Hayleys Fabric PLC • Lanka Tiles PLC • Lanka Walltiles PLC • Royal Ceramics Lanka PLC • The Fortress Resorts PLC • Vallibel One PLC	**Non-Executive Director** • Delmege Limited • Otwo Biscuit (Private) Limited • The Canbury Biscuit Company Limited • Manatee Clothing Company (Pvt) Ltd • Dhammika & Priscilla Perera Foundation
Nanda Fernando Total Companies in Sri Lanka: 8	Independent Non-Executive Director	00 / 06	01 / 01	**Non-Executive Director** • Dipped Products PLC • Haycarb PLC • Hayleys Fabric PLC • Hatton National Bank PLC • R I L Property PLC • Assetline Finance PLC	**Executive Director** • Professional Business Consultants (Pvt) Ltd **Non-Executive Director** • R-E-D Capital Asia (Pvt) Ltd
Anomi Wanigasekera Total Companies in Sri Lanka: 7	Independent Non-Executive Director	00 / 03	04 / 00	**Non-Executive Director** • Dipped Products PLC • Haycarb PLC • Horana Plantations PLC	**Executive Director** • Jacey & Company Limited • Jacey Advisory Services (Private) Ltd • Jacey Trust Services (Private) Ltd • Jacey & Lanka (Private) Ltd
Mr. Timothy Speldewinde Total Companies in Sri Lanka: 10	Independent Non-Executive Director	00 / 09	01/ 00	**Non-Executive Director** • Dipped Products PLC • Hayleys PLC • Haycarb PLC • Hayleys Fabric PLC • The Kingsbury PLC • Horana Plantations PLC • Ceylon Grain Elevators PLC • Three Acre Farms PLC • WealthTrust Securities PLC	**Executive Director** • Contemporary Ceylon (Pvt) Ltd
Prof. Arjuna De Silva Total Companies in Sri Lanka: 1	Independent Non-Executive Director	00 / 01	00 / 00	**Non-Executive Director** • Dipped Products PLC	-

Conflicts of interest

Directors and Key Management Personnel are prohibited from using their position, or any confidential or price sensitive information, for personal gain or for the benefit of any third party. Directors promptly disclose any actual or potential conflicts of interest, including those arising from other directorships, and refrain from participating in discussions or decisions where such conflicts may arise. The Company Secretaries maintains and regularly updates a register of Directors' interests.

Informed decision making

Our reporting and information systems ensure the Board receives reliable information in a timely manner to support effective oversight.

Board packs are generally circulated at least seven (7) days in advance of each Board meeting.

Board Pack

- Performance against strategic value drivers
- Sales pipelines
- Capacity utilisation
- Working capital management
- Risk assessments
- Key operational matters

Access to Independent advice

Directors may seek independent professional advice, coordinated through the Company Secretaries, at DPL's expense. Copies of such advice are shared with other Directors upon request.

Orientation

Upon appointment, Directors are provided with a comprehensive induction pack covering relevant internal policies and external regulatory requirements, together with a familiarisation visit to DPL's operational facilities.

Training

Directors are kept informed on an ongoing basis of developments in applicable legislation and regulations, sector trends, and changes in the risk and general business environment. Directors undertake training and professional development as considered necessary to enhance their effectiveness, with such requirements coordinated through the Company secretaries. Several Directors are members of the Sri Lanka Institute of Directors and attend relevant programmes from time to time. Directors also participate in other Continuous Professional Development (CPD) programmes in their personal capacity to ensure their knowledge remains current on relevant and emerging topics.

Corporate Management Structure

A structured leadership framework that supports strategic execution, operational excellence, governance, and cross-functional collaboration.

MD

The Managing Director is responsible for providing strategic leadership and overall direction to the Company. The MD oversees the execution of corporate strategy, business performance, governance, and sustainable value creation, supported by the Corporate Management Team.

Corporate Management Team

Led by the Managing Director, the Corporate Management Team develops and implements corporate strategies while overseeing the day-to-day operations of the Company. Functional departments are headed by experienced professionals who ensure operational efficiency, accountability, and timely escalation of key matters to the Board and relevant committees.

Executive Committees

The Executive Committees comprise representatives from Human Resources, Finance, Planning and Production, Compliance, Environmental Health and Safety (EHS), and Sustainability. These committees meet regularly to support strategic decision-making, risk management, capital allocation, and resource optimisation while fostering collaboration, employee engagement, and continuous improvement.

GRI 2-18, 2-19, 2-20

Board Evaluation

Appraisal of MD

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 Nominations and Governance Committee is responsible for reviewing the evaluation of the performance of the Directors and Committees through an annual self-evaluation process.

Responsible and fair remuneration

Remuneration committee

Comprising three Independent Non Executive Directors and two Non Executive Directors, is responsible for reviewing and recommending the remuneration of Executive Directors to the Board. Further details are set out in the Report of the Remuneration Committee on page 484.

Remuneration policy

The remuneration of Key Management Personnel and Executive Directors is designed to support DPL's long term strategy and sustainable value creation objectives, and is structured in compliance with the provisions of Section 9 of the Listing Rules. Remuneration packages are performance linked, based on clearly defined and measurable performance targets and are benchmarked against relevant local market practices. In line with CSE Listing Rules, the remuneration of Non Executive Directors is determined by the Board as a whole.

Level and makeup of remuneration

Non- Executive Directors

Non Executive Directors receive a Director's fee together with meeting attendance fees for Board and Audit Committee meetings, reflective of the time commitment and responsibilities associated with their roles and prevailing market practices. Non Executive Directors do not receive any performance based or incentive remuneration. The Board and the Remuneration Committee may, where necessary, obtain advice from independent human resource professionals to support informed and objective decision making.

Executive Directors

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 528 for the total Directors' Remuneration.

Compliance

In accordance with the CSE Listing Rules and applicable regulatory requirements, Directors are required to comply with all relevant laws, regulations, regulatory guidelines, internal control systems, and approved policies as set out in the Board Charter, which forms part of the Hayleys Way.

External auditor

The appointment, re appointment, or removal of the External Auditor is carried out in accordance with the provisions of the Companies Act and the requirements of the CSE Listing Rules. The Audit Committee makes recommendations to the Board in this respect, having regard to applicable professional, ethical, and regulatory standards. In line with Section 9 of the CSE Listing Rules, the Audit Committee reviews and monitors the independence, objectivity, and effectiveness of the External Auditor and the audit process. The Audit Committee also assesses the provision of non audit services to ensure that such services do not impair auditor independence or objectivity. On the recommendation of the Board, shareholders approved the re appointment of Messrs. Ernst & Young, Chartered Accountants, as External Auditor for the financial year 2025/26 at the last AGM. In compliance with Section 163(3) of the Companies Act, the External Auditor has submitted an annual written confirmation of independence to the Audit Committee.

Governance Assurance Statement

The Board confirms that every effort has been made to present a fair, balanced, and understandable assessment of DPL's financial position, performance, and future prospects, in compliance with applicable legal enactments, Sri Lanka Financial Reporting Standards, the GRI Standards on Sustainability Reporting, and the International Integrated Reporting Framework. DPL has complied with the continuing listing requirements of the CSE, including timely disclosure of interim financial reports and price sensitive information. All statutory and regulatory filings required by the relevant authorities have been submitted within the prescribed timelines. Further disclosures required under the Code of Best Practice on Corporate Governance are included in this Annual Report, including the Directors' Report, the Statement of Directors' Responsibility, and the Auditors' Report.



Ethics and culture

DPL is committed to conducting its business with honesty, integrity, and respect for the rights and interests of all stakeholders. Directors and employees are governed by the Hayleys Group Code of Conduct, "The Hayleys Way", which clearly defines the behaviours and ethical standards expected of all employees and reinforces the Group's core values. DPL's Business Code of Conduct is aligned with The Hayleys Way and applies to all employees, including Key Management Personnel and Directors.

The Code is embedded across the organisation through structured and ongoing communication and promotes an ethical culture while ensuring compliance with applicable laws, regulations, and internal policies. This ethical framework is fundamental to maintaining stakeholder trust and supporting responsible business conduct. Based on assurances received and the operation of internal monitoring mechanisms, the Board confirms that it is not aware of any material breaches of the Code of Conduct by any Director or employee of DPL during the reporting period.

GRI 2-25, 206-1

Good Governance & Business Ethics Policy

DPL's Good Governance & Business Ethics Policy sets out clear guidelines on ethical conduct, including the management of gifts, hospitality, political contributions, and third party commissions, and applies to all Directors and employees. In reinforcing integrity and responsible corporate behaviour, the Group complies with ISO 9001:2015, which includes the evaluation of external parties for adherence to anti bribery and anti corruption requirements. All employees, including Directors, receive training on the Group's Code of Conduct within three months of joining, with ongoing access to related information and training through the intranet.

No legal actions or cases relating to anti-competitive behaviour, anti-trust or monopoly practices were reported during FY 2025/26

Human Rights Policy	Whistle blowing Mechanism / Grievance Handling
As a signatory to the UN Global Compact, DPL is committed to upholding its human rights principles. The Human Rights Policy aligns with internationally recognised standards and promotes fair treatment, a harassment free workplace, the prohibition of child and forced labour, freedom of association, and strong health and safety practices across its operations and value chain.	DPL's Policy on Whistleblowing provides for the confidential and anonymous reporting of concerns, including matters relating to financial reporting, internal controls, or other issues requiring investigation. Information on access, anonymity, and reporting procedures is communicated to all employees. The MD, appointed by the Board, is responsible for overseeing whistleblowing matters and reporting significant issues to the Board where necessary. Based on reports received during the financial year 2025/26, no whistleblowing incidents were recorded.

Innovation Governance

The Board and Management acknowledge their responsibility in fostering innovation while exercising effective governance and encourage a culture of creativity and agility that supports innovative thinking, balanced by disciplined risk management within the approved risk appetite.

Relations with shareholders

The Board recognises its responsibility to shareholders and is committed to fair, transparent, and timely disclosure of information. Information is communicated with integrity and relevance to ensure shareholders are adequately informed and to avoid the creation of a false or misleading market.

Engagement methods – refer page 107

Company Secretariat and Shareholder Services

Company Secretarial services are provided by Hayleys Group Services (Private) Limited, headed by an Attorney at Law and Chartered Secretary and supported by professionally qualified staff registered with the Registrar of Companies. Shareholder matters are handled in house by the Registrar Division of Hayleys Group Services (Private) Limited, ensuring efficient and timely service.

Constructive Use of the AGM

The Board encourages active and meaningful engagement with shareholders at the AGM. Board Committee Chairpersons, Directors, Senior Management, and the External Auditors are present to respond to shareholder questions. The Notice of Meeting, Annual Report, and related documentation are circulated at least 15 working days prior to the AGM. Separate resolutions are proposed for each item of business, and voting procedures are communicated in advance. Shareholders are encouraged to exercise their voting rights, with effective mechanisms in place to record and count proxy votes. Where a significant proportion of votes is cast against a resolution, the Board undertakes to consider the outcome and determine whether any follow up action is necessary. The results of all resolutions are promptly disclosed to the CSE following the conclusion of the AGM.

Communication with Shareholders

DPL engages with shareholders through multiple communication channels to promote transparency, accountability, and constructive stakeholder dialogue. These channels include the Annual General Meeting (AGM), the Annual Report, Interim Financial Statements, announcements made to the CSE, and the dedicated investor relations section on the Group's corporate website. Material announcements and key corporate developments are communicated promptly through CSE disclosures to ensure timely dissemination of information to the investing public.

BOARD ENGAGEMENT

Our People

The Board recognises the importance of engaging with the Group's workforce through a range of forums. These interactions provide valuable insights for Board discussions and decision making, while also offering employees an opportunity to share ideas and provide feedback on matters of importance to them. Workforce engagement events held during the year are included in pages 239 to 287.

Workforce insights considered in Board Decision making process	People, culture, safety and wellbeing remain standing agenda items

Shareholder Engagement

The Board recognises the importance of maintaining open, transparent, and meaningful engagement with shareholders on matters relevant to the Group's performance and long-term value creation. Shareholders are engaged through multiple communication channels to facilitate timely, effective, and constructive communication.

The Annual Report provides a fair, balanced, and comprehensive assessment of DPL's financial position, performance, and future prospects, supported by both narrative and visual elements to enhance clarity and stakeholder understanding. The Annual Report and Interim Financial Statements are reviewed and recommended by the Audit Committee and approved by the Board prior to publication.

Shareholders are also provided with opportunities to communicate queries, comments, and suggestions to the Board through the Company Secretaries. Significant matters raised by shareholders are escalated to the Board together with Management's observations and recommendations for consideration.

Published reports Annual reports, Interim Financial Statements	Annual General Meeting
Announcements to the Colombo Stock Exchange	Investor relations section in the DPL website

Information Technology and Cyber Security Governance

The Board recognises the opportunities presented by digital platforms in enhancing flexibility, adaptability, and innovation, and ensures that a robust and adequately resourced technology strategy is in place to deliver superior experiences for customers and employees. At the same time, the Board places strong emphasis on the protection of DPL's information assets and operational systems and has invested significantly in cyber risk management and information security controls. The Hayleys Group IT Department is responsible for implementing the Group's digital strategy, including the adoption of IT policies and safeguards against cyber threats, with the Group Head of IT acting as the Chief Information Security Officer. Cybersecurity is discussed at monthly Group Management Committee meetings, with material matters escalated to the DPL Board as appropriate, based on risk severity, potential impact, and prudential considerations.

DPL Group IT & Cybersecurity Objectives

The DPL Group remains committed to strengthening its information technology and cybersecurity framework to safeguard business operations, stakeholder information, and digital assets. The Group's key IT and cybersecurity objectives include the following:

- Ensuring the accuracy, reliability, and verification of information utilised across business operations and reporting processes.
- Safeguarding the confidentiality, integrity, and availability ("CIA") of information systems and data assets through appropriate security controls and monitoring mechanisms.
- Preventing unauthorised access to systems and information through clearly defined access controls, user responsibilities, and RACI (Responsible, Accountable, Consulted, and Informed) governance structures for designated personnel.
- Ensuring compliance with applicable laws, regulatory requirements, industry standards, and internal policies relating to data protection, cybersecurity, and information security management.
- Maintaining Business Continuity and Disaster Recovery frameworks to enhance operational resilience and minimize disruption during unforeseen events or cyber incidents.
- Integrating information security awareness into employee onboarding processes and conducting mandatory cybersecurity and information security training programs for all employees to strengthen the Group's security culture.
- These objectives support the Group's ongoing commitment to operational resilience, responsible governance, and the protection of critical business information and stakeholder interests.

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

Key measures taken during the year

DPL strengthened its information technology and cybersecurity framework during the year through several key initiatives aimed at enhancing digital resilience and safeguarding critical business operations. Emerging cybersecurity risks, including the likelihood of occurrence and potential business impacts, are evaluated on a quarterly basis by the DPL IT team, with corresponding mitigation action plans continuously reviewed and updated to address the evolving threat landscape.

The Group also continued the progressive adoption of a Zero Trust security model, transitioning from traditional perimeter-based security approaches towards a framework that verifies every user and device access request. This approach significantly reduces potential attack surfaces and strengthens access control mechanisms across the organization.

In addition, DPL enhanced its cybersecurity capabilities through the implementation of advanced AI-driven threat monitoring solutions, enabling real-time threat detection, continuous monitoring, and proactive mitigation of emerging cyber risks. These initiatives further strengthened the Group's overall cybersecurity posture and supported the protection of information assets, operational continuity, and stakeholder confidence.

Implementation of ISO 27001:Information Security Management System preparation began during the year , for further details refer page 428.

All IT infrastructure-related concerns identified during the financial year were successfully resolved, with appropriate corrective and preventive measures implemented to minimise the risk of recurrence and ensure operational continuity across the Group.

During FY 2025/26, the Group recorded zero incidents relating to information security or data protection breaches, including data leaks, theft, loss of information, or privacy violations reported by either internal or external stakeholders.

Furthermore, no significant cybersecurity incidents or attacks resulting in major operational disruptions, system failures, or material business impacts were reported during the financial year, reflecting the effectiveness of the Group's cybersecurity controls and monitoring mechanisms.

Responsible and Responsive Corporate Citizenry

DPL's corporate governance framework is broadly aligned with that of its parent company, Hayleys PLC, and has been tailored to reflect the specific industry dynamics, regulatory environment, and stakeholder expectations of the sectors in which DPL operates. The framework is designed to strike an appropriate balance between entrepreneurial leadership and prudent management, supporting the delivery of sustainable long term value to stakeholders.

Structure and Oversight *Page 91*	Ethics and Culture *Page 105*
Risk Management *Page 93*	Stakeholder Engagement *Page 107*
ESG Reporting *Page 112*	Information Technology and cybersecurity Governance *Page 107*



Risk management -The Board is responsible for establishing and maintaining an effective system of risk management and internal controls to safeguard shareholders' interests and the assets of DPL. These systems encompass financial, operational, and compliance controls and are subject to regular monitoring and review by the Board to ensure their continued effectiveness. Considering the uncertain and challenging business environment, the Board has strengthened the rigour of its oversight of risk management processes. The Hayleys Group Management Audit and System Review Department supports the Audit Committee by independently assessing the adequacy and effectiveness of DPL's internal control systems and reporting its findings to the Audit Committee on a regular basis. Based on these reviews and assurance processes, the Board is satisfied with the integrity of DPL's financial reporting and the robustness of DPL's internal controls and risk management systems.

Oversight and monitoring

Role of the Board: Monitor performance, consider external operating environment, risk management and accountability and ensure effective functioning of internal controls for organizational performance through reporting, disclosure and engagement.

Updates on strategy executions, ESG integration and Risk Management are presented to the Board at all Board meetings.

ESG STRATEGIC INTEGRATION & GOVERNANCE EVOLUTION

GRI 2-12, 2-13, 2-14

"During the year, our ESG leadership was recognised through multiple national accolades, including being named the ESG Category Winner at the National Business Excellence Awards. DPL also received recognition at the Sri Lanka Sustainability Awards, the Presidential Environment Award and the Best Corporate Citizen Sustainability Awards, where we were ranked among the Top 10 and secured the Environment Integration Category award."

DPL's ESG governance journey reflects a deliberate progression from framework establishment toward governance-led execution, accountability, and strategic integration.

In 2023, the launch of the first edition of DPL Pulse established DPL's formal ESG governance foundation, defining strategic focus areas, initial commitments, accountability structures, and measurable performance expectations aligned with the Hayleys Lifecode.

As stakeholder expectations, regulatory requirements, and sustainability disclosure expectations continued to evolve, DPL undertook a governance-led review of its ESG roadmap during FY 2025/26 to assess progress, strengthen oversight mechanisms, and improve organisational readiness for the next phase of ESG integration.

This review resulted in the launch of the second edition of DPL Pulse, effective from FY 2026/27 to 2030, reflecting a strengthened governance architecture, revised targets and baselines, expanded ESG scope, clearer accountability, and stronger alignment with emerging sustainability and climate disclosure expectations.



Scan the QR code to read DPL Pulse second edition

DPL's ESG governance maturity now reflects a transition from ESG as a structured programme toward ESG as an embedded governance and strategic management discipline, supported by leadership capability building, clearer accountability, and stronger governance oversight. This is explained further in the Board and ESG Steering Committee Skills Matrix and capacity building details in the SLFRS S1 and S2 Sustainability / Climate Related Financial Disclosures on pages 148 to 218.

The analysis evaluated:

- Progress against initial ESG commitments and targets assessed
- Existing targets reviewed and recalibrated based on achievement progress
- Baselines refined to reflect improved data maturity and reporting quality
- ESG scope expanded across Planet, People, Product, Partner, and Governance
- New ESG priorities, commitments, and performance measures introduced
- Board-level review and endorsement of revised ESG priorities, targets, governance architecture, and accountability mechanisms
- Alignment enhanced with evolving disclosure expectations including SLFRS S1 & S2, GRI, and SASB

DPL PULSE : ESG ROADMAP 2030 FOCUS AREAS

PLANET	PEOPLE	PRODUCT	PARTNER	GOVERNANCE
• Climate action • Energy stewardship • Water stewardship • Waste & circularity • Biodiversity conservation • Pollution prevention	• Human rights • Labour practices • DEI (Diversity, Equity & Inclusion) • Occupational Health & Safety (OHS) • Wellbeing • Talent & leadership development • Employee engagement • Community impact	• Product stewardship • Customer safety • Responsible materials • Sustainable innovation • Product compliance • Circular product solutions	• Responsible sourcing • Supplier ESG governance • Ethical procurement • Supplier development • Strategic partnerships • Customer relationships • Stakeholder engagement	• Board oversight • Executive accountability • Ethics • Anti-bribery • Whistleblowing • Enterprise risk • ESG & climate risk oversight • Performance governance • Disclosure governance • Assurance

ESG GOVERNANCE IN ACTION

100%

ESG-linked priorities, targets, and KPIs embedded across company strategy, business planning, capital allocation, resourcing, operational execution, and performance management frameworks.

100%

ESG-linked performance measures embedded within employee performance evaluation, incentive, remuneration, and accountability frameworks across organisational levels.

ZERO

Material ESG governance breaches relating to disclosure integrity, regulatory non-compliance, or governance failures.

QUARTERLY

Board-level review of ESG strategic priorities, material ESG risks and opportunities, target progress, regulatory disclosure requirements, and other material sustainability matters.

QUARTERLY

Audit Committee oversight of ESG-related risks, internal controls, governance effectiveness, and disclosure integrity within the Enterprise Risk Management Framework.

QUARTERLY

ESG Steering Committee review of cross-functional ESG performance, implementation progress, KPI delivery, material ESG risks and opportunities, and escalation of key sustainability matters.

Independently Assured: ESG-related data and sustainability/climate-related financial disclosures are subject to external assurance through Integrated Reporting, GRI, and SLFRS S1 & S2 standards.

ESG Governance Framework and Accountability

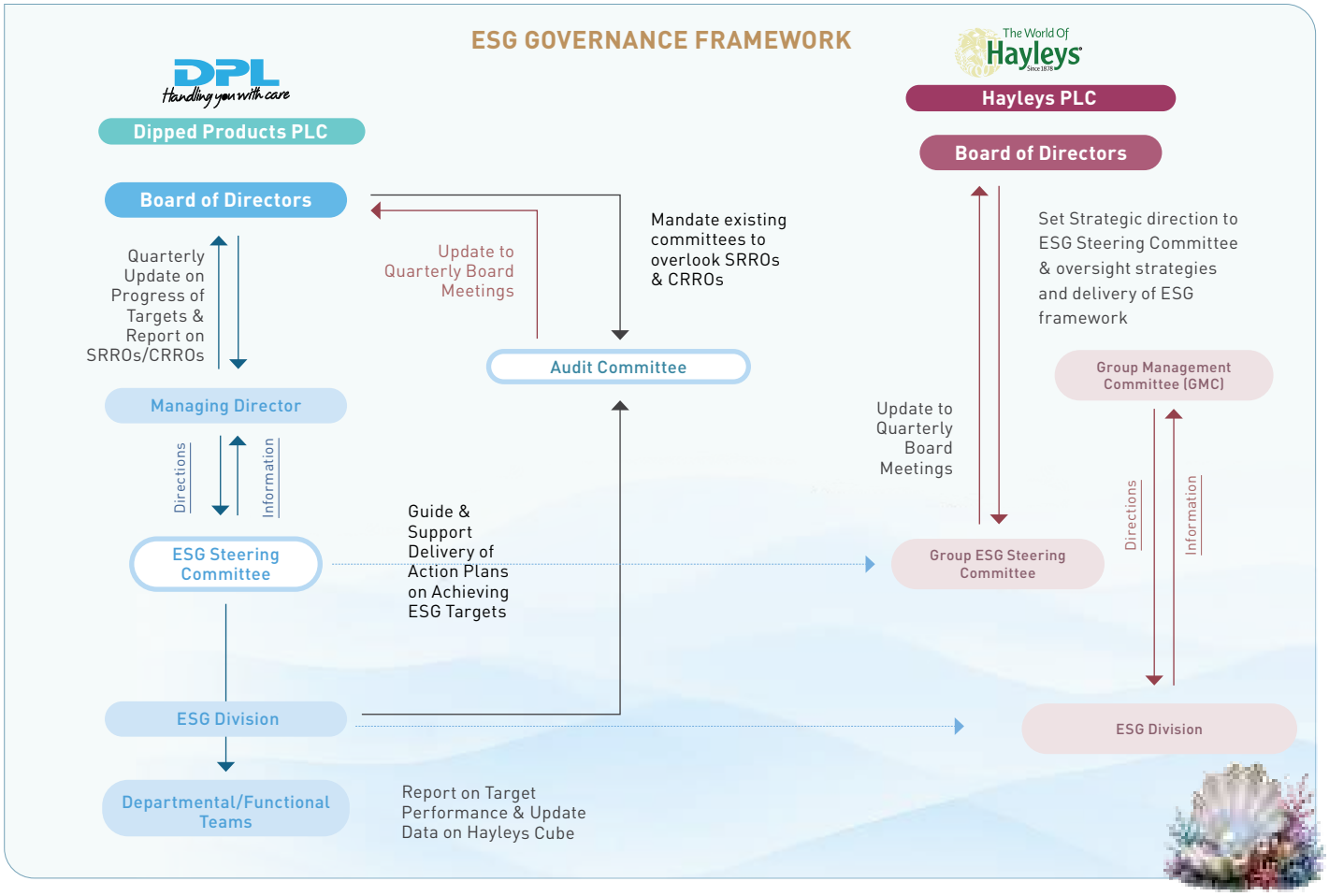
The Board retains ultimate accountability for ESG governance, including oversight of material sustainability matters, ESG-related risks and opportunities, governance effectiveness, approval of ESG strategic priorities and targets, and oversight of sustainability-related disclosures.

ESG Responsibility Matrix

Human Rights Policy	Strategic Direction	Oversight / Review / Decisions	Implementation	Monitoring / Reporting / Disclosure
Board of Directors	●	●		
Audit Committee		●		●
Managing Director	●	●	●	●
CFO		●	●	●
ESG Steering Committee		●	●	●
ESG Division			●	●
Functional / Departmental Teams			●	●

GOVERNANCE ENABLERS FOR EXECUTION

- ESG-related risks and opportunities integrated into enterprise risk governance
- ESG-linked performance accountability embedded into organisational performance management
- Structured governance oversight strengthened across Board, Audit Committee, and ESG Steering Committee
- ESG monitoring, performance review, and disclosure governance mechanisms formalised



DPL's ESG governance framework establishes clear lines of strategic oversight, executive accountability, and operational execution to ensure ESG priorities are embedded within decision-making, enterprise risk management, performance governance, and disclosure processes.

Board oversight is exercised through the Board of Directors, supported by the Audit Committee, which provides governance oversight of ESG-related risks, controls, governance effectiveness, and disclosure integrity as part of the broader Enterprise Risk Management Framework.

Executive accountability is led through the Managing Director and Chief Financial Officer, ensuring Board-approved ESG priorities, targets, and performance expectations are translated into business planning, resource allocation, operational execution, performance management, and disclosure governance.

Cross-functional / departmental implementation, monitoring, and performance review are coordinated through the ESG Steering Committee and ESG Division, enabling structured governance oversight across operational functions.

Implementation of The Group's ESG Strategies, Policies Goals and Targets

DPL's ESG governance extends beyond structural oversight toward active integration within strategic planning, enterprise risk management, performance governance, executive accountability, and disclosure oversight.

Material sustainability priorities are embedded into governance decision-making through structured oversight mechanisms, defined accountability, performance-linked governance processes, and independent assurance.

This governance model supports disciplined execution, transparent reporting, and organisational accountability for ESG performance and sustainability-related commitments.

ESG INTEGRATED ENTERPRISE MANAGEMENT

How ESG is embedded across governance, strategy, execution, risk management, and disclosure



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 476 to 481
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 574
7.6 (v)	Directors' and CEO/MD's holding in shares	Compliant	Report of the Board of Directors Pages 476 to 481
7.6.(vi)	Material foreseeable risk factors of the entity	Compliant	Risks and Opportunities on page 140
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the entity	Compliant	Human Capital on page 239
7.6 (viii)	Extents, locations, valuations, number of buildings	Compliant	Statement of Value of Real Estate Pages 559
7.6 (ix)	Number of shares representing the entity's stated capital	Compliant	Report of the Board of Directors Pages 476 to 481
7.6 (x)	Shareholder Distribution Schedule including percentage of total holding in given categories	Compliant	Share Information page 574
7.6 (xi)	Ratios and Market Price Information	Compliant	Refer Pages 27
7.6(xii)	Changes in Entity's and subsidiaries fixed assets and market value of land	Compliant	Please refer pages 559
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 89
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 557 to 558

Appendix II - Compliance with Section 9 of the CSE Listing Rules on Corporate Governance Rules for Listed Companies.

(1st April 2025 to 31st March 2026)

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 Matters relating to the Board, Board Committees, Corporate Governance, Nominations, Remuneration, Internal Code of Business Conduct, Risk Management and Internal Control, Relations with Shareholders and Investors, Corporate Disclosures, Environment, Social Governance and Sustainability, Whistleblowing and Anti Bribery and Corruption.
9.3	Board Committees	Compliant	The Company has established an Audit Committee, Nominations and Governance Committee, Remuneration Committee and Related Party Transactions Review 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	Mr. P.Y.S. Perera serves as the Senior Independent Director (SID) of the Company 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.
9.6.3. (e)	Senior Independent Director	Compliant	The SID has made a disclosure demonstrating the effectiveness of duties of the SID in page 488.

CSE Rule Reference	Corporate Governance Principles	Compliance Status	DPL's Extent of Adoption
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	Compliant	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 4 of the Annual Report provides the relevant disclosure.
9.8.1	Minimum number of Directors	Compliant	The Board consisted of 15 Directors as at 31st March 2026.
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 Company. Appointments are reviewed by the Nominations and Governance Committee and recommended to the Board. Please refer pages 58 to 61 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 89 to 131 of the Annual Report contains the relevant information
9.11.1-3	Nominations and Governance Committee	Compliant	The Nominations and Governance Committee of the Company has written Terms of Reference. Refer the Nominations and Governance Committee Report on page 482.
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 the Senior Independent Director.
9.11.5	Functions of the Nominations and Governance Committee	Compliant	Refer the Nominations and Governance Committee Report on page 482.
9.11.6	Disclosures in Annual Report	Compliant	Refer the Nominations and Governance Committee Report on page 482.
9.12. 1	Remuneration Committee	Compliant	Refer the Remuneration Committee Report on page 484 and Principles B1 to B3 on page 123 of this Corporate Governance Report.

CSE Rule Reference	Corporate Governance Principles	Compliance Status	DPL's Extent of Adoption
9.12.5, 9.12.6	Composition of the Remuneration Committee	Compliant	The Remuneration Committee comprises 5 Non-Executive Directors, which includes 3 independent Directors. The Chairperson is the Senior Independent Director. The Committee has written Terms of Reference. Refer the Remuneration Committee Report on page 484.
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 6 to the financial statements on page 528. Refer the Remuneration committee Report on page 484.
9.13.3	Composition of Audit Committee	Compliant	Refer Audit Committee Report on pages 489 to 491.
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 Company has written Terms of Reference. Refer the RPTRC Report on page 486. The current Committee comprises 6 Directors out of which 4 Directors are Independent.
9.14.3	Functions of RPTRC	Compliant	Please refer the Report of the RPTRC in page 486.
9.14.4	RPTRC Meetings	Compliant	RPTRC met 04 times on a quarterly basis during the Financial year 2025/26. Minutes of the RPTRC meetings are communicated to the Board of Directors.
9.14.7	Immediate Disclosures	Compliant	Please refer Note 33 of the Notes to the Accounts on pages 557 to 558.
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 557 to 558.
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 486.
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 476 to 481.
9.17	Additional Disclosures	Compliant	Please refer the Report of the Board of Directors on pages 476 to 481.

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 98.
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 94.
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 99.
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 99.
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 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 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 Accountants. 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 an Executive 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 the Statement by the Senior Independent Director. Refer Page 488.
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.

Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
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.
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 Nominations and Governance Committee ('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 482.
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 482.
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 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 58.
Report of the NGC in the Annual Report	A.7.5	Complied	Please refer NGC Report. Refer Page 482.
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.

Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
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 of Association require a Director appointed by the Board to hold office until the next AGM 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. H. S. R. Kariyawasan, Mr. M. N. R. Fernando, Mr. K. D. G. Gunaratne, Mr. K. M. D. I. Prasad and Prof. A. P. De Silva, 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.
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.

Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
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 484.
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 Remuneration Committee of the Company decides on the remuneration of the Executive Directors and sets guidelines for the remuneration of the management staff within the Group. The Chairman and MD 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 MD.

Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
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.
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 Non-Executive 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 484.
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.

Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
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.
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.

Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
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 CSE or through communication by the Company Secretaries 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.			
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 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 496.
Declaration by Board	D.1.4	Complied	Directors have made all necessary declarations. Refer the Directors' Report in Annual report. Refer Page 476.
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 Pages 476 and 492.
Management Discussion and Analysis	D.1.6	Complied	Refer 'Joint Statement of the Chairman the Managing Director'.

Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
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 and 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 MD 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.
Directors' Responsibility of Maintaining a Sound Internal Control System	D.2.2 & D2.2.1	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 492.
Need for Internal Audit Function	D.2.2.2	Complied	The 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.

Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
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, Ms. A.I. Wanigasekera and Mr. T.A.B. Speldewinde. 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 serve as its Secretary. The Chairman, MD, 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 489.
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 489.
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 489.
Disclosures of the Audit Committee	D.3.3	Complied	Please refer Audit Committee report. Refer Page 489.
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 489.

Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
D.5 Related Party Transactions Review Committee (RPTRC)			
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 RPTRC makes recommendations and gives directions to the Board. Please refer RPTRC Report on Page 486.
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 Conducted 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 CSE 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 CSE.
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 48

Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
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.
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.

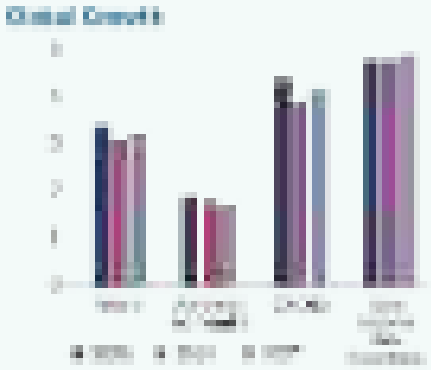
Corporate Governance Principles	Reference of Code	Compliance	DPL's Extent of Adoption
Independent Periodic Reviews and Assurance	G.4	Complied	Periodic reviews are carried out by the external auditors and consultants and observations are submitted to the Board for review and actions.
Disclosure on Cyber 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 Pages 107 and 427.
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 229.
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 140.
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 433.
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 288.
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 140.
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 140.
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 288.
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, Code of Conduct, 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/

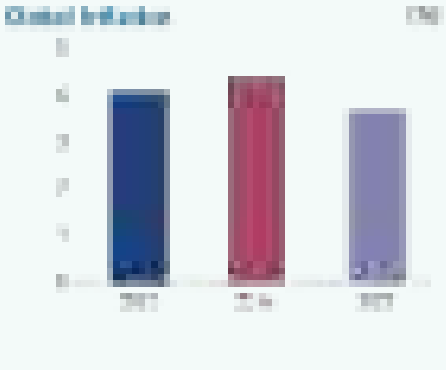
Operating Environment

DPL creates value. It shapes our strategy, informs our investments and strengthens our ability to respond to a rapidly changing operating environment.

Global growth: Rising geopolitical risks weigh on global economic outlook

The global economy faces increasing downside risks following the outbreak of conflict in the Middle East in February 2026. Although recent growth was supported by technology-driven investment, supportive financial conditions, and policy measures, rising geopolitical tensions now threaten this momentum.





Outlook

Rising geopolitical tensions and conflict-related disruptions are expected to increase commodity price volatility, fuel inflationary pressures, and tighten global financial conditions, slowing global growth to 3.1% in 2026 before stabilising at 3.2% in 2027. However, the outlook remains exposed to significant downside risks. Disruptions to critical energy infrastructure or to shipping through the Strait of Hormuz could materially dampen growth, potentially reducing it to around 2.5%, or close to recessionary levels of approximately 2.0%, while inflation could rise to between 5.4% and 6.0%.

Energy prices are projected to surge in 2026, driven by higher oil, gas, fertiliser, and supply chain costs, contributing to increased food prices and pushing global inflation from 4.1% in 2025 to 4.4% in 2026 before easing in 2027.

Impact on the Group

Slower global growth, geopolitical uncertainty and energy price volatility may impact demand across key export markets while increasing logistics, freight and raw material costs, affecting profitability and customer purchasing patterns, market volatility can also affect order timing, customer inventory cycles and price negotiations.

Our Response

We continued to leverage our diversified geographic footprint, product portfolio and customer base to reduce dependence on any single market. Greater focus was placed on higher- value industrial, household and glove segments,disciplined pricing, customer engagement,and operational efficiencies to protect margins while service reliability.

Sri Lanka: Strong and broad-based economic growth in 2025

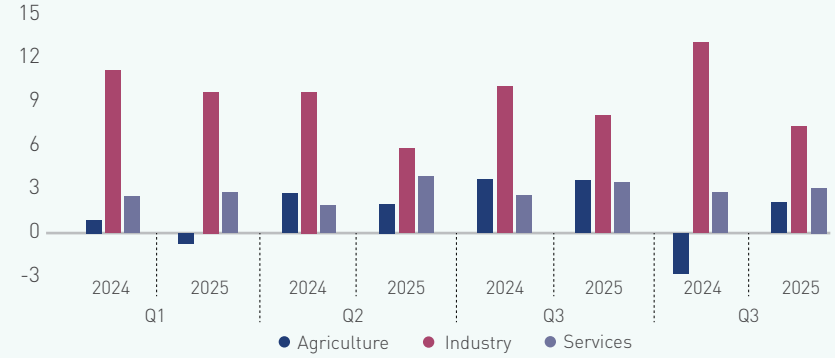
The Sri Lankan economy demonstrated strong resilience in 2025, recording robust growth of 5.0% in Gross Domestic Product (GDP) at constant prices despite the adverse effects of Cyclone Ditwah in November 2025. Economic expansion was broad-based, with all four quarters contributing positively to overall performance.

Growth was primarily driven by the industrial sector, which expanded by 11.1%, supported by strong momentum in manufacturing and construction activities. The services sector also contributed meaningfully, growing by 3.3% on the back of continued expansion in financial services and transport-related activities. Meanwhile, the agricultural sector showed improved performance, recording growth of 1.4%, compared to 0.6% in 2024.

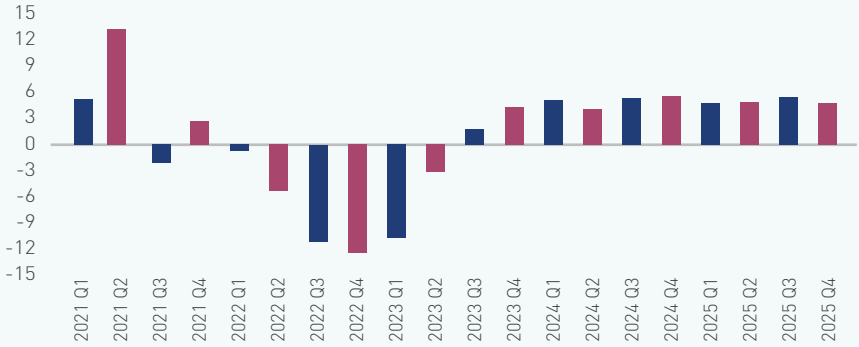
Outlook

Rising geopolitical tensions in the Middle East could significantly impact Sri Lanka's economy, especially if prolonged. Higher global oil and gas prices may increase the fuel import bill, widen the trade deficit, and push up inflation due to Sri Lanka's dependence on Gulf energy. Fertiliser costs and supply disruptions could harm agriculture. Remittances, about 45% of which come from the Gulf countries, may decline if labour markets are affected, increasing exchange rate volatility.

GDP Growth (%)



GDP Growth (%)





Exports to the Middle East could suffer from weaker regional demand, while global economic slowdown may further reduce export demand. Shipping disruptions and higher transport and insurance costs could also weaken trade. Tourism may be affected due to reduced transit through Middle Eastern airlines, which handle over 30% of arrivals.

Impact on the Group

Sri Lanka's stronger industrial and manufacturing performance supported a more stable operating environment. However, external shocks, higher fuel costs and potential pressure on the exchange rate could increase production, logistics and working capital costs.

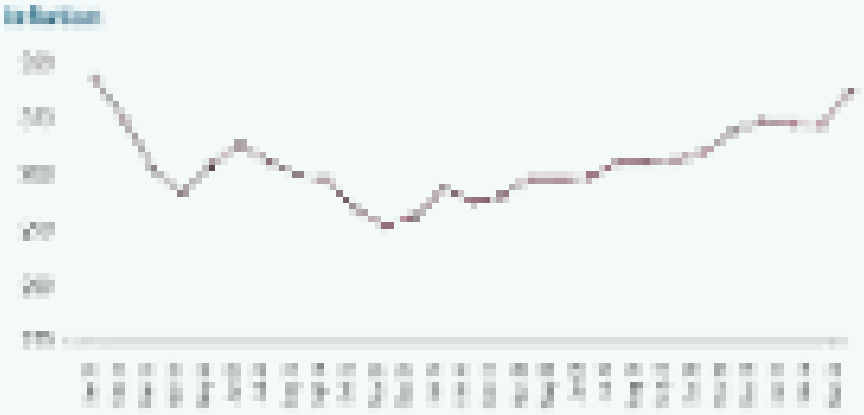
Our Response

We continued to strengthen cost discipline , local supplier relationships, productivity improvements and export - led revenue generation. The Group's Sri Lanka and Thailand manufacturing base provides flexibility to manage capacity, customer demand and sourcing requirements across markets.

Moderate inflation recovery following prolonged deflation

Following eleven consecutive months of deflation, headline inflation turned positive in August 2025 and increased gradually thereafter. Inflation dynamics during the year were largely driven by supply-side factors, amid a slow recovery in aggregate demand.

Accordingly, year-on-year (YoY) headline inflation, as measured by the Colombo Consumer Price Index (CCPI, 2021=100), rose to 2.1% by end-2025 from -1.7% at end-2024. However, annual average inflation declined to -0.5% in 2025, compared to 1.2% in 2024.



Outlook

Inflation is projected to rise toward the 5% target faster than previously anticipated, mainly driven by higher energy and transport costs linked to the ongoing Middle East conflict and related global developments. These pressures reflect both direct price increases and indirect spillover effects across the economy.

Over the medium term, inflation is expected to stabilise around the target, supported by appropriate policy measures under the data-driven and forward-looking Flexible Inflation Targeting (FIT) framework. Meanwhile, core inflation is also expected to gradually move toward the target, aided by spillover effects from energy and transport costs, improving domestic demand conditions, and evolving imported inflation dynamics

Impact on the Group

Rising energy, transport and imported input costs may increase manufacturing overheads, packaging, chemicals, liners, yarn and logistics costs. This can effect gross margins where cost increases cannot be fully passed through to customers.

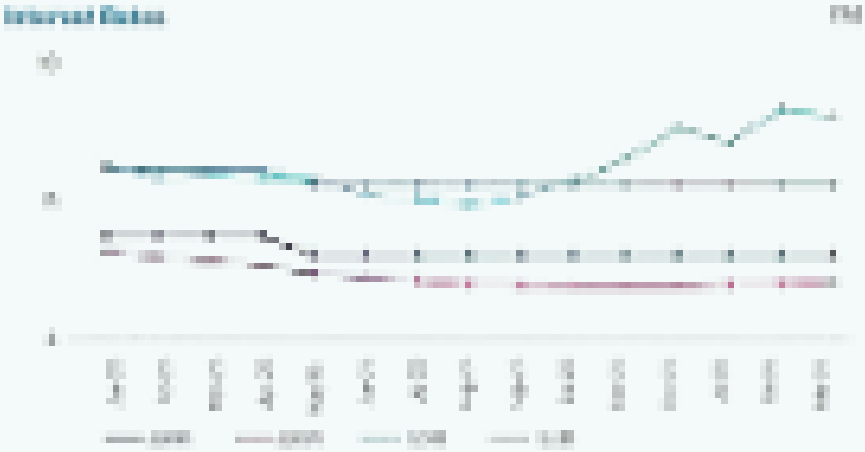
Our Response

We focused on procurement planning , supplier negotiations, lean manufacturing,energy efficiency and selective price revisions. The Group also continued to prioritise product mix improvements and value - added glove categories to absorb cost pressure more effectively.

Easing market interest rates amid supportive macroeconomic conditions

Market interest rates continued to decline in 2025, although a modest increase was observed toward the latter part of the year, reflecting temporary increases in short-term interest rates.

An accommodative monetary policy stance, a low-inflation environment, and well-anchored inflation expectations underpinned the overall downward trend. In addition, improvements in the country's credit profile led to reduced risk premia, further supporting the easing of market interest rates.



Outlook

Domestic financial conditions are expected to remain sensitive to external shocks, with government bond yields exhibiting episodes of volatility in early 2026, driven by shifts in risk sentiment related to Middle East tensions and fluctuations in global energy prices, despite strengthened macroeconomic fundamentals.



Impact on the Group

Easing interest rates support lower borrowing and finance costs finance costs and working capital funding; however, renewed volatility in bond yields and short-term rates may affect borrowing costs, investment decisions and customer credit conditions.

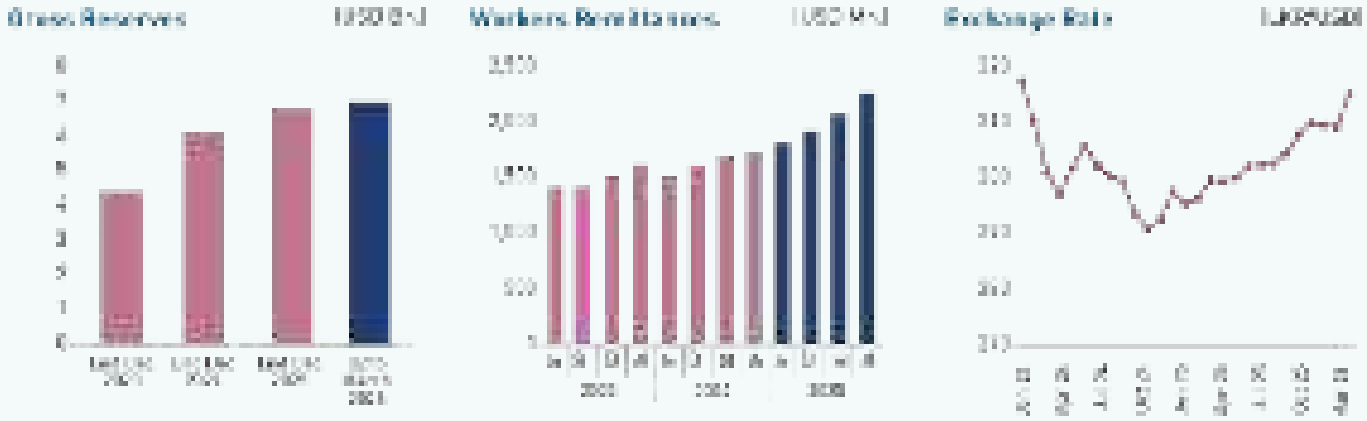
Our Response

We maintained prudent treasury management, working capital discipline and careful evaluation of capital expenditure. Financing decisions were aligned with cash flow visibility, export collections and strategic investments in capacity, automation and sustainability.

Strengthening external position amid currency depreciation in 2025

Sri Lanka's external sector strengthened further in 2025, with the current account recording a surplus for the third consecutive year. The surplus increased to an estimated USD 1.7 billion, up from USD 1.2 billion in 2024, supported by a stronger services account surplus, a significant rise in workers' remittances, and a narrowing of the primary income deficit.

Following two consecutive years of appreciation, the Sri Lankan rupee depreciated against the US dollar in 2025. The exchange rate moved from Rs. 292.58 per US dollar at end-December 2024 to Rs. 309.99 per US dollar by end-December 2025, reflecting a depreciation of 5.6%.



Outlook

Sri Lanka's external sector outlook remains broadly resilient, supported by strong reserve levels, ongoing foreign exchange inflows, and a flexible, market-determined exchange rate framework. Continued support from the IMF programme and progress in debt restructuring are expected to strengthen stability over the near to medium term.

However, risks remain elevated due to the Middle East conflict, which could adversely affect tourism, trade, and remittances. The trade deficit is expected to widen in 2026, driven by higher import costs—particularly for fuel and investment goods—despite moderate export growth. Overall, the external sector will remain sensitive to global developments, requiring timely policy responses to manage potential shocks.

Impact on the Group

Rupee depreciation improves export competitiveness and translated export revenue, but also increases the cost of imported raw materials such as latex, chemicals, liners, yarn and machinery. Exchange volatility may therefore create both revenue opportunities and cost pressure.

Our Response

We managed currency exposure through natural hedging from export earnings, careful import planning and close monitoring of foreign currency cash flows. Pricing discussions, procurement timing and customer contract terms were reviewed to manage margin sensitivity.

Rising climate risks and policy response in Sri Lanka

Climate change poses a significant and growing threat to Sri Lanka's economic stability in 2025–2026, with potential annual losses exceeding 2% of GDP and projected impacts rising to 3.3%–3.5% of GDP by mid-century. These risks are driven by reduced labour productivity due to heat stress, declining agricultural yields, and escalating damages from floods and other extreme weather events.

This vulnerability was underscored by Cyclone Ditwah, which struck Sri Lanka on November 28, 2025, causing widespread devastation. The disaster resulted in estimated economic losses of US$4.1 billion, affected around 2.2 million people across all 25 districts, claimed over 646 lives, and left more than 170,000 people displaced as of January 2026.

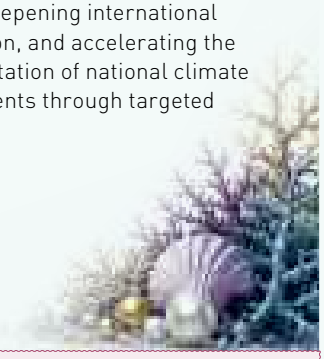
Sri Lanka's NDC 3.0, submitted in September 2025, outlines a target to reduce greenhouse gas emissions by 20.09% by 2035 relative to a business-as-usual scenario, alongside a long-term goal of achieving carbon neutrality by 2050. Covering the period 2026–2035, the strategy places strong emphasis on adaptation across nine priority sectors, including agriculture, water, tourism, health, and fisheries, while promoting a just and inclusive transition toward a climate-resilient economy.

Outlook

Given recent experiences, climate-related shocks are likely to become more frequent in the period ahead, posing significant challenges to ongoing fiscal reforms and placing additional pressure on fiscal balances, with potential implications for fiscal sustainability.

At the same time, growth in non-conventional renewable energy sources has continued in the post-crisis period, supporting Sri Lanka's transition toward a more sustainable and resilient energy mix in line with the Carbon Net Zero 2050 Roadmap and Strategic Plan.

In the global context, COP30 marked a significant step forward in climate cooperation, with countries reaffirming commitments and adopting 56 decisions to strengthen climate action. The conference placed strong emphasis on implementation, including roadmaps to transition away from fossil fuels, halt deforestation by 2030, and mobilise substantial climate finance. Key priorities also included scaling up adaptation efforts, deepening international cooperation, and accelerating the implementation of national climate commitments through targeted initiatives.



Impact on the Group

Extreme weather, rainfall variability and heat stress may affect natural latex availability, plantation productivity, water availability, energy reliability, labour productivity and logistics continuity. Increasing climate-related disclosure and customer expectations also raise compliance and investment requirements

Our Response

The Group continued to advance DPL Pulse ESG Roadmap priorities, including renewable energy, energy efficiency, water management, emissions reduction and climate-related risk assessment. We also strengthened supplier engagement and sustainability reporting in line with SLFRS S1/S2 and customer requirements.

Operating Environment

Resilient global trade driven by technology exports

Global trade remained resilient, supported by strong growth in technology-related exports, which offset weaker performance in other product categories. This trend particularly benefitted Asian economies, major exporters of semiconductors and related equipment, amid rising global demand driven by rapid investment in digitalisation and AI technologies. Meanwhile, the restructuring of global supply chains and evolving trade relationships continued to shape international trade patterns.

Outlook

World trade growth is projected to moderate from 5.1% in 2025 to 2.8% in 2026, before recovering to 3.8% in 2027. The share of both goods and services exports in global GDP is expected to decline, although the contraction in services trade is likely to be more limited. This reflects the sector's relatively stronger underlying growth and greater resilience compared to goods trade.

Impact on the Group

Technology-driven global trade growth and changing supply chain patterns are increasing customer expectations for efficiency, quality consistency, traceability and shorter lead times, creating both competitive pressures and growth opportunities for export-oriented manufacturers

Our Response

We continued investing in robotics manufacturing digitalisation and AI-enabled capabilities to improve productivity, quality performance, supply chain responsiveness and operational efficiency while strengthening long-term competitiveness and capturing emerging market opportunities.

Sharp rise in energy prices amid Middle East disruptions

Oil prices surged by 57.6% between August 2025 and March 2026, reaching around $105.8 per barrel, driven by the Middle East conflict and disruptions to shipments through the Strait of Hormuz. Prices briefly peaked at $119 before easing following ceasefire signals, though uncertainty remains high.

Natural gas prices also rose sharply, especially in Europe and Asia, due to supply disruptions and damage to key production facilities, while US prices increased only modestly.

Outlook

Energy commodity prices are projected to rise by approximately 19% in 2026, driven largely by supply disruptions linked to geopolitical tensions in the Middle East. Oil prices are expected to increase by 21.4%, with the average petroleum spot price index reaching around US$82 per barrel, reflecting constraints on production and transportation.

Natural gas prices are likely to rise more sharply than oil prices, owing to the technical complexities involved in restoring production and the relatively limited reserve buffers available.

Food prices are also projected to increase, driven by higher energy and fertiliser costs, disruptions to global shipping routes, and elevated transport expenses. Meanwhile, base and precious metal prices are expected to sustain the gains recorded in 2025, supported by continued demand and global market conditions.

Impact on the Group

Middle East disruptions and geopolitical tensions may increase energy and fuel price volatility, disrupt key shipping routes and increase freight and logistics costs. As a highly export-oriented manufacturer, the Group may also experience longer delivery lead times, higher raw material and transportation costs and pressure on operating margins arising from supply chain disruptions

Our Response

The Group continued strengthening supply chain resilience through proactive procurement planning, diversified sourcing and close monitoring of shipping and logistics developments. Focus was also placed on operational efficiencies, energy optimisation and investments in renewable and resource-efficient technologies to minimise exposure to cost volatility and support long-term business resilience.

Regulatory measures

During the year, the regulatory environment continued to evolve through revisions to tax policies, changes in tax thresholds and export-related regulatory mechanisms aimed at strengthening government revenue and improving fiscal administration. The discontinuation of the Simplified Value Added Tax (SVAT) scheme and the transition towards a cash-based export VAT refund mechanism represent significant changes affecting export-oriented businesses. In parallel, increasing global ESG and sustainability - related regulations, particularly from European markets, continue to shape compliance expectations across manufacturing and export sectors.

Outlook

Further policy refinements and fiscal reforms are expected as the Government continues implementing economic reforms under the IMF-supported programme and strengthening public finance management. Export-oriented companies may experience changes in taxation structures,threshold requirements and regulatory reporting obligations. Additionally global regulatory developments relating to sustainability, product traceability and supply chain compliance are expected to increase reporting and operational requirements across export markets.



Impact on the Group

Changes in tax policies and the transition from the SVAT mechanism to a cash-based export refund system may create temporary working capital pressures and increase administrative requirements, while evolving ESG regulations may increase compliance costs and reporting obligations.

Our Response

The Group reinforced specialised teams and strengthened internal capabilities to proactively respond to evolving tax policies and the transition from the SVAT mechanism to the cash-based export VAT refund framework. Enhanced invoice management processes, improved documentation controls and greater cross-functional coordination supported efficient refund processing, reduced operational complexity and strengthened cash flow management while ensuring compliance with evolving ESG requirements.

GRI 2-16

Risk management is integral to our strategy and the achievement of long term objectives. Our ability to operate safely, efficiently and competitively depends on how effectively we identify, assess and manage both risks and opportunities arising from our manufacturing operations, supply chains and markets. Accordingly, risk management is embedded across our entire value chain and forms a core element of the Board's agenda.

BOARD ASSESSMENT OF COMPLIANCE WITH RISK MANAGEMENT FRAMEWORKS

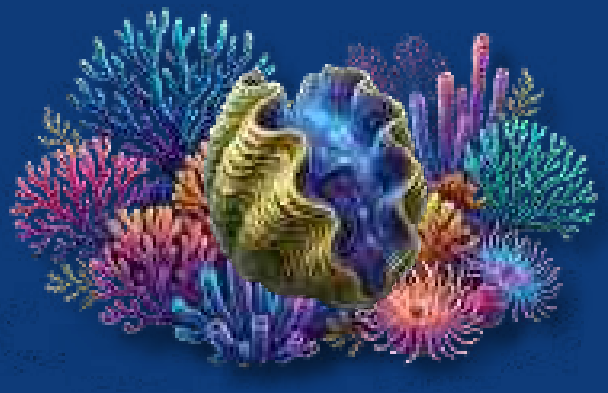
The Board remains actively engaged in overseeing the principal risks affecting the Group's operations and long term strategy, with particular attention to manufacturing safety, regulatory compliance, supply chain resilience, and market conditions. Supported by the Audit Committee, we regularly review the effectiveness of our risk management and internal control frameworks and the actions taken to address identified risks.

The Board is satisfied that appropriate systems and processes are in place to manage risk responsibly while supporting the Group's strategic objectives and sustainable growth.

Communication of Critical Concerns

DPL identifies, assesses and monitors critical strategic, operational, financial and ESG risks through the Risk Register process. Material and emerging risks identified across operations are escalated through defined governance channels, consolidated at Group level, and regularly reviewed by Senior Management, the Audit Committee and the Board to support timely decision-making, oversight and risk mitigation.

Assurance and Reassurance of the effectiveness of our risk management framework



- Awareness and training sessions
- Internal Audit function
- Independent review of the effectiveness of risk management
- Periodic reporting of risk assessments and mitigation progress to the Executive Board and Audit Committee
- Product certifications
- System certifications
- Compliance with international standards, code of best practices and policies
- Continuous stakeholder engagement
- System certifications

RISK MANAGEMENT FRAMEWORK

Our risk appetite and approach to risk management

The Board holds overall accountability for overseeing the management of risks and opportunities across the Group and for reviewing the effectiveness of our risk management and internal control systems. Clear accountabilities have been established to address the principal risks facing the business over the short, medium and long term. Responsibility for day-to-day risk management has been delegated to executive management, supported by appropriate resources and processes across our manufacturing operations. The Board regularly reviews principal and emerging risks, including environmental, social and governance considerations, and determines the level of risk the Group is prepared to accept in pursuing its strategic objectives. Our risk management framework is designed to provide reasonable assurance that assets are safeguarded, material risks are identified and mitigated, and relevant information is appropriately reported to senior management and the Board.

Risk Governance

The Board holds ultimate responsibility for overseeing risk management across the DPL Group, with support from the Audit Committee in accordance with its Terms of Reference. Subsidiaries report identified risks to their respective Boards and to DPL Finance, which consolidates these risks and presents an aggregated risk profile to the DPL Audit Committee and Board.



Our approach

- **Board of Directors**: Holds ultimate accountability for risk oversight and sets the Group's risk appetite.
- **Audit Committee**: Supports the Board by reviewing risk management, internal controls, and reporting effectiveness.
- **Managing Director / Executive Management:** Responsible for implementing the risk management framework and monitoring principal and emerging risks.
- **Manufacturing Sites & Functions:** Identify, assess, and manage day to day operational risks, including occupational health & safety, product quality, environmental and regulatory risks.
- **Group Finance / Risk Function:** Consolidates risk information from across the Group and reports to Executive Management, the Audit Committee, and the Board.

DPL adopts "three lines of defence" model to manage risk as set out below:



KEY RISK DRIVERS DURING THE YEAR

Global Growth

According to the IMF's April 2026 World Economic Outlook, global economic growth is projected to moderate to 3.1% in 2026 and 3.2% in 2027. This slowdown reflects ongoing geopolitical tensions in the Middle East, rising trade barriers, and increasing global fragmentation. These projections represent a downward revision from earlier forecasts, with growth in emerging markets also expected to ease over the medium term.

Foreign exchange volatility

During the early part of 2026, the Sri Lankan Rupee (LKR) experienced moderate volatility, depreciating by 1.6% year on year against the US Dollar (USD) as at the end of March, following a more pronounced depreciation of 5.6% in 2025.

Sustainability and climate change

The impacts of climate change are becoming increasingly evident, with reduced agricultural yields arising from adverse weather conditions and a rise in the frequency and severity of extreme weather events. (Refer SLFRS S1 and S2 Disclosures on page 148 to 207)

Commodity prices

At the beginning of the year, commodity markets were expected to remain broadly stable, supported by modest demand growth and relatively resilient supply conditions, particularly in energy markets. This environment was anticipated to exert downward pressure on prices. However, this outlook has reversed with rising geopolitical tensions.

Economic recovery in Sri Lanka

According to the World Bank's Global Economic Prospects report published in January 2026, Sri Lanka's economic growth is expected to decelerate over the near to medium term, with GDP growth projected to slow from an estimated 4.6% in 2025 to 3.5% in 2026 and 3.1% in 2027. This moderation in growth is attributed to persistent structural inefficiencies, the lasting effects of the recent economic crisis, and subdued external demand. While improvements in fiscal revenue are anticipated, the projected slowdown may adversely affect domestic demand and export oriented industries.

Technology

Technology continues to evolve rapidly, driving significant changes in productivity, customer engagement and product development. DPL remains committed to staying at the forefront of technological advancement and continues to invest in modern systems, infrastructure and skills.

Innovation and growth

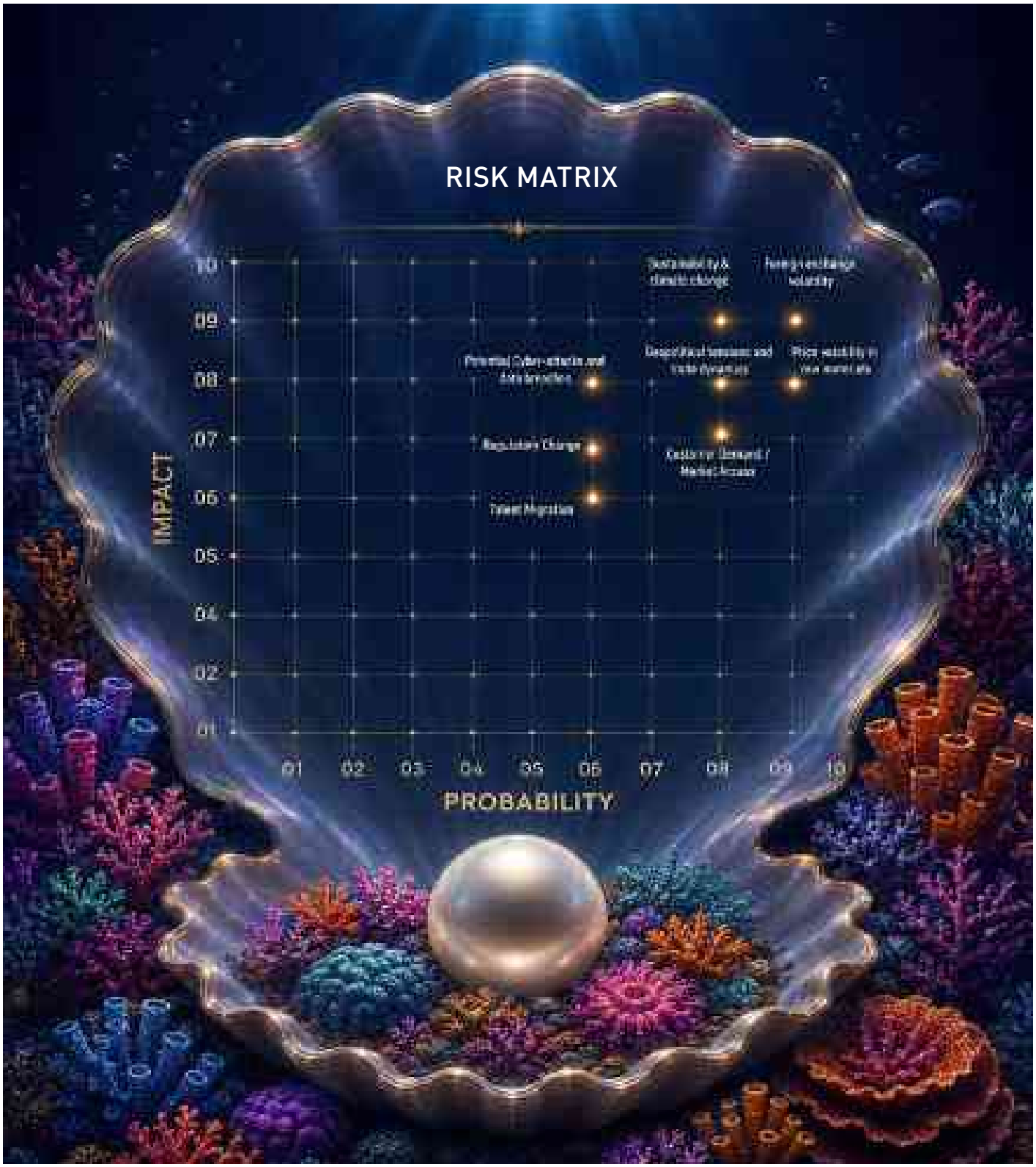
DPL maintains a strong pipeline of products under development, driven by customer-led innovation and specialisation. This approach enables DPL to enhance value addition and strengthen its competitive positioning.

Employee migration

Overseas migration for employment continues at a more moderate pace. Immigration has become an increasingly sensitive policy issue in many advanced economies, with stronger political and public pressure to tighten entry requirements. These developments may affect overseas employment opportunities and influence labour market dynamics.

KEY RISKS

The Group maintains risk registers for its key businesses. A consolidated view of the key risks of the Group faced during the year is given below;



Risk Level - H High 8 - 10 M Medium 4 - 7 L Low 1 - 3

Market Risk

Risk Code - MR-01

Description	Impact on Business Model	Impact on Value Chain	Risk Level
Geopolitical tension and trade dynamics Geopolitical tensions, evolving trade policies, and disruptions to global supply chains may impact the Group's ability to efficiently access international markets, manage costs, and sustain growth. During FY 2025/26, ongoing conflicts in the Middle East, disruptions to key shipping routes, increasing trade protectionism, tariff-related uncertainties, and changing global economic conditions contributed to heightened volatility across global trade networks. As a leading exporter of protective gloves, the Group remains exposed to developments that may affect customer demand, logistics, procurement costs, and market accessibility.	• **Revenue:** Changes in global economic conditions, trade restrictions, and customer purchasing behaviour may impact-export demand and order volumes across key markets. • **Profitability**: Increased freight rates, insurance premiums, energy costs, raw material price volatility, and compliance requirements may place pressure on margins. • **Strategy:** Uncertainty in global trade flows and market conditions may influence commercial strategies, sourcing decisions, investment priorities, and market expansion plans. • **Financing:** Global market volatility may affect interest rates, access to capital, and foreign exchange conditions, influencing funding and investment decisions. • **Growth:** Trade barriers, geopolitical developments, and prolonged supply chain disruptions may affect the Group's ability to expand into new markets and strengthen its global footprint.	• **Procurement:** Volatility in the availability and pricing of imported chemicals, nitrile, packaging materials, and other manufacturing inputs may impact production costs and sourcing strategies. • **Logistics:** Shipping route disruptions, vessel rerouting, port congestion, and longer transit times may increase freight costs and affect delivery reliability. • **Operations**: Supply chain uncertainties may necessitate higher inventory levels and increased operational planning to maintain continuity of production. • **Customers:** Economic uncertainty and inventory optimisation initiatives among customers may influence purchasing patterns, order frequency, and demand visibility. • **Market Access:** Changes in tariffs, trade regulations, sustainability-related requirements, and regional trade policies may impact access to existing and emerging export markets.	Impact H Probability H

Key mitigations

- Diversification of export markets and customer portfolio to reduce concentration risk.
- Continuous monitoring of geopolitical developments, trade policies, sanctions, and global shipping conditions.
- Strengthening strategic supplier relationships and diversifying sourcing channels to enhance supply chain resilience.
- Maintaining appropriate inventory levels of critical raw materials and operational inputs to minimise supply disruptions.
- Long-term engagement with logistics partners to improve shipment planning, route flexibility, and delivery reliability.
- Ongoing investments in operational efficiency, automation, renewable energy, and resource optimisation initiatives to mitigate cost pressures.
- Regular scenario analysis and business continuity planning to assess potential impacts of geopolitical developments on operations and markets.
- Continuous focus on product innovation, customer engagement, and value-added solutions to strengthen competitiveness in global markets.

Market Risk

Risk Code - MR-02

Description	Impact on Business Model	Impact on Value Chain	Risk Level
Customer Demand and Market Access Global economic uncertainty, geopolitical tensions, evolving trade policies, and changing customer procurement patterns may impact demand for protective gloves and access to key export markets. During FY 2025/26, ongoing Middle East conflicts, Red Sea shipping disruptions, tariff-related uncertainties, inflationary pressures in major economies, and increased competition within the global glove industry contributed to a more challenging operating environment for exporters.	• **Revenue:** reduced customer order volumes, delayed purchasing decisions, and increased pricing pressure in key export markets. • **Profitability**: margin compression arising from intensified market competition, customer cost optimisation initiatives, and higher market-entry costs. • **Strategy**: evolving customer requirements and regional trade developments may require adjustments to market focus, product mix, and commercial strategies. • **Financing**: slower sales growth and extended customer purchasing cycles may impact working capital requirements and cash flow planning	• **Customers**: changing procurement behaviour, inventory rationalisation, and cautious spending may affect demand visibility and order predictability. • **Distribution:** longer delivery lead times and logistics disruptions may impact service levels and customer responsiveness. • **Market Access:** evolving regulatory requirements, tariffs, trade restrictions, and sustainability-related compliance expectations may influence access to existing and emerging markets. • **Sales Channels:** increased competition and supplier diversification by customers may intensify market share pressures.	Impact H Probability H

Key mitigations

- Diversification of customer portfolio across geographical markets and end-user segments.
- Strengthen strategic relationships with key customers through long-term engagement and collaborative product development.
- Expansion of sustainable and value-added product offerings, including recycled and renewable material-based solutions, to address evolving customer preferences.
- Continuously monitoring of global trade developments, customer demand trends, and geopolitical risks affecting export markets.
- Maintaining a balanced product portfolio across industrial, healthcare, cleanroom, and specialty glove segments.
- Enhance market intelligence and customer engagement initiatives to identify emerging opportunities and shifts in purchasing behaviour.
- Leverage global sales and distribution networks to improve market reach and customer responsiveness.

Market Risk

Risk Code - MR-03

Description	Impact on Business Model	Impact on Value Chain	Risk Level
Raw material price volatility Fluctuations in latex and other raw material prices due to shortages and geopolitical tensions.	• **Profitability:** volatility due to higher procurement costs. • **Finance:**Challenges in maintain accurate cost estimation for products. • **Strategy:** Frequent fluctuations affects difficulties in financial planning and budgeting • **Strategy:** Influences sourcing and supplier decisions.	• **Procurement:** affects procurement pricing. • **Suppliers:** affects supplier contracts	Impact H Probability H

Key mitigations

- Increased supplier base in Thailand.
- Extended supplier network with new suppliers from Korea.

Financial Risk

Risk Code - FR-01

Description	Impact on Business Model	Impact on Value Chain	Risk Level
Foreign exchange rate volatility Impacts the Group due to foreign currency denominated earnings and investments in foreign subsidiaries	• **Revenue:** pricing pressure and currency translation risks on export revenue • **Profitability:** volatility due to higher procurement costs, pricing challenges, volatile logistics costs • **Strategy:** uncertainty affects financial planning and budgeting • **Financing:** affects finance costs and borrowings denominated in foreign currencies	• **Procurement:** affects imported raw material and chemical costs • **Logistics:** affects freight costs.	Impact H Probability H

Key mitigations

- Foreign currency receivables and payables are matched wherever possible to reduce exchange rate exposure.
- Regularly reviewing of foreign exchange exposure reports to assess and anticipate potential risks.
- Use of financial instruments (eg. forward contracts) to reduce the impact on exchange rate volatility.

Regulatory Compliance Risks

Risk Code - RCR-01

Description	Impact on Business Model	Impact on Value Chain	Risk Level
Regulatory compliance Sri Lanka's latest amendment to the Anti Corruption Act requires enhanced compliance obligations for the private sector.	• **Profitability:** any occurrence of unethical practices lead to legal penalties, financial losses, and reputational damage. • **Strategy:** new regulatory expectations, increasing compliance oversight and accountability • **Competitive position:** increased requirements from customers for governance-related compliance, disclosures, and ethical business assurance.	• **Manufacturing:** Increasing need to strengthen operational controls and reporting mechanisms and manage corrective and disciplinary actions. • **Suppliers:** enhanced due diligence required to prevent risks related to bribery, corruption, PEP associations, and anti competitive practices	Impact M Probability M

Key mitigations

- Adopted the Hayleys Group Bribery & Anti-Corruption Policy and initiated the development of a DPL Group Good Governance & Business Ethics Policy to address sector-specific requirements, endorsed by leadership.
- Communicate policies effectively across the organisation and conducting regular training to proactively identify and address corrupt practices.
- Establish robust oversight mechanisms, transparent reporting channels, and continuous monitoring processes to prevent, detect, and respond to corruption risks.
- Implement strong whistleblower protection mechanisms to safeguard individuals reporting suspected unethical or corrupt activities.
- Conduct comprehensive due diligence on third parties, including suppliers, contractors, and business partners, to mitigate corruption-related compliance risks.

Human Resource Risks

Risk Code - HRR-01

Description	Impact on Business Model	Impact on Value Chain	Risk Level
Talent Migration Talent migration and increasing competition for skilled professionals may impact the Group's ability to attract, develop, and retain critical talent. During FY 2025/26, overseas employment opportunities, global demand for skilled labour, and evolving workforce expectations continued to influence talent retention across Sri Lanka.	• **Operations:** loss of experienced employees may affect productivity, operational continuity, and knowledge retention. • **Profitability:** increased recruitment, training, and retention costs may impact operating margins. • **Strategy:** challenges in attracting specialised talent may affect execution of strategic initiatives, digitalisation, and operational excellence programmes. • **Growth:** workforce constraints may impact expansion plans and the pace of capability development. • **Innovation:** loss of critical technical and leadership talent may affect continuous improvement and innovation efforts.	• **Human Capital:** increased employee turnover may result in skill gaps and succession challenges. • **Operations**: longer time required to recruit and develop specialised manufacturing, engineering, and technical personnel. • **Customers:** potential impact on service quality, responsiveness, and customer relationship management if critical talent is not retained.	Impact M Probability M

Key mitigations

- Maintain competitive and performance-based remuneration and benefits structures.
- Strengthen employee engagement, wellbeing, and recognition programmes.
- Invest in learning, leadership development, succession planning, and career progression opportunities.
- Enhance graduate, internship, and talent pipeline programmes to support future workforce requirements.
- Conduct periodic workforce and retention analyses to identify emerging talent risks.
- Foster a safe, inclusive, and high-performance work environment that supports employee retention and development

IT & Cyber Security Risks

Risk Code - ITR-01

Description	Impact on Business Model	Impact on Value Chain	Risk Level
Cyber attacks and Data breaches Growing global cyber threats increase the risk of system attacks, data breaches, and unauthorized access to sensitive information.	• **Profitability:** Cyber attacks on core systems can disrupt business critical processes. • **Legal costs:** Any breach of data protection will lead to legal implications, financial loss and reputational damage.	• **Manufacturing & Operations:** ERP Cyber attacks on core systems can disrupt business critical processes, affecting continuity and reliability of operations. Technology enabled production and operational processes may be disrupted if systems are compromised.	Impact H Probability M

Key mitigations

- Regularly review and update cyber security and data protection policies and procedures to strengthen safeguards against emerging threats.
- Assess the effectiveness of existing cyber security controls and infrastructure, and proactively implement upgrades or enhancements where gaps are identified.
- Conduct ongoing employee awareness and training programmes on data protection, cyber hygiene, and best practices to prevent and respond to cyber attacks

Independent Practitioner's Assurance Report



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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF DIPPED PRODUCTS PLC ON THE SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES PRESENTED IN THE INTEGRATED ANNUAL REPORT [2025/26]

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 SLFRS Sustainability-related Financial Disclosures (the "Subject Matter") contained in Dipped Products PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2026 (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 Sri Lanka Sustainability Disclosure Standards, SLFRS S1 – General Requirements for Disclosure of Sustainability related Financial Information and SLFRS S2 – Climate-related Disclosures ("Criteria").

Such Criteria were specifically designed for the disclosure of material information on sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity; 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 Dipped Products PLC on 28 April 2026. 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:

- Conducted interviews with selected key management personnel and relevant staff to understand the business, value chain and sustainability reporting process of the Company.
- Undertook analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified.
- Performed procedures to understand the Company's disclosures in relation to the Conceptual Foundation of SLFRS S1, including fair presentation, materiality, reporting entity, and connected information
- Conducted procedures to understand the governance processes, controls and procedures employed by the Company to monitor, manage and oversee climate-related risks and opportunities, supported by relevant evidence.
- Perused the minutes of the Board of Directors and Board Audit Committee meetings from the financial year to ensure alignment with the content of governance related disclosures.
- Conducted procedures to comprehend the Company's strategy for managing identified sustainability-related risks and opportunities, supported by relevant evidence and calculations.
- Performed analytical procedures to obtain explanations and supporting evidence regarding the Company's processes for identifying, assessing, prioritizing, and monitoring sustainability-related risks and opportunities, including their integration into the overall risk management framework.
- Conducted analytical procedures to gather explanations and supporting evidence to evaluate the Company's performance in relation to its identified sustainability-related risks and opportunities, including progress towards any targets the Company has set during the assurance engagement.
- Performed procedures to assess the Company's disclosures and compliance with the General Requirements of SLFRS S1.
- Conducted procedures to evaluate the disclosures regarding judgments and uncertainties in the process of preparing the Company's sustainability-related financial disclosures.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

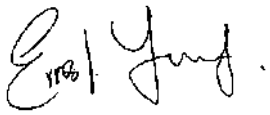
There are inherent limitations in the identification, measurement and disclosure of underlying Subject Matter against the applicable Criteria due to forward looking information, uncertainties and management judgements. For clarity, our engagement does not extend to providing assurance on the accuracy or achievability of these forward-looking information, uncertainties and management judgements.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to SLFRS Sustainability-related Financial Disclosures for the year ended 31 March 2026, in order for it to be in accordance with the Criteria.

Restricted Use

This report is intended solely for the information and use of Dipped Products PLC for the purpose of providing an assurance conclusion on the Subject Matter based on the Criteria and is not intended to be and should not be used by anyone other than those specified parties.



Chartered Accountants

05 June 2026

Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manalunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P Y K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage FCA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

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SLFRS Sustainability Related Financial Disclosures

GRI 201-2

1. BASIS OF PREPARATION

1.1 Reporting Entity

This report presents the consolidated Sustainability-related Financial Disclosure of Dipped Products PLC (DPL) and its subsidiaries collectively referred to as the "Group". The disclosures in this section are provided on a consolidated basis, unless otherwise stated.

These disclosures have been prepared in accordance with SLFRS Sustainability Disclosure Standards.

- SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information.
- SLFRS S2 – Climate-related Disclosures issued by The Institute of Chartered Accountants of Sri Lanka (adopted based on the IFRS S1 and IFRS S2 issued by the International Sustainability Standards Board).

In preparing these disclosures, DPL also referred to: SASB Standards (2 industry-specific standards) and Global Reporting Initiative (GRI).

The objective of these disclosures is to provide information about sustainability-related risks and opportunities including but not limited to climate related risks and opportunities, that could reasonably be expected to affect the Group over the short, medium, or long term, thereby supporting the decision-making needs of primary users of general-purpose financial reports. The reporting period for these disclosures is aligned with the Group's financial reporting period, covering the year ended March 31, 2026.

1.2 Organisation Boundary

The sustainability and climate-related disclosures presented in this Report cover Dipped Products PLC and its subsidiaries and entities over which the Group exercises operational and/or financial control, consistent with the basis used for the preparation of the consolidated financial statements.

Accordingly, the reporting boundary for sustainability-related financial disclosures is aligned with the reporting entity used in the Group's consolidated financial statements and therefore includes DPL's hand protection manufacturing, trading, related support operations, and plantation sector subsidiaries across Sri Lanka and overseas entities that form part of the Group reporting structure. Plantation subsidiaries are included as part of the consolidated Group reporting boundary.

Changes to boundary 2025/26

- Consideration of risks and opportunities faced by the subsidiaries in the plantation sector.
- Inclusion of any such SRROs/ CRROs based on Materiality to DPL's business model, strategic priorities, value chain dependencies, and material sustainability and climate-related topics

Sustainability-related risks and opportunities have been assessed across the Group's operations and value chain based on their relevance and materiality to the Group's business model, strategic priorities, and sustainability-related objectives. Accordingly, material sustainability and climate-related matters such as policy and regulatory compliance, natural rubber sourcing, climate resilience, renewable energy, water stewardship, and responsible supply chain practices have been considered in assessing the Group's overall sustainability-related risks and opportunities.

Plantation-related disclosures included within this Report focus on matters considered material and relevant to DPL as a Group and its stakeholders, particularly in the context of natural rubber sourcing, value chain dependencies, climate resilience, responsible supply chains, and broader sustainability, climate, and integrated reporting objectives. Additional sector-specific and operational information relating to these entities is available within the SLFRS S1 / S2 disclosures in the respective annual reports of the plantation sector entities which can be accessed via the QR codes provided in Page 5.

1.3 Value Chain Mapping

In accordance with SLFRS S1 and SLFRS S2, the Group considers its entire value chain, including both upstream,own operations and downstream activities, in identifying, assessing, and disclosing sustainability-related and climate-related risks and opportunities. The Group operates within an interdependent value chain structured across three interconnected layers: The dependencies, impacts and outcomes are described in the Value creation section (page 70).

Business Segments

At the business segment level, the Group's manufacturing and export-oriented activities depend on multiple forms of capital—financial, manufactured, intellectual, human, social and relationship, and natural capital to create value. The Group also influences these capitals through its activities, contributing to their value creation, preservation, or, where not effectively managed, potential erosion.

Subsidiaries

Each subsidiary is assessed for its specific sustainability-related risks and opportunities based on its operational context.

Upstream activities

Upstream activities of Dipped Products PLC, as outlined in the value creation model in page 70 and involve the Group's engagement with external stakeholders to secure key inputs essential for its manufacturing operations. These include natural rubber and latex, chemical inputs, utilities, as well as access to financial, human, intellectual, and relationship capital.

The Group derives value from multiple forms of capital—financial, manufactured, intellectual, human, social and relationship, and natural—which collectively serve as critical upstream inputs forming the foundation of its production processes and overall business model.

Climate-related risks and opportunities (CRROs) influence the Group's upstream activities by affecting both internally managed resources and the stability, availability, and cost of external inputs. These impacts may arise from climate variability affecting raw material supply, regulatory and compliance requirements, and increasing stakeholder expectations for responsible and sustainable sourcing practices.



Own Operations

Own operations comprise Dipped Products PLC's core manufacturing processes, systems, and workforce, which collectively transform multiple forms of capital into high-quality products and strategic outcomes.

As shown in the value creation model in page 70, the value creating activities represent the internal operations. This includes manufacturing and processing activities, utility and infrastructure management, environmental and social performance management, and supporting governance, technology, and workforce functions. At the operational level, the Group assesses its own activities, including manufacturing processes, energy consumption, water usage, waste generation and emissions, as well as labour practices and workforce wellbeing. These operations represent key interaction points with both natural and human capital and directly influence the Group's efficiency, productivity, and sustainability performance. These activities form the basis for identifying climate-related risks and opportunities (CRROs) under SLFRS S2, including physical risks such as climate-related disruptions, transition risks arising from evolving regulations and carbon constraints, and opportunities relating to resource efficiency, process optimisation, and sustainable product innovation. The Environmental, Social and Governance (ESG) including climate risk governance is included in own operations.

Downstream Activities- Markets

Downstream activities of Dipped Products PLC represent the Group's outward-facing interactions that deliver value to customers and markets.

This is illustrated in the far-right portion of value chain diagram in page 70. These include product distribution, customer engagement, after-sales relationships, and contributions to economic, environmental, and social outcomes across its global footprint. These activities form the final stage of the Group's value chain, where its products and sustainability commitments translate into market value. Downstream activities are a critical component of the Group's value chain, exposing DPL to sustainability-related risks and opportunities (SRROs) through its interactions with customers, industries, and export markets. These exposures have direct implications for financial performance and long-term value creation. Climate-related risks may influence customer demand, regulatory compliance requirements, and access to key export markets. At the same time, these dynamics present opportunities for DPL to advance sustainable product offerings, strengthen traceability and transparency, and support the transition towards more sustainable consumption patterns, thereby creating positive value for stakeholders and the environment. These factors influence the Group's exposure to climate-related risks and opportunities and its ability to sustain long-term value creation.

SLFRS Sustainability Related Financial Disclosures

1.4 Basis of Materiality

In accordance with SLFRS S1, Dipped Products PLC discloses material information relating to sustainability-related risks and opportunities (SRROs) that could reasonably be expected to affect the Group's prospects. Information is considered material if its omission, misstatement, or obscuration could reasonably be expected to influence the decisions of primary users of general-purpose financial reports. The Group applies this materiality principle to ensure that its sustainability-related financial disclosures focus on matters that are most relevant to its business model, strategy, and value creation process. This includes assessing both current and forward-looking impacts of sustainability-related risks and opportunities.

The materiality assessment considers:

- The magnitude and likelihood of financial impacts
- The time horizon (short, medium, and long term)
- The nature of exposure across the value chain (upstream, own operations, and downstream)
- Both direct and indirect effects on financial performance, financial position, and cash flows

This approach enables the Group to identify and prioritise sustainability-related risks and opportunities that may influence its resilience, competitiveness, and ability to create long-term value, ensuring alignment with the disclosure objectives of SLFRS S1 and SLFRS S2.

While SLFRS Sustainability Disclosure Standards require disclosures based on financial materiality, Dipped Products PLC has also considered impact materiality alongside financial materiality to provide stakeholders with a more comprehensive understanding of its sustainability considerations, as presented in the section Materiality in page 84.

Financial materiality thresholds assessment

We evaluate the potential financial impact of SRROs and CRROs by integrating both qualitative and quantitative factors which show the significance of the SRRO and CRRO based on the likelihood and severity of each SRRO and CRRO.

The Group applied a financial materiality threshold of 5% of Profit Before Tax (PBT) when assessing the significance of sustainability-related and climate-related risks and opportunities. Quantitative assessments were supported by qualitative considerations, including regulatory, operational, customer, market, and reputational factors that could influence enterprise value.

The impact is measured on a scoring system

	SRROs and CRROs identified	Impact *(Refer to prioritization criteria below)*	Likelihood *(Refer to prioritization criteria below)*
1	SRRO 01: Increasing Compliance Requirements	High	High
2	SRRO 02: Growing Customer Preference for Renewable and Recycled Material-Based Product Solutions	High	High
3	CRRO 01: Climate-driven variability in weather patterns impacting raw materials sourcing/productions	High	High
4	CRRO 02: Early Energy and Water Investments Translating to Cost Efficient and Climate Resilient Expansions in Future	Medium	Medium



1.5 Functional Currency

These SLFRS Sustainability-related financial disclosures are presented in Sri Lankan Rupees, the Group's functional and presentation currency.

1.6 Sources of Guidance

The Materiality Assessment includes material topics from the relevant sources of guidance:

1. SLFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information
2. SLFRS S2: Climate-related Disclosures
3. Sustainability Accounting Standards Board (SASB) Industry Standards
   - Household and Personal Products
   - Agricultural Products
4. Global Reporting Initiative (GRI) Standards
5. Applicable regulatory requirements, customer expectations, and export market compliance obligations, including the European Union Deforestation Regulation (EUDR)
6. Emerging global sustainability regulations, disclosure frameworks, and due diligence expectations, including the Corporate Sustainability Reporting Directive (CSRD), European Sustainability Reporting Standards (ESRS), Corporate Sustainability Due Diligence Directive (CSDDD), and evolving global supply chain due diligence and responsible sourcing requirements
7. Industry-specific guidance, climate science references, stakeholder expectations, internal enterprise risk assessments, and sustainability materiality assessments undertaken by the Group. The key sources considered are summarised in the table below.



SRRO/CRRO	Sources of Guidance in Identifying SRRO/CRRO	Sources of Guidance in Identifying Disclosure Requirements	Logic of Usage / Applicability
SRRO 1 Increasing Compliance Requirements	Applicable regulations and export market requirements including EUDR; evolving customer expectations; emerging regulations including CSRD/ESRS and CSDDD; sustainability certification and product compliance requirements; stakeholder expectations; internal risk assessments.	SLFRS S1; SASB Industry Standards – Household and Personal Products and Agricultural Products	Applied to assess increasing sustainability, climate-related, product, traceability, responsible sourcing, supply chain transparency, labour, governance, certification, and export market compliance expectations across global value chains. The guidance supported the identification of industry-specific operational, regulatory, disclosure, and market access risks relevant to DPL's manufacturing operations, customer requirements, and natural rubber-related sourcing dependencies.
SRRO 2 Growing Customer Preference for Renewable and Recycled Material-Based Product Solutions	Customer sustainability expectations; circular economy trends; sustainable product and packaging developments; market and stakeholder expectations.	SLFRS S1; SASB Industry Standards – Household and Personal Products	Applied to assess market opportunities relating to sustainable materials, product innovation, packaging sustainability, resource efficiency, circular economy alignment, and evolving customer preferences for environmentally responsible product solutions within the hand protection manufacturing sector.

SLFRS Sustainability Related Financial Disclosures

SRRO/CRRO	Sources of Guidance in Identifying SRRO/CRRO	Sources of Guidance in Identifying Disclosure Requirements	Logic of Usage / Applicability
CRRO 1 Climate-driven variability in weather patterns impacting raw material sourcing / production operations	Climate science references; physical climate risk assessments; supply chain vulnerability assessments; internal climate risk assessments.	SLFRS S2; SASB Industry Standards – Agricultural Products	Applied to assess physical climate-related risks, including acute and chronic climate-related impacts, associated with climate variability, natural rubber sourcing, water availability, agricultural dependencies, ecosystem impacts, supply chain resilience, and operational continuity risks arising from changing environmental and climatic conditions.
CRRO 2 Early energy and water investments translating into cost-efficient and climate-resilient future expansions	Climate adaptation priorities; energy and water stewardship considerations; decarbonisation trends; strategic investment assessments.	SLFRS S2; SASB Industry Standards – Household and Personal Products	Applied to assess opportunities relating to renewable energy adoption, energy efficiency, water stewardship, emissions reduction, operational resilience, climate adaptation, and long-term cost optimisation through proactive sustainability and climate-related infrastructure investments within manufacturing operations.

1.7 Reporting Period

The reporting period covers April 01, 2025 to March 31, 2026

1.8 Time Horizon

Current Reporting Period *April 01, 2025 to March 31, 2026*
Short Term *(Next 12 Months)* *From April 01, 2026 to March 31, 2027*
Medium *(1-5 Years)* *From 1 April 2027 to 31 March 2032*
Long Term *(5-10 years)* *From April 01, 2032 to March 31, 2036*

Dipped Products PLC has adopted defined time horizons to support the identification and assessment of climate-related risks and opportunities. The short-term horizon aligns with the Group's annual budgeting and operational planning cycle.

The medium-term horizon corresponds with the Group's strategic planning framework, typically spanning a five-year period covering financial, capital, and operational strategies. The long-term horizon extends beyond five years, allowing the Group to assess emerging risks and opportunities under a range of future scenarios,

1.9 Connected Information

This section uses cross-references to highlight linkages between sustainability-related risks and opportunities, including climate-related risks and opportunities of Dipped Products PLC, in accordance with SLFRS S1 and SLFRS S2. These references demonstrate connections between individual CRROs, linkages within climate-related financial disclosures, and integration with the Group's Annual Financial Statements and other sections of the Integrated Annual Report. Where relevant, specific sections and page references are provided. 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.

CONNECTIVITY OF SLFRS S1 AND S2 DISCLOSURES			
Interconnections between Sustainability/ Climate Related Risks & Opportunities	Connections within the information provided on Sustainability/ Climate Related Risks & Opportunities	Linkages between sustainability-related financial information and general-purpose financial reporting	Linkage of Sustainability and Climate-related Risks and Opportunities with Integrated Reporting Requirements
			

Linkage of Sustainability and Climate-related Risks and Opportunities with Integrated Reporting Standards

SRRO / CRRO	Related Material Topic(s)	Relevant SASB Topic / Metric(s)	Capital Reports	Relevant GRI Standard(s)
SRRO 01 Increasing Compliance Requirements	Regulations and compliance; Product responsibility; Product quality; Product & packaging lifecycle; Customer requirements on sustainability; Environmental and social issues along supply chain	Packaging Lifecycle Management; Product Environmental, Health and Safety Performance; Environmental & Social Impacts of Ingredient Supply Chain CG-HP-410a.1, CG-HP-410a.2, CG-HP-250a.1, CG-HP-250a.3, FB-AG-430a.1, FB-AG-430a.2, FB-AG-430a.3	Intellectual Capital, Natural Capital, Human Capital, Manufactured Capital, Social and Relationship Capital	GRI 2-27 Compliance with laws and regulations; GRI 308-1, 308-2 Supplier environmental assessment; GRI 416-1, 416-2 Customer health and safety; GRI 417-1 Product information and labelling; GRI 301-1, 301-2 Materials used and recycled input materials
SRRO 02 Growing Customer Preference for Renewable and Recycled Material-Based Product Solutions	Materials; Technology and product innovations; Customer satisfaction; Product & packaging lifecycle; Customer requirements on sustainability; Market presence	Revenue from products designed with green chemistry principles; Packaging Lifecycle Management; Activity metrics for product units/ weight CG-HP-250a.4, CG-HP-410a.1, CG-HP-410a.2, CG-HP-000.A	Intellectual Capital, Natural Capital and Social and Relationship Capital	GRI 201-1 Economic value generated; GRI 301-1, 301-2 Materials and recycled input materials; GRI 416-1 Product health and safety assessment; GRI 417-1 Product information and labelling
CRRO 01 Climate-driven variability impacting raw materials sourcing / productions	Physical climate risks – rainfall; Materials; Environmental and social issues along supply chain; Macro-economic impacts; Biodiversity; Water stress and consumption management	Ingredient Sourcing; Environmental & Social Impacts of Ingredient Supply Chain; Water Management FB-AG-440a.1, FB-AG-440a.2, FB-AG-430a.1, FB-AG-430a.3, FB-AG-140a.1, FB-AG-140a.2	Natural Capital, Manufactured Capital, Social and Relationship Capital	GRI 201-2 Financial implications of climate change; GRI 204-1 Local procurement; GRI 301-1 Materials used; GRI 308-1, 308-2 Supplier environmental assessment; GRI 304-2 Biodiversity impacts where relevant
CRRO 0 Early Energy and Water Investments Translating to Cost Efficient and Climate Resilient Expansions in Future	Energy consumption; Water stress and consumption management; Water discharge and effluents; Emissions and air quality; Operational efficiency and productivity; Climate change adaptation; Impacts of infrastructure and project development	Energy Management; Water Management; Greenhouse Gas Emissions FB-AG-130a.1, FB-AG-140a.1, FB-AG-140a.2, FB-AG-140a.3, FB-AG-110a.1, FB-AG-110a.2, CG-HP-140a.1, CG-HP-140a.2	Intellectual Capital, Natural Capital, Manufactured Capital, Social and Relationship Capital	GRI 302-1, 302-3, 302-4 Energy consumption, intensity and reduction; GRI 303-3, 303-4, 303-5 Water withdrawal, discharge and consumption; GRI 305-1, 305-2, 305-4, 305-5 GHG emissions and reductions; GRI 201-2 Climate-related financial implications

Note: Applied CG-HP metrics mainly for the hand protection / product and packaging side, and FB-AG metrics where plantation, natural rubber sourcing, agricultural supply chain or climate-sensitive raw material dependency is relevant.

SLFRS Sustainability Related Financial Disclosures

1.10 Significant Judgements, Uncertainties and Proportionality

The sustainability-related financial disclosures presented in this section involve the application of significant professional judgement, estimation techniques, forward-looking assumptions, and proportionality considerations due to the inherent uncertainty associated with sustainability-related risks and opportunities. The Group operates within a dynamic global manufacturing and export environment where climate-related and sustainability-related risks and opportunities continue to evolve in response to changing regulations, customer expectations, climatic conditions, technology developments, and market practices. Accordingly, the preparation of these disclosures required management to apply judgement in identifying, assessing, quantifying, and forecasting the financial impacts arising from the Group's finalized SRROs and CRROs.

Key Judgements, Assumptions Used and Sources of Estimation Uncertainty

Climate related transition risks

- Evolving sustainability regulations
- Low carbon transition requirements
- Product compliance obligations
- Customer sustainability expectation
- Sustainable packaging requirements
- Supplier traceability and due diligence requirements

These transition risks develop across multiple export markets and jurisdictions.

Forecasting future organisational compliance costs, certification costs, product and packaging compliance costs, traceability system costs, sustainability-related operational expenditure and assurance requirements involves assumptions regarding future regulatory developments, customer expectations, implementation timing, technology requirements and operational expansion plans.

Assumptions used in forecasting

- Future regulatory developments
- Assurance requirements
- Inflation
- Customer expectations
- Technology investments
- Operational expansions

Climate related physical risks

Changing weather patterns:

- Rainfall variability
- Rising temperatures

Source of Uncertainty:

- Timing of climate-related physical events
- Severity of rainfall variability and temperature changes

Impact on

- Natural rubber availability
- Procurement stability
- Agricultural productivity
- Logistics operations
- Sourcing costs

Quantification of financial benefits

- Future electricity tariffs
- Water tariffs
- Renewable energy generation levels
- Avoided cost savings
- Operational efficiency improvements
- Expected project utilization

Quantification of anticipated financial benefits arising from renewable energy investments, water efficiency projects, and climate-resilient operational investments

Estimation of future revenue
Revenue estimates are inherently uncertain and depend on customer adoption, pricing premiums, product qualification outcomes, export market conditions and availability of sustainable input materials.
The Group's climate scenario analysis incorporates Net Zero, Current Pathway and Divergence scenarios, supported by external climate pathways, sector-level assumptions and operational judgements.
Certain sustainability-related financial impacts are inherently difficult to isolate from broader operational and macroeconomic factors such as global commodity prices, freight costs, foreign exchange fluctuations, inflationary pressures, and geopolitical developments.
Data limitations, evolving methodologies, and varying levels of supplier-specific and geographically granular climate-related information create uncertainty in estimating future sustainability-related financial impacts with precision.
Rapidly evolving sustainability disclosure requirements, climate-related regulations, customer compliance expectations, and external assurance practices may result in future refinements to methodologies, assumptions, and quantification approaches used within these disclosures.
The Group has applied proportionality principles permitted under SLFRS S1 and SLFRS S2 in determining appropriate methodologies, assumptions and estimation approaches, considering the skills, capabilities, resources and availability of reasonable and supportable information at the reporting date.

Key Areas of Judgement, Assumptions and Sources of Estimation Uncertainty Used in Assessing Sustainability-related and Climate-related Risks and Opportunities		
Category	Assessment Methodology	Limitations
a. Materiality assessment of SRROs and CRROs	The Group assessed whether identified SRROs and CRROs could reasonably be expected to affect the Group's financial position, financial performance, cash flows, operational resilience, and long-term competitiveness. A qualitative and quantitative assessment framework incorporating likelihood, severity, financial exposure, strategic relevance, and stakeholder expectations was applied in determining material SRROs and CRROs.	Climate-related and sustainability risks are evolving rapidly across global export markets. • Future regulatory requirements, customer expectations, and industry practices may diverge from current assumptions, increasing uncertainty. • Non-financial impacts such as reputational damage, customer retention challenges, and supply chain disruptions require significant judgment and estimation uncertainty.
b. Time horizon classification	Time horizons were aligned with the Group's strategic planning, capital investment cycles, customer contract horizons, procurement planning periods, and sustainability transition roadmap. Short-term, medium-term, and long-term horizons were used to assess expected timing of impacts.	• Climate-related impacts may materialise differently from current planning assumptions. • Certain sustainability-related impacts may emerge over longer periods than conventional operational planning cycles.
c. Assessment of sustainability-related compliance risk (SRRO 01)	The Group assessed anticipated organizational compliance costs, product and packaging compliance costs, certification costs, system implementation costs, and regional regulatory compliance requirements based on existing regulations, customer expectations, external assurance requirements, and sustainability-related standards applicable across export markets. Forecasted impacts were developed using internally approved growth assumptions and operational planning inputs.	• Sustainability-related regulations and customer compliance expectations continue to evolve rapidly across jurisdictions. • Future assurance requirements, disclosure obligations, packaging regulations, and product sustainability standards may differ from current expectations. • Actual implementation costs may vary depending on technology requirements, external verification requirements, and operational expansion plans.

SLFRS Sustainability Related Financial Disclosures

Key Areas of Judgement, Assumptions and Sources of Estimation Uncertainty Used in Assessing Sustainability-related and Climate-related Risks and Opportunities		
Category	**Assessment Methodology**	**Limitations**
d. Assessment of sustainable product opportunities (SRRO 02)	The Group assessed future revenue opportunities arising from renewable and recycled material-based product solutions using current sustainable product revenues, expected customer demand trends, export market developments, and anticipated sustainability-related purchasing preferences of international customers.	• Customer demand for sustainable products may evolve differently across regions and industries. • Revenue growth assumptions may be affected by global economic conditions, customer procurement strategies, pricing competitiveness, and technology developments. • Certain sustainability-related pricing premiums may not be fully recoverable over the long term.
e. Assessment of climate-related physical risk impacting raw material sourcing/ productions (CRRO 01)	The Group assessed the sensitivity of local latex procurement activities to rainfall variability and changing climatic conditions using rainfall data, procurement data, imported latex sourcing patterns, and operational procurement behaviour. Incremental sourcing costs arising from strategic imported latex procurement undertaken during anticipated high-rainfall periods were quantified using imported latex price premiums relative to local sourcing costs.	• Rainfall patterns, monsoon intensity, and climatic conditions remain inherently uncertain. • Procurement costs are additionally influenced by global latex prices, freight costs, foreign exchange fluctuations, inventory planning decisions, and supplier dynamics. • The analysis incorporates operational judgement regarding anticipated rainfall-related procurement strategies and import lead times.
f. Assessment of climate-related transition opportunity from energy and water investments (CRRO 02)	The Group evaluated anticipated financial impacts of renewable energy investments, energy-efficient technologies, sustainable biomass solutions, rainwater harvesting systems, and treated water reuse projects using estimated capital investments, avoided energy and water costs, operational savings, and expected future tariff escalation assumptions.	• Actual financial benefits depend on future electricity tariffs, water tariffs, operational utilisation levels, maintenance requirements, and project performance. • Climate-related regulations, carbon pricing mechanisms, and renewable energy incentives remain subject to future policy developments. • Long-term operational savings and cost recoverability remain sensitive to future market and economic conditions.
g. Scenario analysis and climate resilience assessment	The Group's climate scenario analysis incorporated international climate pathways, transition risk scenarios, and localised climate assumptions relevant to Sri Lanka and Thailand operations. Physical and transition climate risks were assessed across short, medium and long-term horizons considering operational resilience, procurement exposure, customer expectations, and climate-related market developments.	• Climate scenarios involve inherent uncertainty regarding future policy developments, technological advancements, market transitions, and climatic outcomes. • Localised climate impacts may differ from global climate model projections. • Actual operational and financial impacts may vary due to evolving adaptation measures, supply chain resilience initiatives, and customer responses.
h. Quantification of anticipated financial impacts	Quantification methodologies used for SRROs and CRROs incorporated internally generated operational data, procurement data, cost forecasts, capital investment plans, external pricing references, and management assumptions considered reasonable and supportable at the reporting date.	• Certain climate-related and sustainability-related financial impacts remain difficult to quantify precisely due to data limitations and evolving methodologies. • Forward-looking financial impacts are sensitive to changes in inflation, foreign exchange rates, commodity prices, energy tariffs, freight costs, and customer demand conditions. • Actual outcomes may differ materially from forecasted estimates and assumptions.

1.11 Proportionate approach

SLFRS Sustainability Disclosure Standards incorporate proportionality mechanisms to address situations where the Group may face challenges in fully applying certain disclosure requirements, particularly due to evolving methodologies, data limitations, operational complexity, and availability of reasonable and supportable information

The Group has applied proportionality considerations in preparing these sustainability-related financial disclosures:

- The Group's current skills, capabilities, systems, data maturity, and available resources;
- The availability of reasonable and supportable information without undue cost or effort;
- The evolving nature of climate-related and sustainability-related data collection processes across the Group's operations and value chain;
- The operational complexity associated with export-oriented glove manufacturing operations with plantation subsidiaries across multiple jurisdictions and supplier networks.
- The forward-looking and uncertain nature of climate-related and sustainability-related financial impacts.

Instances where proportionality considerations were applied within these disclosures include:

1. **Identification and assessment of SRROs and CRROs**
   The identification, prioritization, and assessment of material SRROs and CRROs involved the application of management judgement using currently available operational, regulatory, climatic, and market-related information.
2. **Assessment of sustainability-related compliance costs (SRRO 01)**
   Forecasted compliance costs relating to certifications, external assurance, packaging regulations, sustainability systems, audits, and organizational compliance activities were developed using internally approved assumptions, operational plans, historical trends, and currently applicable regulatory requirements.
3. **Assessment of sustainable product opportunities (SRRO 02)**
   Revenue forecasts relating to renewable and recycled material-based product solutions were based on currently available customer demand trends, existing product performance, export market developments, and expected sustainability-related purchasing preferences.
4. **Assessment of climate-related physical risk impacting raw material sourcing (CRRO 01)**
   Quantification of climate-related sourcing impacts associated with rainfall variability and imported latex dependency was based on internally available procurement data, rainfall information, operational procurement behaviour, and management assumptions relating to procurement lead times, strategic inventory build-up, and sourcing practices
5. **Assessment of climate-related transition opportunities from energy and water investments (CRRO 02)**
   Quantification of anticipated financial benefits from renewable energy, energy-efficient technologies, sustainable biomass systems, rainwater harvesting, and treated water reuse projects was based on available operational data, estimated utilization levels, tariff assumptions, and internally approved investment plans.
6. **Climate scenario analysis and climate resilience assessment**
   Climate scenario analysis incorporated internationally recognized climate pathways and localized operational assumptions relevant to the Group's Sri Lankan and Thailand operations. Due to limitations in asset-level and supplier-specific climate data, certain analyses were performed using aggregated operational and regional-level information.
7. **Assessment of value chain impacts**
   Certain upstream and downstream value chain assessments were conducted using available supplier, procurement, customer, and operational information. The availability of detailed supplier-specific sustainability and climate-related data remains evolving across portions of the value chain.
8. **Quantification of anticipated financial impacts**
   Quantified financial impacts presented within these disclosures incorporate assumptions relating to inflation, commodity prices, foreign exchange rates, electricity tariffs, water tariffs, imported raw material costs, customer demand trends, operational growth, and climate-related market developments using information considered reasonable and supportable at the reporting date.
9. **Data limitations and evolving methodologies**
   Certain sustainability-related disclosures continue to evolve as internal systems, climate-related methodologies, supplier-level information, and sustainability data collection capabilities mature over time. Accordingly, future disclosures may include refinements to assumptions, methodologies, and quantification approaches as more granular and reliable information becomes available.

1.12 Statement of Compliance

This report represents a complete set of sustainability-related financial disclosures for Dipped Products PLC and its subsidiaries (collectively, the Group') for the year ended March 31, 2026. The Group's sustainability-related disclosures have been prepared in accordance with SLFRS Sustainability Disclosure Standards as issued by the Institute of Chartered Accountants of Sri Lanka.

SLFRS Sustainability Related Financial Disclosures

2. GOVERNANCE

2.1 OVERSIGHT RESPONSIBILITY – BOARD OF DIRECTORS

The Board of Directors of DPL holds ultimate responsibility for the oversight of sustainability related risks and opportunities (SRROs) and climate related risks and opportunities (CRROs), ensuring their effective integration into the Group's strategy, risk appetite, capital allocation decisions, and performance management framework.

Monitor / 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

Escalation and Reporting

The ESG steering committee uses a structured framework to facilitate the timely escalation of material sustainability related risks and opportunities (SRROs), including breaches of climate or ESG related thresholds, significant regulatory developments, and reputational concerns, to the Board. This includes the systematic monitoring and reporting of breaches of climate or ESG-related thresholds, significant regulatory developments, and emerging or actual reputational concerns. The framework supports effective oversight by clearly outlining escalation protocols, roles, and responsibilities across leadership structures within DPL, ensuring that critical issues identified through CRROs and SRROs are promptly communicated.

12 Frequency of meeting

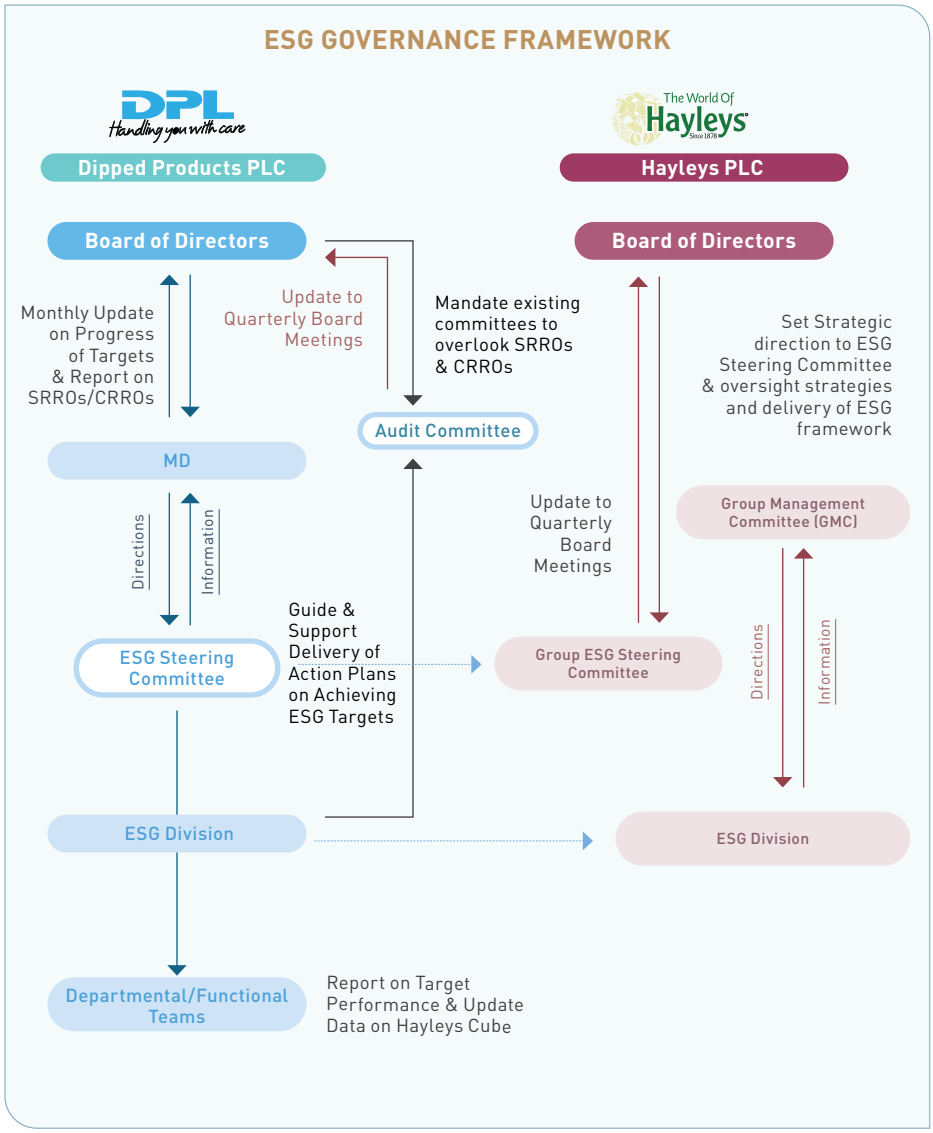
2.2 AUDIT COMMITTEE

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.



MANAGEMENT ROLE

2.3 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.

Monitor / 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.

2.4 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.

Monitor / 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.

2.5 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.

Monitor / Accountability Mechanism:

- Provides guidance on the group sustainability strategy, roadmap, targets, KPIs and overall governance maturity.
  - » Oversee the implementation of DPL Pulse: ESG Roadmap 2030 assessing resource requirement and alignment of ESG targets with departmental operations and performance metrics.
  - » Evaluates SRROs identified by Management and ensures SRROs are included alongside financial and operational risks
  - » Facilitates the timely escalation of material sustainability related risks and opportunities (SRROs) to the Board, ensuring the Board remains informed of key risk exposures, associated trade offs, and emerging regulatory developments.
  - » Reviews sustainability related risk disclosures to ensure alignment and consistency with the Group's enterprise risk management framework.
- Regularly review sustainability policies and frameworks and recommends improvements to the Board.
- 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.

The detailed information on the charter is given in page 111.



SLFRS Sustainability Related Financial Disclosures

2.6 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.

Monitor / 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

2.7 Leadership Level Skills Assessment and Capacity Building Coverage

The effective oversight of climate-related and sustainability-related risks and opportunities (SRROs and CRROs) requires a strong combination of leadership, governance, and operational skills. At DPL, these capabilities are supported by the diverse and complementary expertise of the ESG Steering Committee and the Board of Directors, whose experience spans manufacturing operations, export markets, finance, risk management, sustainability, compliance, environmental management, and strategic planning. This breadth of knowledge enhances the Group's ability to effectively oversee ESG-related matters and drive the implementation of DPL's Sustainability Strategy and ESG Roadmap 2030.

To ensure these competencies are consistently maintained and strengthened, DPL conducts structured assessments across different leadership levels. These skills are evaluated through a range of methods, including the distribution of structured questionnaires for self-assessment and feedback, evaluations conducted across different leadership structures within DPL, and performance and competency reviews tailored to oversight responsibilities. In addition, the Board and its Committees leverage internal and external expertise through training programmes, regulatory updates, and technical discussions on evolving ESG standards and climate developments. During the year, DPL also conducted a formal skills and competency gap assessment related to sustainability and climate oversight, the outcomes of which are being used to guide targeted capacity-building initiatives, further strengthening governance effectiveness and long-term organisational resilience.

2.8 Board Sustainability & Climate Competency Assessment

The Board conducted a Sustainability and Climate Competency Assessment to evaluate its collective capability to oversee sustainability-related and climate-related risks and opportunities. The assessment covered sustainability and ESG, risk management, manufacturing and operations, supply chain management, corporate governance and sustainability strategy oversight. The results confirmed a strong competency profile across key areas while identifying opportunities for continued development in sustainability reporting, climate-related disclosures and emerging regulatory requirements. Findings are used to support Board development, succession planning and effective governance of sustainability-related matters.

Assessment Area	Board Member Count
Board members assessed	15/15
Sustainability / ESG expertise	11/15
Risk Management expertise	14/15
Industry / Manufacturing expertise	12/15
Supply Chain / Procurement expertise	13/15
Corporate Governance expertise	15/15
Sustainability Strategy Oversight experience	11/15

KEY INSIGHTS

100% Board participation in Sustainability & Climate Competency Assessment

Broad Business Expertise

The Board collectively possesses extensive experience across manufacturing, operations, supply chains, exports, engineering, research and development, finance, risk management and corporate leadership.

Strong Governance Foundation

All Directors possess corporate governance expertise relevant to sustainability-related and climate-related oversight.

Continuous Capability Development

The assessment identified opportunities to further strengthen knowledge of sustainability reporting standards, climate-related disclosures, emerging sustainability regulations and sustainability-related financial impacts.

Sustainability Oversight Capability

More than two-thirds of Directors possess sustainability and ESG-related expertise and direct experience in overseeing sustainability strategies and sustainability-related risks and opportunities.

HOW THE ASSESSMENT IS USED

- Identify Board capability gaps in sustainability.
- Inform director training and development programmes.
- Strengthen oversight of sustainability-related and climate-related risks and opportunities.
- Support succession planning and Board composition reviews.
- Enhance compliance with SLFRS S1 and SLFRS S2 governance requirements.

BOARD COMPETENCY PROFILE

100%
Directors assessed for sustainability and climate oversight capability.

73%
Directors possess sustainability and ESG-related expertise

93%
Directors possess risk management expertise

80%
Directors possess manufacturing and operational expertise

87%
Directors possess supply chain and procurement expertise

73%
Directors possess direct sustainability strategy oversight experience

100%
Directors possess corporate governance expertise

SLFRS Sustainability Related Financial Disclosures

2.9 Skills Matrix at the Management level

Skill Levels

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

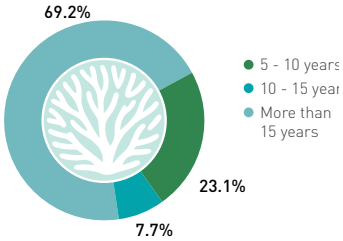
Medium – Intermediate in the area with a diploma, professional certificate and/or considerable work experience

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

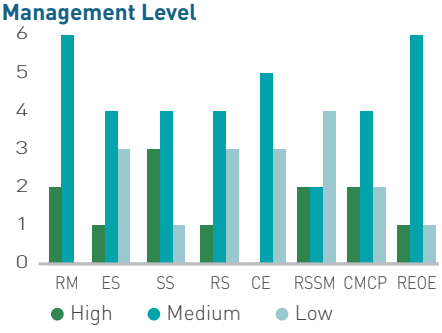


ESG Steering Committee Member	Position	Gender	Corporate Strategy & Leadership	Accounting, Finance & Reporting	Legal & Regulatory Compliance	Governance, Risk Management & Internal Controls	Engineering, Environment & Innovation	Procurement, Logistics & Supplier Management	International & Regional Business 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
Prabhath Mendis	GMC	Male	High	Medium	Low	Medium	Low	Low	Low	Medium	High	Low	High	Low
Vasana Wanigasekara	GMC	Female	High	Low	Low	Medium	Low	Medium	High	High	Medium	Low	Medium	Low
Thusitha Perera	GMC	Male	High	High	High	Medium	Low	Low	Low	Medium	High	Low	Medium	High
Nilaksha Pushpakumara	GMC	Male	High	Medium	Medium	High	Medium	High	Medium	Medium	High	High	High	Medium
Sampath Kumara	GMC	Male	High	Medium	Low	Medium	Medium	High	Medium	Low	Medium	Medium	High	Medium
Asanka Fonseka	GMC	Male	High	Medium	Medium	Medium	Medium	High	High	High	Low	Medium	Medium	Medium
Amila Priyadarshana	GMC	Male	High	High	High	High	Low	Medium	Low	Medium	Medium	Medium	Medium	High
Pradeep Silva	GMC	Male	High	Medium	Low	Low	High	Low	Medium	Low	Medium	High	High	Low

Years of Senior Management / Leadership Level Experience in the Manufacturing Industry



Sustainability / ESG Related Skills at Management Level



04 Priority ESG Steering Committee Capability Development Areas Identified and Communicated to the Learning & Development Division for Targeted Training Programmes

720 Training Hours Completed by ESG Steering Committee Members Related to the Areas Highlighted

Expertise Areas for Skills Assessment

- RM - Risk Management
- ES - Environmental Sustainability
- SS - Social Sustainability
- RS - Regulatory Compliance
- CE - Circular Economy
- RSSM - Responsible Supply Chain Management
- CMCP - Changing Markets and Consumer Preferences
- REOE - Resource Efficiency and Operational Excellence

3. RISK MANAGEMENT

3.1 DPL Risk Management Framework for Sustainability-Related Risks and Opportunities (SRROs / CRROs)

Monitor Local and Global Trends and Situations

- Observe the changes and keep a track of new developments in sustainability that may affect the organisation and / or stakeholders it engages with.
- Discuss and highlight the need for beginning the risk and opportunity identification and assessment process.

Identification of Risks

- Gather Data from internal audits, environmental impact assessments, industry reports, and stakeholder feedback.
- Focus on climate, supply chain, and sustainability compliance risks.

Identification of Opportunities

- Cross-functional teams identify emerging sustainability trends, technological advancements, market shifts, and regulatory incentives.
- Inputs are gathered from ESG assessments, industry benchmarks, stakeholder engagements, supplier feedback, and market research.
- Opportunities may include energy efficiency gains, sustainable product innovation, access to green finance, and new market segments.

Assessment of Risks

- Analyse nature, likelihood, and magnitude using historical data, expert input, and sector forecasts.
- Assess financial and operational impacts of identified risks on company's prospects through quantification based on assumptions.

Based on Scenario Analysis for Climate Related Risks

- Use of Net Zero, Current Pathway, and Divergence climate scenarios.

Assessment of Opportunities

- Cross-functional teams identify emerging sustainability trends, technological advancements, market shifts, and regulatory incentives.
- Inputs are gathered from ESG assessments, industry benchmarks, stakeholder engagements, supplier feedback, and market research.
- Opportunities may include energy efficiency gains, sustainable product innovation, access to green finance, and new market segments.

Based on Scenario Analysis for Climate Related Risks

- Use of Net Zero, Current Pathway, and Divergence climate scenarios.



Prioritisation of Risks

- Apply risk heat maps or matrices to classify risks.
- Align prioritisation with ESG materiality and business strategy

Prioritisation of Opportunities

- Opportunities are ranked using a materiality matrix that considers:
  - Strategic relevance
  - Return on investment (ROI)
  - Alignment with DPL's ESG goals
  - Regulatory readiness and customer demand
- High-impact opportunities are fast-tracked for further development and implementation.



Integration into ERM

- Embed SRROs and CRROs into DPL's Enterprise Risk Register and align with Hayleys Group governance and risk oversight systems.
- Prioritized opportunities are embedded into the strategic plan and capital investment roadmap.
- Targets and KPIs are defined to measure progress and actions are coordinated across departments (R&D, procurement, operations, and marketing) for execution

Governance and Response Planning

- Progress is monitored quarterly through the Enterprise Risk Register and reported to the Audit Committee and Board of Directors. Quarterly audits and reporting to the DPL Audit Committee and Group Risk function.
- Sustainability-related opportunities and risks are reviewed during formal risk reviews and adjusted as needed.
- Develop targeted mitigation plans with KPIs given to responsible owners and performance metrics are used to track implementation, value creation, and alignment with financial and ESG goals.

SLFRS Sustainability Related Financial Disclosures

3.2 Sustainability and Climate-related Risk Management Overview

The Group recognises that sustainability-related and climate-related risks and opportunities ("SRROs" and "CRROs") may materially impact its business model, strategy, operations, value chain, financial performance, financial position, cash flows, and long-term resilience as a glove manufacturing group operating in Sri Lanka and Thailand, with plantation operations and significant export exposure.

To manage these exposures, the DPL Group has established a Sustainability-related Risk and Opportunity Management Framework, integrated within its Enterprise Risk Management ("ERM") framework. This framework facilitates the systematic identification, assessment, prioritisation, monitoring, and management of SRROs and CRROs across the value chain, while ensuring that sustainability-related considerations are aligned with strategic planning, operational decision-making, and capital allocation processes.

Risk / Opportunity Identification

SRRO 01 – Increasing Compliance Requirements

SRRO 02 – Growing Customer Preference for Renewable and Recycled Material-Based Product Solutions

CRRO 01 – Climate-driven Variability Impacting Raw Materials Sourcing/ Production

CRRO 02 – Early Energy and Water Investments Translating to Cost Efficient and Climate Resilient Expansions in Future:

The Group is subject to the following key exposures:

- Evolving sustainability regulations and compliance obligations;
- Changing customer preferences toward sustainable products;
- Climate-related physical risks affecting natural rubber sourcing;
- Resource availability and utility cost pressures;
- Transition-related operational and market developments



Increasing ESG, product, packaging and regional regulatory compliance requirements across export markets	Increasing customer demand for renewable and recycled material-based product solutions.	Rainfall variability and changing weather patterns affecting latex availability, procurement continuity and sourcing costs.	Long-term operational and financial benefits arising from renewable energy, energy efficiency and water efficiency investments.

3.3 Monitoring Local and Global Trends and Situations

The Group continuously monitors global and local developments that may influence sustainability-related and climate-related risks and opportunities.

Management periodically reviews emerging sustainability developments to determine whether new SRROs or CRROs should be identified or whether existing assessments require revision.

We monitor local and global trends and situations

- Evolving sustainability regulations and compliance obligations;
- Changing customer preferences toward sustainable products;
- Climate-related physical risks affecting natural rubber sourcing;
- Resource availability and utility cost pressures;
- Transition-related operational and market developments

3.4 Identification of Risks and Opportunities

3.4.1 Identification of Risks

The Group identifies sustainability-related and climate-related risks using information gathered from:

- Internal audits and operational reviews;
- ESG assessments and environmental impact assessments;
- Industry reports and sustainability benchmarks;
- Procurement and sourcing data;
- Supplier engagement and stakeholder feedback;
- Climate-related operational observations and scenario analysis.

The identification process focuses particularly on:

- Climate-related physical risks;
- Supply chain and procurement risks;
- Sustainability compliance risks;
- Resource availability risks;
- Export market and customer-related risks.

The identification and assessment process incorporates both internal and external information sources including:

External data sources

- Sri Lanka Department of Meteorology rainfall data;
- IPCC AR6 climate scenarios;
- International Energy Agency (IEA) transition pathways;
- Sri Lanka Climate Prosperity Plan;
- Sri Lanka's Updated Nationally Determined Contributions (NDCs) under the Paris Agreement (2021)
- Annual Report 2025 of Central Bank of Sri Lanka
- Customer sustainability requirements;
- Export market regulatory developments;
- Industry sustainability benchmarks;
- Academic and industry studies relating to rubber production and rainfall variability.

Inputs were gathered through management discussions, operational reviews, sustainability working sessions, internal assessments and periodic risk review discussions.



Internal data sources

- Procurement and sourcing data;
- Latex purchase quantity and pricing trends;
- Imported latex dependency analysis;
- Energy and water consumption data;
- Compliance and certification cost records;
- Internal audit findings;
- ESG assessments;
- Product and packaging development initiatives;
- Capital investment plans;
- Operational risk reviews;
- Sustainability working papers and management reports.

3.4.2 Identification of Opportunities

Cross-functional teams identify sustainability-related and climate-related opportunities through:

- Sustainability-related and climate-related risk and opportunity assessments, including materiality reviews and stakeholder engagement outcomes;
- Industry benchmarking;
- Customer engagements;
- Supplier discussions;
- Sustainability trend analysis;
- Regulatory and technological developments

Supporting documentation considered during the identification process includes:

- Sustainability working papers;
- Procurement and sourcing data;
- Rainfall and procurement analysis;
- Compliance cost analysis;
- Energy and water investment evaluations;
- Budget forecasts;
- Internal audit reports;
- ESG assessment documentation;
- Climate scenario analysis documentation.

SLFRS Sustainability Related Financial Disclosures

3.5 Assessment of Risks and Opportunities

3.5.1 Risk Assessment

We evaluate the potential financial impact of SRROs and CRROs by integrating both qualitative and quantitative factors which show the significance of the SRRO and CRRO based on the impact and likelihood of each SRRO and CRRO.

Quantitative criteria: Impact

Risk rating	Metric	Definition
Catastrophic	PBT	More than Rs. 1000 million impact on PBT
High	PBT	Within Rs. 350 million-1000 million impact on PBT
Medium	PBT	Within Rs. 100 million - 350 million impact on PBT
Low	PBT	Less than Rs. 100 million impact on PBT

Quantitative criteria: Likelihood

Risk Rating	Definition
High	Occurs in current year and expected to increase in next 3 years
	100% chance of occurring
Medium	Expected to occur in the next 3-5 years
	50%-80% chance of occurring
Low	Expected to occur in the next 5-10 years
	Less than 50% chance of occurring

Qualitative factors considered:

1. Regulatory and compliance considerations
2. Reputational implications
3. Strategic opportunities and market positioning
4. Supply chain dependencies and operational interconnectivity
5. Stakeholder expectations and interests



3.5.2 Assessment of Opportunities

Opportunities are assessed using cross-functional evaluations considering:

- Strategic relevance;
- Revenue growth potential;
- Operational efficiency gains;
- Cost savings potential;
- Return on investment;
- Regulatory readiness;
- Customer demand alignment.

The assessment incorporates:

- Sustainable product revenue analysis;
- Energy and water investment evaluations;
- Customer engagement findings;
- Market demand trends;
- Operational efficiency analysis.

Based on Scenario Analysis for Climate-related Opportunities

Climate-related opportunities are assessed using Net Zero, Current Pathway and Divergence climate scenarios to evaluate potential future benefits from:

- Sustainable products;
- Renewable energy investments;
- Resource efficiency improvements;
- Climate-resilient operational initiatives.

3.5.3 Financial Impact Assessment Methodology

The Group assesses sustainability-related and climate-related financial impacts using both quantitative and qualitative methodologies. Where appropriate, assumptions relating to inventory holding periods, creditor settlement periods, operational lead times, climate variability and procurement dependencies are incorporated into the analysis.

Quantitative assessments include:

- Compliance cost forecasting;
- Sustainable product revenue analysis;
- Incremental sourcing cost analysis;
- Energy and water savings analysis;
- Working capital and cash flow impact assessments;

Financial impacts are assessed across:

- Profit or loss;
- Cash flows;
- Net financial position

4. Prioritisation of Risks and Opportunities

4.1 Prioritisation of Risks

The Group prioritises risks using risk matrices and materiality assessments considering:

- Financial impact;
- Likelihood of occurrence.
- Supply chain exposure;

Risk heat maps and prioritisation matrices are applied to classify risks based on severity and strategic relevance.

	SRROs and CRROs identified	Impact	Likelihood	Overall Risk / Opportunity Level
1	SRRO 01: Increasing Compliance Requirements	High	High	High
2	SRRO 02: Growing Customer Preference for Renewable and Recycled Material-Based Product Solutions	High	High	High Opportunity
3	CRRO 01: Climate-driven variability in weather patterns impacting raw materials sourcing/ productions	High	High	High
4	CRRO 02: Early Energy and Water Investments Translating to Cost Efficient and Climate Resilient Expansions in Future	Medium	Medium	Medium Opportunity

Higher-priority risks are escalated for mitigation planning and enhanced monitoring.

Supporting evidence includes:

- Materiality assessments;
- Risk matrix evaluations;
- Financial impact quantification;
- Management review documentation.

This integration includes:

- Embedding SRROs and CRROs into enterprise risk register;
- Aligning sustainability-related risks with operational and strategic risk management;
- Incorporating sustainability considerations into procurement, operations, engineering, marketing and finance functions;
- Integrating identified opportunities into strategic plans and capital investment roadmaps;
- Defining targets and KPIs for monitoring progress.

Cross-functional coordination supports implementation across:

- Procurement;
- Operations;
- Sustainability;
- Finance;
- Engineering;
- R&D;
- Marketing;
- Compliance functions.

Priority risks currently include

SRRO 01
Increasing Compliance Requirements

CRRO 01
Climate-driven variability impacting raw materials sourcing/productions

4.2 Prioritisation of Opportunities

Opportunities are prioritised using a materiality and strategic relevance framework considering:

- Strategic alignment with ESG goals;
- Customer demand potential;
- Return on investment ("ROI");
- Operational efficiency improvements;
- Climate resilience benefits;
- Revenue growth potential.

High-impact opportunities are prioritised for implementation and integration into strategic planning.

Priority opportunities currently include

SRRO 02
Growing Customer Preference for Renewable and Recycled Material-Based Product Solutions

CRRO 02
Early Energy and Water Investments Translating to Cost Efficient and Climate Resilient Expansions in Future

The Group integrates SRROs and CRROs into its Enterprise Risk Management framework and broader governance processes. Identified SRROs and CRROs are incorporated into strategic planning, operational budgeting, procurement planning and capital allocation decision-making processes to support long-term resilience and sustainability-related value creation.

SLFRS Sustainability Related Financial Disclosures

5. Monitoring and Continuous Improvement

The Group continues to strengthen its internal sustainability data systems, enhance quantification methodologies, and build capabilities in scenario analysis and climate-related financial assessments, with the aim of improving the quality and robustness of future sustainability-related disclosures and risk management practices.

Key indicators monitored by the Group include:

- Compliance cost trends and regulatory developments;
- Sustainable product revenue growth and customer sustainability trends;
- Rainfall variability trends and related procurement impacts;
- Imported latex dependency and procurement cost volatility;
- Inventory holding periods and supply chain resilience indicators;
- Energy and water cost trends, savings and resource efficiency performance;
- Renewable energy generation and operational efficiency initiatives;
- Supplier compliance performance and traceability effectiveness;
- Progress against sustainability-related targets, KPIs and climate resilience initiatives.



Monitoring is conducted through periodic operational reviews, sustainability reporting processes, procurement reviews; internal audit processes; management performance monitoring; ESG governance reporting. The Board of Directors, Board Audit Committee, and ESG Steering Committee are periodically informed of sustainability and climate related risks and opportunities and monitor progress against ESG targets, key initiatives, and strategic responses.

6. Integration into Enterprise Risk Management (ERM)

Sustainability-related and climate-related risks and opportunities are integrated into the Group's Enterprise Risk Management (ERM) framework, risk registers, management review processes, and decision-making activities. These matters are assessed alongside strategic, operational, financial, compliance, and reputational considerations based on their potential financial impact, likelihood, and strategic relevance. Management regularly monitors emerging sustainability and climate-related developments and incorporates relevant considerations into business planning, investment decisions, and risk management processes to strengthen operational resilience and support long-term value creation.

7. Significant Judgements and Uncertainties

Quantitative assessments include assessments in

- Rainfall variability and procurement disruption
- Inventory holding periods and procurement lead times
- Forecast utility tariff escalation
- Customer demand for sustainable products
- Imported latex dependency
- Energy and water savings projections
- Future compliance and assurance requirements

Sustainability-related and climate-related assessments involve inherent uncertainty due to forward-looking assumptions. Climate variability, evolving regulations and customer expectations, procurement and operational uncertainties, limitations in historical climate datasets and future technological and market developments. The Group continues to enhance internal data systems, climate-related quantification methodologies and scenario analysis capabilities to improve future assessments and disclosures.

8. Changes in Risk Management Processes Compared with Previous Reporting Period

During the reporting period, the Group enhanced its sustainability-related and climate-related risk management processes through.

- Formalisation of the SRRO and CRRO framework;
- Enhanced quantification methodologies;
- Development of climate scenario analysis capabilities;
- Enhanced sustainability financial impact forecasting;
- Expanded sustainability-related monitoring metrics.

These enhancements were implemented to strengthen alignment with SLFRS S1 and SLFRS S2 disclosure requirements and improve climate-related financial risk management capabilities.

4. STRATEGY

4.1 Our operating context

The Group's sustainability- and climate-related risks and opportunities are assessed in the context of the broader operating environment in which the Group operates. Further information relating to the Group's operating environment is provided in the Operating Context section on pages 132 to 139.

4.2 Our sustainability and climate strategy

Our strategy is designed to enhance business resilience, safeguard market access, drive product innovation, improve resource efficiency, and effectively manage the financial implications arising from sustainability-related and climate-related risks and opportunities. The Group's strategic response to SRROs and CRROs is focused on protecting core business resilience while capturing opportunities arising from sustainability and climate transition trends.



Strengthening Compliance and Market Access

The Group continues to invest in ESG governance frameworks, certifications, customer compliance requirements, sustainable packaging compliance, supplier traceability, and sustainability reporting capabilities, with the objective of reducing the risk of customer disengagement, shipment disruptions, regulatory non-compliance, and potential loss of export market access.

Sustainable Product Innovation

The Group aims to expand its participation in renewable, recycled, and low-impact product categories, including rPET and plant-based solutions to support customer retention, enhance product differentiation, and strengthen access to sustainability-sensitive export markets.

Climate Resilient Raw Material Sourcing

The Group monitors rainfall patterns and assesses procurement impacts to manage climate-related risks affecting local latex availability, while implementing strategic inventory build-up, supplier engagement, and imported latex contingency planning to ensure continuity of production during periods of rainfall-related sourcing disruption.

Energy and Water Resilience

The Group's prior investments in renewable energy, sustainable biomass, energy-efficient technologies, rainwater harvesting, and treated water reuse support long-term operational resilience and are expected to reduce exposure to future electricity and water tariff increases while strengthening cost efficiency during periods of expansion.

We assessed the current and anticipated impacts of identified sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs) across our value chain, including upstream raw material sourcing, procurement, manufacturing, processing and packaging, logistics, customer demand management, and product end-of-life considerations. These factors have been incorporated into the respective disclosure sections.



SLFRS Sustainability Related Financial Disclosures

5. SLFRS S1 AND S2 DISCLOSURES

5.1 Our approach

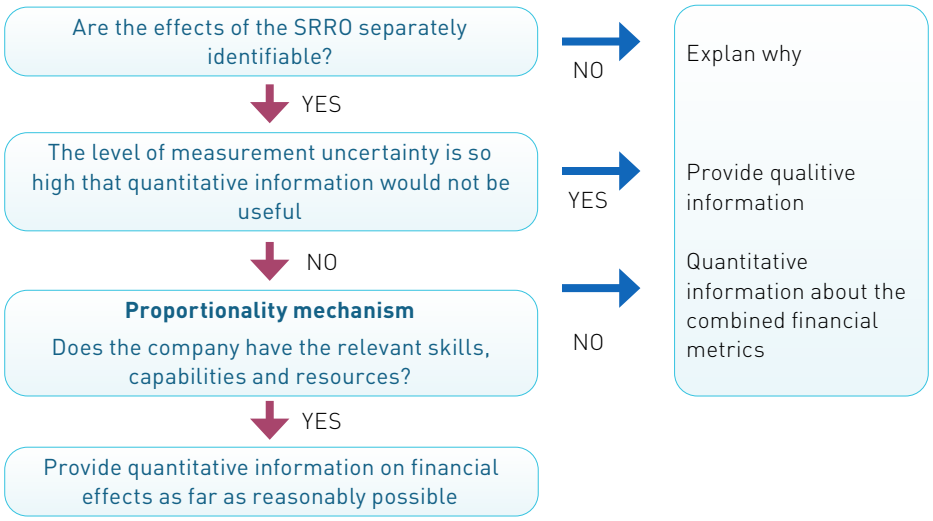
5.1.1 Quantification of financial effects

During the year, DPL commenced the quantification of financial effects of climate related risks and opportunities in line with its SLFRS S1 and S2 adoption roadmap. We have undertaken a comprehensive assessment of all identified sustainability-related and climate-related risks and opportunities ("SRROs" and "CRROs"), incorporating both quantitative and qualitative dimensions. Where feasible, these risks and opportunities have been quantified to evaluate their potential financial implications, including impacts on costs, revenues, capital expenditure, and operational performance. In parallel, qualitative assessments have been applied to capture areas where measurement remains complex or subject to uncertainty, such as reputational impacts, customer behaviour, regulatory developments, and supply chain dynamics.

As outlined in the relevant section, DPL has identified a set of two key sustainability related risks and opportunities (SRROs) and two climate related risks and opportunities (CRROs) that may have a significant impact on its financial performance, operational resilience, and long term value creation, while informing strategic decision making.

Methodology : Given the diversity of DPL's operations and the varied nature of sustainability related risks and opportunities (SRROs), a single standardised methodology is not applied across all areas. Instead, the Group adopts a tailored approach to quantification based on the specific characteristics of each risk and the availability of reliable data. Our approach is in line with the parent company, Hayleys Group PLC.

The following criteria is adopted in determining which SRROs/CRROs to quantify



5.2 Risk identification

SRROs and CRROs were identified through a qualitative and quantitative assessment of potential vulnerabilities and their impact on DPL's operations, financial performance, and strategy. A bottom up approach was adopted, where risks identified at operational and segment levels were consolidated to form a Group wide view.

Climate-related risks are assessed using the three climate scenarios: Scenario analysis is used to evaluate the resilience of the Group's business model, procurement continuity, operational stability and financial performance under three different climate-related pathways.

Net Zero Scenario

Current Pathway Scenario

Divergence Scenario

The Group assesses identified risks by evaluating:

- Likelihood of occurrence;
- Magnitude of operational and financial impact;
- Value chain exposure;
- Strategic relevance;
- Time horizon of impact;
- Ability to mitigate or adapt to the risk.

5.3 Scenario analysis

The Group evaluates how these scenarios may affect raw material sourcing, operational continuity, regulatory obligations, customer expectations and procurement costs.

The assessment incorporates:

- Historical operational and sustainability performance data;
- Procurement, sourcing and supply chain information;
- Compliance cost and regulatory requirement assessments;
- Rainfall, climate and weather-related information;
- Scenario analysis and forecast assumptions;
- Changes in rainfall intensity, frequency and climate variability;
- Potential impacts on latex sourcing, agricultural productivity and raw material availability;
- Evolving sustainability, product and packaging regulatory requirements;
- Transition-related market developments and customer preference changes;
- Energy and water price developments and resource cost trends;
- Operational adaptation requirements and resilience considerations.

5.4 Based on Scenario Analysis for Climate-related Opportunities

Climate-related opportunities are assessed using Net Zero, Current Pathway and Divergence climate scenarios to evaluate potential future benefits from:

- Sustainable products;
- Renewable energy investments;
- Resource efficiency improvements;
- Climate-resilient operational initiatives.

5.5 Quantification of impact on financial performance, position and cash flows

Calculation pathways are based on a combination of factors including:

- Internal historical data from DPL's operations
- Forward looking scenarios reflecting potential future conditions

Both data sources present challenges, including data gaps, variability, and uncertainty in projections. Despite these limitations, DPL adopts a transparent and balanced approach, applying reasonable assumptions, judgments, and estimates in developing financial impact assessments.

5.6 Assessing financial impacts

Financial Impact Assessment (DPL)

DPL assesses the potential financial impact of identified SRROs and CRROs on financial performance, financial position, and cash flows.

The following sections describe the implications of each of our SRROs based on the requirements of the SLFRS S1 and SLFRS S2

SLFRS Sustainability Related Financial Disclosures

SASB FB-AG-140a.3, CG-HP-140a.2, CG-HP-250a.3, CG-HP-410a.2, FB-AG-430a.2, FB-AG-430a.3

SRRO 1: Increasing compliance requirements

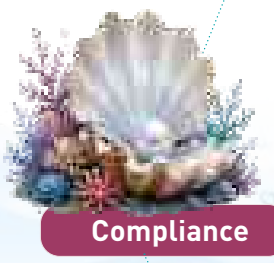
Category : Sustainability

RISK DRIVER

As a glove manufacturing group with plantation subsidiaries and significant export exposure, the Group is increasingly impacted by evolving sustainability-related regulations, customer compliance expectations, product standards, and disclosure requirements across global markets.

The shift towards more stringent ESG-related regulations, sustainable sourcing expectations, product traceability requirements, climate-related disclosures, and sustainable packaging standards is expected to heighten operational complexity, increase compliance costs, and elevate risks to market access for the Group.

The Group recognises that these evolving sustainability expectations across customers, regulators, investors, and global supply chains have the potential to materially affect its business model, value chain, operational processes, and financial performance if they are not proactively managed.



Compliance

- Organizational Compliance
  - Foundational Management System Certifications
  - Environmental and Climate Management Certifications
  - Social and Ethical Compliance Certifications
- Product and Packaging Compliance
  - Product Quality and Safety Certifications
  - Sustainable Product and Material Certifications
- Compliance for Regional Policies and Regulations impacting Value Chain
  - Export Market Regulatory Compliance
  - Climate, Sustainability, and Traceability-Driven Regulatory Compliance

Management System Certifications & Standards

- ISO 9001 – Quality Management System
- ISO 14001 – Environmental Management
- ISO 45001 – Occupational Health and Safety Management System
- ISO/IEC 17025:2017 Accreditation
- ISO 14064-1 – Organisational Carbon Footprint
- ISO 50001 – Energy Management System
- ISO 45003 – Psychological Health and Safety Management System
- amfori BSCI Certification – Business Social Compliance Initiatives Audit Programme
- SMETA Certification – Sedex Members Ethical Trade Audit
- WRAP – Worldwide Responsible Accredited

Production Certification

- Product, Material & Market Certifications / Compliance
- BRC Global Standard for Consumer Products
- ISO 13485 – Medical Devices Quality Management System
- Forest Stewardship Council (FSC®) Chain of Custody (COC)
- Recycled Claim Standard (RCS)
- Responsible Wool Standard (RWS)
- ISO 14067 – Product Carbon Footprint (PCF)
- EU PPE Regulation (EU) 2016/425 Compliance
- European Union Deforestation Regulation (EUDR) Compliance
- Other World Region/Country Specific Regulatory Standards

S1.1 Risk Description

The Group faces increasing compliance requirements across a broad range of areas, including sustainability-related disclosures, ESG governance expectations, sustainable packaging regulations, deforestation-free sourcing requirements, customer sustainability standards, supplier due diligence obligations, product carbon footprint (PCF) and life cycle assessment (LCA) expectations, as well as international certification and audit requirements.

Key regulatory and market developments relevant to the Group include the EU Deforestation Regulation (EUDR), evolving sustainable packaging requirements, customer-led ESG supplier assessments, climate-related disclosure requirements under SLFRS S1 and SLFRS S2, and increasing traceability expectations across global supply chains.

Failure to effectively respond to these requirements may result in increased compliance costs, operational disruptions, loss of export market access, reduced customer retention, reputational damage and reduced competitiveness in ESG sensitive markets.

Applicable Time Horizon

The Group considers SRRO 01 primarily as a medium- to long-term sustainability-related risk due to the expected acceleration of global ESG regulations, customer requirements, and disclosure expectations.

Time Horizon	Applicability
Short-term	Moderate
Medium-term	High
Long-term	High

S.1.2 Connected information

SRRO 02, CRRO 01, CRRO 02

Strategy, Risk Management, Metrics & Targets

Revenue (Note 03), Cost of sales and Administrative expenses
Note 10,19,20,23,27
Cash Flows

Natural Capital, Social & Relationship Capital – Supplier, Intellectual Capital, Financial Capital

S1.3 Source of information

Internal Sources

- Customer compliance requirements;
- Supplier assessment records;
- Audit and certification reports;
- Sustainability working papers;
- Procurement and traceability assessments;
- Internal ESG and compliance cost analysis;
- Strategic planning and operational review documents

External Sources

- SLFRS S1 and SLFRS S2;
- SASB Standards;
- GRI Standards;
- European Commission publications;
- EUDR-related guidance;
- Industry sustainability benchmarks;
- International sustainability certification frameworks;
- Customer ESG assessment requirements.

S1.4 Risk identification

The identification process included an assessment of evolving customer requirements, a review of emerging sustainability regulations, supplier and customer engagement discussions, ESG materiality assessments, a review of industry trends and benchmarking, an evaluation of sustainability expectations across export markets, and cross-functional discussions involving sustainability, procurement, operations, compliance, finance, quality assurance, and commercial teams.

The assessment focused on identifying sustainability-related risks that may materially affect:

- Export market access;
- Customer retention;
- Operational continuity;
- Product competitiveness;
- Financial performance.

SLFRS Sustainability Related Financial Disclosures

S1.5 Current effect on business model and value chain		Anticipated effects on business model and value chain
Increasing ESG, product, packaging and regulatory compliance requirements already impact governance, reporting, certifications, traceability and customer engagement processes.		The Group anticipates that future sustainability-related compliance requirements may lead to increased certification and assurance costs, higher supplier due diligence and traceability expenses, and additional investments in digital systems and ESG reporting infrastructure. It also expects increased product and packaging compliance expenditure, more extensive customer-driven sustainability assessment requirements, enhanced regulatory disclosure obligations, and greater operational complexity across the value chain. Any instances of non-compliance may adversely impact export market access, customer retention, and the Group's reputation. At the same time, the Group recognises that proactive compliance readiness may support stronger sustainability positioning and improved customer retention.
Upstream	• Supplier traceability • Audit and Certification • ESG reporting and governance • Audit readiness • Product carbon footprint and life cycle assessment	
Own Operations	• Governance • Audit and Certification • ESG reporting and governance • Audit readiness • Product carbon footprint and life cycle assessment	
Downstream	• Customer sustainability assessments • Sustainable packaging requirements	
Compliance requirements currently affect a range of the Group's operations, including procurement and supplier management, manufacturing and packaging operations, sustainability reporting processes, quality assurance systems, as well as customer engagement and tender participation.		

Development of impact pathway

Risk – Area of concentration in the business model/ value chain -Financial Impact



S1.6 Where the risk is impacted

Area	Impact
Procurement and sourcing	Supplier traceability and sustainable sourcing requirements
Manufacturing operations	Product and packaging compliance obligations
Commercial operations	Customer retention and export market access
Governance and reporting	ESG disclosure and reporting requirements
Supply chain management	Supplier due diligence and sustainability assessments
Financial performance	Increased compliance and operational expenditure

S1.7 Current and anticipated financial effects		
Current year financial effects	**Next year financial effects to the carrying value of assets and liabilities**	**Anticipated financial effects**
During FY2025/26, the Group incurred sustainability-related compliance expenditure associated with audits and certifications, employee training, traceability initiatives, ESG reporting processes, product and packaging compliance activities, and supplier assessment programmes. These expenditures were recognised primarily within operating expenses and contributed to the Group's overall sustainability and compliance management efforts during the reporting period.	The Group anticipates that future compliance requirements may influence the carrying amounts of certain assets and liabilities through investments in traceability systems, ESG reporting infrastructure, certification-related assets, and working capital balances associated with sustainable sourcing and compliance initiatives. Future obligations arising from regulatory, certification, assurance, and customer-specific requirements may also affect accruals, trade and other payables, and capital allocation decisions.	The Group expects sustainability-related compliance requirements to increase operating expenditure over the short, medium, and long term. Key areas of expenditure may include certification and assurance costs, compliance monitoring activities, ESG system enhancements, traceability implementation, supplier assessments, sustainable packaging initiatives, employee capability development, and regulatory reporting requirements. The magnitude and timing of these financial effects will depend on evolving regulatory developments, customer requirements, assurance expectations, operational expansion plans, and sustainability-related market expectations across export markets.

S1.8 Strategy and decision making	
Compliance and Governance Actions • Conduct ongoing internal and external audits and certification reviews. • Strengthen compliance monitoring through cross-functional regulatory tracking and implementation reviews.	**Supplier and Traceability Actions** • Continue supplier mapping, due diligence, and traceability system implementation.; • Engage suppliers to improve sustainability practices and certification readiness.
Product and Packaging Actions • Strengthen compliance with product, packaging, PCF and LCA-related requirements. • Increase focus on sustainable packaging and product sustainability assessments.	**Customer and Market Actions** • Engage customers and certification bodies to maintain alignment with evolving ESG expectations. • Improve sustainability-related disclosures and customer communication.

The following tables summarise the current and anticipated financial effects of the SRRO 01 on the Group's prospects, including impacts on financial performance, net financial position, and cash flows across short, medium-, and long-term time horizons. The assessment has been performed separately for the Hand Protection and Plantation sectors and consolidated at Group level.

Hand Protection								
Impact on Company's Prospects	2025/2026 (Rs. Mn)				2024/2025 (Rs. Mn)			
	Current Reporting Period	Short Term	Medium Term	Long Term	Current Reporting Period	Short Term	Medium Term	Long Term
Impact on Financial Performance	(903)	(963)	(715)	(525)	(201)	(666)	(505)	(564)
Impact on Net Financial Position	(573)	(659)	(508)	(408)	(157)	(217)	(265)	(412)
Impact on Cash Flow	(831)	(902)	(659)	(463)	(170)	(586)	(464)	(491)

SLFRS Sustainability Related Financial Disclosures

Plantation								
Impact on Company's Prospects	2025/2026 (Rs. Mn)				2024/2025 (Rs. Mn)			
	Current Reporting Period	Short Term	Medium Term	Long Term	Current Reporting Period	Short Term	Medium Term	Long Term
Impact on Financial Performance	8	9	6	2	(6)	(3)	(5)	(9)
Impact on Net Financial Position	36	9	6	2	27	11	9	55
Impact on Cash Flow	(32)	26	24	30	(67)	17	16	62

DPL Group									
Impact on Company's Prospects	Related Financial Statement Caption / Note Reference*	2025/2026 (Rs. Mn)				2024/2025 (Rs. Mn)			
		Current Reporting Period	Short Term	Medium Term	Long Term	Current Reporting Period	Short Term	Medium Term	Long Term
Impact on Financial Performance	Revenue (Note 03), Cost of sales and Administrative expenses	(895)	(954)	(709)	(523)	(207)	(669)	(510)	(573)
Impact on Net Financial Position	Note 10,19,20,23,27	(537)	(650)	(501)	(406)	(130)	(206)	(256)	(357)
Impact on Cash Flow	Net cash flow from operating activities, Net cash flows from investing activities and Net cash flows from financing activities	(863)	(876)	(635)	(433)	(236)	(569)	(448)	(429)

*This indicates the primary financial statement captions through which the identified financial effects are expected to be recognised. Where detailed note disclosures are not separately presented, references have been made to the relevant line items in the audited financial statements.

Note - Short term: Next 12 months; Medium term: 1–5 years; Long term: 5-10 years. Financial effects represent management's best estimates based on information available at the reporting date and are subject to uncertainties inherent in forward-looking assessments.

FY2024/25 financial effects were assessed based on the Hand Protection Sector only, reflecting the Group's initial voluntary adoption of SLFRS S1 and SLFRS S2. In FY2025/26, the assessment scope was expanded to include both the Hand Protection and Plantation Sectors in line with the Group's financial reporting consolidation boundary. As a result, comparative information between periods is not directly comparable.

S1.9 Quantification methodology

The Group developed a financial quantification framework to assess sustainability-related compliance costs.

Quantified current-year organisational and product-related compliance costs associated with sustainability-related requirements and export market obligations.

→ Quantifiable Metric Compliance costs

→ Qualitative measures : Loss of export customers, Reputational damage, Reduced market acccess

The methodology included identifying relevant compliance-related expenditure categories, separating organisational compliance costs from product and packaging-related compliance costs as well as costs associated with regional policies and regulations impacting the value chain, assessing incremental sustainability-related costs arising from evolving regulations and customer requirements, and forecasting future compliance expenditure based on assumptions relating to inflation, operational expansion, regulatory escalation, and increasing customer expectations.

The quantification included:

- Compliance staff costs;
- Audit and assurance costs;
- Certification costs;
- ESG system implementation costs;
- Traceability and digitisation costs;
- Product and packaging compliance costs;
- Supplier development and sustainability assessment costs.

S1.10 Monitoring mechanisms

Metric	Metric Definition & Calculation Method	Target Type	Quantitative Target	Base Year (FY2024/25)	Time Horizon	Current Performance FY2025/26	Purpose of Metric	Validation / Assurance
Sustainability-related certifications maintained (ISO 14001, ISO 50001, ISO 14064, SMETA, WRAP etc.)	Number of certifications maintained or newly obtained across operations. Calculated as total valid certifications at reporting date.	Absolute	Maintain 100% existing certifications and obtain additional certifications based on market requirements	15 certifications	Annual 2030	17 certifications maintained	Measures regulatory readiness and market access capability	Verified through external certification bodies
Sustainability-related compliance expenditure (Rs. Mn)	Total compliance cost including organizational compliance costs, product and packaging compliance costs and regional regulatory compliance costs	Absolute	Annual monitoring and budgeting with variance maintained within ±10% against approved budget	Rs.207 Mn	Annual 2030	Rs.895 Mn	Measures exposure to evolving compliance requirements	Verified through audited financial records and budgets

SLFRS Sustainability Related Financial Disclosures

S1.10 Monitoring Mechanisms

Metric	Metric Definition & Calculation Method	Target Type	Quantitative Target	Base Year FY 2024/25	Time Horizon	Current Performance FY 2025/26	Purpose of Metric	Validation / Assurance
Percentage of sustainable packaging adoption	Sustainable packaging material weight ÷ Total packaging material weight ×100	Intensity	100% by 2030	96%	Medium to Long term	97%	Measures transition towards sustainable packaging compliance	Verified through procurement and material usage records
Product portfolio covered by LCA/PCF assessments	Products with completed LCA or PCF assessments	Intensity	15% by 2030	7 Products	Medium term	7 Products	Measures readiness for customer and regulatory requirements	Verified through third-party assessment reports

S1.11 Progress made during the year

During FY 2025/26, the Group:

- Strengthened sustainability governance and reporting processes;
- Quantified sustainability-related compliance costs of Rs. 903 Mn;
- Expanded traceability and supplier assessment initiatives;
- Progressed product sustainability assessments and sustainable packaging initiatives;
- Snhanced sustainability-related data collection processes;
- Integrated SRROs and CRROs into the group's ERM framework;
- Strengthened customer engagement relating to ESG requirements;
- Initiated additional climate and sustainability-related disclosure assessments.

S1.12 Significant judgements and uncertainties

The assessment of SRRO 01 involves significant judgement due to:

- Uncertainty over timing and scope of future compliance requirements;
- Limited availability of supplier-level sustainability data;
- Uncertainty regarding future customer-specific ESG expectations;
- Variability in sustainability assurance and certification requirements;
- Uncertainty over future implementation costs and technology adoption.
- Rapidly evolving sustainability regulations and customer expectations;

The Group will continue to refine its sustainability-related compliance assessments as regulations, customer expectations, reporting practices, and operational capabilities evolve.

S1.13 How the company is resourcing and plan to resource activities

The Group allocates resources to manage SRROs and CRROs through operating expenditure, capital expenditure and cross-functional initiatives.

Action	Investment	Source of funding
Certification and assurance	Rs. 15 Mn	Internally generated funds
Internal and external audits	Rs. 8 Mn	Internally generated funds
Traceability systems	Rs. 1 Mn	Internally generated funds
Training and corrective action	Rs. 5.5 Mn	Internally generated funds



SRRO 2: Growing Customer Preference for Renewable and Recycled Material-Based Product Solutions

Category :
Climate – Transition (Market Changes / Consumer Preferences) – Opportunity

OPPORTUNITY DRIVER

Global consumer markets are increasingly shifting towards environmentally responsible, low-impact, and sustainable products, driven by evolving customer preferences, sustainability-related procurement requirements, ESG-focused purchasing decisions, retailer and brand-owner sustainability commitments, and growing awareness of circular economy practices and the use of sustainable materials.

As a significant export-oriented glove manufacturer with plantation operations, the Group recognises that the growing demand for sustainable and recycled material-based product solutions presents strategic growth opportunities through product innovation, sustainable sourcing, and ESG-aligned manufacturing practices. The Group believes that early positioning in sustainable product development may enhance customer retention, strengthen market access, support revenue growth opportunities, improve pricing competitiveness, and reinforce long-term brand positioning.

S2.1 Opportunity Description

The Group has identified the increasing customer preference for renewable and recycled material-based products as a material climate-related transition opportunity, driven by growing demand for recycled material-based gloves, plant-based and low-impact product solutions, sustainably sourced raw materials, low-carbon manufacturing practices, environmentally responsible packaging solutions, and independently certified sustainable products. The Group expects sustainability-focused customers, global retailers, healthcare buyers, and industrial buyers to increasingly prioritise suppliers that demonstrate sustainability-related product innovation, responsible sourcing practices, reduced environmental footprints, product traceability, and robust ESG-related certifications and disclosures. The Group also recognises that advancing sustainable product innovation may support differentiation in export markets and strengthen long-term competitiveness.

Applicable Time Horizon

The opportunity is expected to strengthen progressively over the medium to long term as sustainability-related customer preferences, ESG-linked procurement requirements, and market demand for renewable, recycled, and lower-impact products continue to evolve across global markets. While certain early market signals and customer requests are already emerging in the short term, the most significant financial and strategic benefits are expected to materialise over the medium and long term

Time Horizon	Applicability
Short-term	Moderate
Medium-term	High
Long-term	High

S2.2 Connected Information

SRRO 01, CRRO 02	Strategy, Metrics & Targets
Revenue (Note 03), Cost of sales Note 19,20,27 Net cash flow from operating activities	Manufactured Capital, Intellectual Capital, Natural Capital and Financial Capital

S2.3 Sources of information and supporting evidence

Internal Sources

- Customer sustainability questionnaires and assessments;
- Product development and R&D evaluations;
- Sales and marketing trend analysis;
- Sustainable product revenue analysis;
- ESG Roadmap 2030 initiatives;
- Procurement and sustainability assessments;
- Sustainability working papers and management reviews.

External Sources

- SLFRS S1 and SLFRS S2;
- GRI Standards;
- SASB Standards – Household and Personal Products;
- Circular economy and sustainable product market studies;
- Industry sustainability reports;
- Customer sustainability procurement frameworks;
- International sustainability certification standards

SLFRS Sustainability Related Financial Disclosures

S2.4 Identification of the opportunity

The Group identified SRRO 02 through a combination of sustainability-related materiality assessments, customer engagement and commercial discussions, ESG market trend analysis, sustainability benchmarking exercises, supplier and value chain assessments, industry research on sustainable materials and circular economy trends, and cross-functional collaboration involving commercial, procurement, sustainability, operations, R&D, and product development teams.

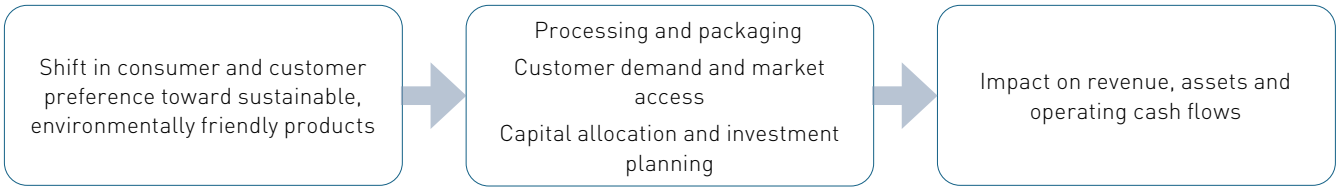
The assessment considered:

- Changing customer purchasing behaviour;
- Esg-focused market developments;
- Sustainable product innovation trends; Competitor positioning;
- Regulatory developments supporting sustainable products and packaging.

S2.5 Current effect on business model and value chain		Anticipated effects on business model and value chain
Upstream	The Group is currently experiencing increasing customer interest in sustainable glove products, recycled material-based solutions, sustainable packaging, ESG-certified manufacturing operations, and product environmental footprint disclosures. The Group currently markets and supplies a range of sustainable product variants, including recycled PET (rPET)-based products, plant-based product solutions, and environmentally preferable glove products. The opportunity currently influences product innovation activities, procurement and sourcing strategies, customer engagement, sustainable packaging initiatives, and sustainability-related marketing and branding efforts. The Group has also quantified revenue generated from sustainable product categories during FY 2025/26.	The Group anticipates that increasing demand for sustainable products may lead to higher sales volumes of such products, a greater revenue contribution from sustainable product categories, improved access to export markets, stronger customer retention, enhanced ESG positioning, potential pricing premiums for sustainable offerings, and increased investments in sustainable innovation and research and development. The Group also expects increasing customer requirements relating to product-level sustainability disclosures, carbon footprint assessments, product traceability, and the sourcing of recycled and renewable materials.
Own Operations		
Downstream		

Development of Impact pathway:

Risk – concentration in business model/value chain - Impact



S2.6 Where the opportunity is impacted

Area	Impact
Product development	Sustainable and low-impact product innovation
Procurement and sourcing	Increased use of renewable and recycled materials
Manufacturing operations	Sustainable production practices and efficiency improvements
Commercial operations	Improved customer retention and export market access
Brand positioning	Enhanced sustainability-related reputation
Financial performance	Revenue growth and improved long-term competitiveness

S2.7 Current and Anticipated financial effects		
Current year financial effects	Next year financial effects to the carrying value of assets and liabilities	Anticipated financial effects
During FY2025/26, the Group continued to expand its portfolio of renewable and recycled material-based product solutions, including recycled and plant-based product offerings. Expenditure incurred during the period related to product development, sustainable material sourcing, certifications, product assessments, customer engagement activities, and sustainability-related product innovation initiatives. These activities supported customer retention, product differentiation, and access to sustainability-focused export markets.	The Group anticipates that increasing customer demand for renewable and recycled material-based product solutions may influence the carrying amounts of certain assets and liabilities through investments in product development, sustainable material sourcing, certifications, packaging modifications, and manufacturing process enhancements. Increased demand for sustainable products may also affect inventories, working capital balances, trade receivables, and capital allocation decisions associated with product innovation and market expansion initiatives.	The Group expects growing customer preference for renewable and recycled material-based product solutions to create revenue growth opportunities over the short, medium, and long term. Potential financial benefits may arise through increased sales volumes, access to sustainability-sensitive export markets, enhanced customer retention, product differentiation, and pricing premiums for selected sustainable product categories. The magnitude and timing of these financial effects will depend on evolving customer procurement requirements, sustainability-related market trends, product innovation success, availability of sustainable raw materials, competitive market conditions, and regulatory developments across key export markets.

S2.8 Strategy and decision making	
• Expand renewable and recycled material-based product solutions • Develop sustainable product innovations	• Respond to customer sustainability requirements • Increase revenue contribution from sustainable products
Product Innovation Actions • Expand product portfolio using plant-based, rPET, recycled and renewable material-based solutions. • Strengthen PCF, LCA and product sustainability assessments.	**Sustainable Sourcing Actions** • Improve traceability and transparency of renewable and recycled material sourcing. • Engage suppliers to improve availability and quality of sustainable input materials.
Manufacturing and Operational Actions • Support lower-impact production processes and sustainable packaging integration. • Integrate sustainability considerations into product development and operational decision-making.	**Commercial and Market Actions** • Engage customers to co-develop sustainable product solutions aligned with market requirements. • Leverage certifications and sustainability attributes to support ESG-driven market access and revenue growth.

The following tables summarise the current and anticipated financial effects of the SRRO 02 on the Group's prospects, including impacts on financial performance, net financial position, and cash flows across short, medium-, and long-term time horizons. The assessment has been performed separately for the Hand Protection and Plantation sectors and consolidated at Group level.

SLFRS Sustainability Related Financial Disclosures

Hand Protection *									
Impact on Company's Prospects	Related Financial Statement Caption / Note Reference**	2025/2026 (Rs. Mn)				2024/2025 (Rs. Mn)			
		Current Reporting Period	Short Term	Medium Term	Long Term	Current Reporting Period	Short Term	Medium Term	Long Term
Impact on Financial Performance	Revenue (Note 03), Cost of sales	333	349	395	493	625	675	825	1050
Impact on Net Financial Position	Note 19,20,27	485	491	999	1,246	55	75	93	115
Impact on Cash Flow	Net cash flow from operating activities	831	883	999	1,246	90	113	150	190

* The assessment of this opportunity is presented for the Hand Protection Sector only, as the Plantation Sector's products are inherently sustainability-linked agricultural outputs. Accordingly, the financial opportunity arising from increasing customer preference for renewable and recycled material-based product solutions is considered primarily relevant to the Hand Protection Sector, where product innovation, renewable and recycled inputs, and customer sustainability requirements directly influence revenue growth, product differentiation, and market opportunities

**This indicates the primary financial statement captions through which the identified financial effects are expected to be recognised. Where detailed note disclosures are not separately presented, references have been made to the relevant line items in the audited financial statements.

Note - Short term: Next 12 months; Medium term: 1–5 years; Long term: 5-10 years. Financial effects represent management's best estimates based on information available at the reporting date and are subject to uncertainties inherent in forward-looking assessments.

FY2024/25 financial effects were assessed based on the Hand Protection Sector only, reflecting the Group's initial voluntary adoption of SLFRS S1 and SLFRS S2. In FY2025/26, the assessment scope was expanded to include both the Hand Protection and Plantation Sectors in line with the Group's financial reporting consolidation boundary. As a result, comparative information between periods is not directly comparable.

S2.9 Quantification methodology

Effects identified
Changes in consumer preferences

→

Quantifiable Measurement
Revenue from sustainable products
Volume sold

→

Qualitative measures :
Future market demand
Pricing premiums

The Group quantified the opportunity using a range of analytical approaches, including sustainable product revenue analysis, sustainable product volume assessments, product mix evaluations, projections of future growth in customer demand for sustainable products, and forecasts relating to the expansion of sustainable product offerings.

The assessment considered:

- Sustainable product sales growth;
- Expected demand increases;
- Product innovation pipeline developments;
- Customer sustainability commitments

The methodology included:

1. Identifying sustainable and recycled material-based product categories;
2. Quantifying current-year sustainable product revenue;
3. Forecasting future revenue growth using expected market demand and sustainable product expansion assumptions;
4. Assessing potential financial performance improvements arising from sustainable product growth.

S2.10 Monitoring mechanisms

Metric	Metric Definition & Calculation Method	Target Type	Quantitative Target	Base Year (FY2024/25)	Time Horizon	Current Performance FY2025/26	Purpose of Metric	Validation / Assurance
Revenue generated from renewable and recycled material-based product solutions (Rs. Mn)	Revenue generated from products incorporating renewable, recycled, biodegradable or lower-impact materials	Absolute	Annual increase of ≥10%	Rs.625 Mn	Medium–Long term	Rs.875 Mn	Measures financial benefit from sustainable products	Verified using audited sales records
Renewable and recycled material-based product solutions sales growth (%)	(Current year sustainable product sales – Prior year sustainable product sales) ÷ Prior year sustainable product sales ×100	Intensity	Maintain annual growth >20%	55%	Annual–Long term	40%	Measures customer demand growth	Verified through ERP sales systems
Percentage of products covered by LCA/PCF assessments	Products with completed PCF/LCA assessments	Intensity	>15% by 2030	7 Products	Medium term	7 Products	Measures sustainability disclosure capability	Third-party verified LCA/PCF reports

S2.11 Progress made during the year

During FY 2025/26, the Group:

- Increased revenue generated from renewable and recycled material-based product solutions to Rs.875 Mn;
- Continued development of recycled and plant-based product solutions;
- Progressed product-level sustainability assessments;
- Strengthened ESG-related customer engagement activities;
- Enhanced sustainable sourcing initiatives;
- Strengthened integration of sustainability into product development processes;
- Improved sustainability-related operational awareness and governance.

S2.12 Significant judgements and uncertainties

The assessment of SRRO 02 involves significant judgement due to:

- Uncertainty regarding future consumer purchasing behaviour;
- Evolving sustainability-related customer requirements;
- Limited industry-wide comparable data relating to sustainable product demand;
- Uncertainty regarding pricing premium sustainability; changing regulatory and market expectations;
- Uncertainty regarding future sustainable material availability and pricing.

The Group will continue refining its sustainable product opportunity assessments as market trends, customer expectations, technologies, and sustainability practices evolve.

S2.13 How the Company is Resourcing and Plan to Resource Activities

The Group allocates resources to manage SRROs and CRROs through operating expenditure, capital expenditure and cross-functional initiatives.

Action	Investment	Source of funding
Sustainable sourcing	Rs 500 Mn	Funding for these initiatives is currently supported through internally generated funds and strategic operational investment allocations.
Sustainability certifications.	Rs 15 Mn	

SLFRS Sustainability Related Financial Disclosures

SASB FB-AG-140a.1, FB-AG-430a.3, FB-AG-440a.1, FB-AG-440a.2

CRRO 1: Climate-driven variability impacting raw materials sourcing/productions

Category: Climate: physical risks

OPPORTUNITY DRIVER

The Group recognises that changing rainfall patterns, rising temperatures, increased flooding intensity, and broader climate variability in Sri Lanka and the wider region may materially affect the stability of natural rubber and latex sourcing across the Hand Protection sector.

C1.1 Risk Description

Hand Protection

Acute Risk – Changing rainfall patterns

Changing rainfall patterns may disrupt rubber tapping activities, reduce harvesting days and latex collection efficiency, interrupt transportation and supplier logistics, increase contamination and wastage risks, and affect production continuity due to delays in raw material supply, ultimately resulting in incremental sourcing costs driven by increased dependency on imported latex.

Chronic Physical Risks – Rising Temperatures and Climate Variability

Rising temperatures and long-term climate variability may reduce latex productivity and overall tree yield, increase susceptibility to pests and diseases, create inconsistent seasonal production cycles, intensify volatility in raw material availability and pricing, and lead to greater reliance on imported latex sourcing.

Climate projections, historical rainfall trends, and operational observations indicate increasing variability in rainfall distribution, prolonged wet periods, more frequent flooding events, irregular monsoon patterns, and rising temperatures. These conditions may disrupt rubber tapping activities, reduce latex yield availability, increase sourcing volatility, and heighten dependence on imported latex procurement. As a glove manufacturing group with significant reliance on natural rubber-based raw materials, these climate-related physical risks may adversely impact the Group's cost structure, operational continuity, inventory management, and overall financial performance.

Applicable Time Horizon

The Group considers CRRO 01 to be primarily a medium- to long-term climate-related physical risk, as changing rainfall patterns, increasing climate variability, and shifts in weather conditions may progressively affect natural rubber yields, raw material availability, sourcing stability, and cost structures over time. While certain short-term operational disruptions may arise from seasonal weather events and abnormal rainfall patterns, the most significant operational and financial impacts are expected to emerge over the medium and long term.

Time Horizon	Applicability
Short-term	Moderate
Medium-term	High
Long-term	High

C1.2 Connected information

SRRO 01, CRRO 02	Scenario Analysis, Climate Resilience Assessment, Risk Management, Metrics & Targets
Revenue (Note 03), Cost of sales, Finance cost (Note 5.1) Note 19,20,27 Cash flows	Natural Capital, Social & Relationship Capital (Suppliers), Financial Capital and Risk Management Framework

C1.3 Sources of information and supporting evidence

Internal Sources

- Historical rainfall datasets by sourcing region;
- Local and imported latex procurement data;
- Supplier sourcing records;
- Procurement cost trend analysis;
- Inventory and imported latex dependency analysis;

External Sources

- Sri Lanka Department of Meteorology;
- IPCC AR6 climate projections;
- World Bank Climate Knowledge Portal;
- FAO climate and agriculture studies;
- International Rubber Study Group publications;
- Central Bank of Sri Lanka economic reports;
- Academic and industry studies relating to rainfall impacts on latex yield and rubber tapping productivity.

C1.4 Identification of the risk

The Group identified CRRO 01 through its sustainability-related risk identification and climate scenario assessment processes, which are integrated into the Enterprise Risk Management (ERM) framework, with the assessment considering both acute and chronic physical climate risks that may affect latex availability and sourcing stability.

The identification process included:

- Review of historical rainfall and procurement data;
- Analysis of operational disruptions linked to rainfall variability;
- Assessment of imported latex dependency trends;
- Procurement and sourcing assessments conducted by operational and supply chain teams;
- Cross-functional workshops involving procurement, operations, sustainability, finance, and plantation-related teams.

C1.5 Current effect on business model and value chain		Anticipated effects on business model and value chain
Upstream	Rainfall variability affects rubber tapping and latex availability	More variable rainfall patterns and rising temperatures may increase volatility in raw material sourcing, heighten dependence on imported latex, exert pressure on procurement costs, increase inventory requirements, and pose risks to production continuity. The Group anticipates that increasing climate variability may lead to higher dependency on imported latex, greater procurement price volatility, increased working capital and inventory holding requirements, margin pressures arising from higher sourcing costs, heightened operational planning complexity, and a growing need for supplier diversification.
Own Operations	• Sourcing stability • Increase imported latex procurement • Increased blended procurement cost per kilogram • Increased inventory planning and working capital requirements • Higher sourcing cost volatility. The Group quantified incremental sourcing cost attributable to increased import dependency during FY 2025/26 was assessed using a combination of rainfall trend analysis, evaluations of local and imported latex price differentials, imported latex dependency forecast, lead-time adjusted procurement analysis, and blended sourcing cost calculations.	
Downstream	Climate-related sourcing disruptions may influence production stability and product availability, creating potential impacts on customer fulfilment, delivery commitments, and market responsiveness across export markets.	



Development of Impact pathway:

Outcome- Area of concentration in the business model and value chain-Financial Impact

Hand Protection sector Impact on agricultural output Rubber	Raw material sourcing and procurement	Quantifiable Impact on cost of sales and operating cash flows
Both sectors Impact on Energy sources such as Hydro and solar	Manufacturing Renewable Energy generation	Quantifiabe Impact revenue, assets and operating cash flows
Plantation sector Impact on agricultural output Tea and Rubber	Manufacturing	Quantifiable Impact revenue and operating cash flows

SLFRS Sustainability Related Financial Disclosures

C1.6 Where the risk is impacted

Area	Impact
Raw material sourcing	Lower latex availability and sourcing disruptions
Procurement	Increased imported latex dependency and sourcing volatility
Operations	Production planning disruptions and continuity risks
Inventory management	Higher inventory buffer requirements
Financial performance	Increased cost of sales and margin pressure
Cash flows	Higher procurement-related operating cash outflows

C1.7 Current and Anticipated financial effects

Current year financial effects	Next year financial effects to the carrying value of assets and liabilities	Anticipated financial effects
During FY 2025/26, the Group experienced financial effects associated with climate-driven variability affecting natural rubber sourcing and procurement activities. Rainfall variability and changing weather patterns influenced local latex availability, resulting in increased dependence on imported latex and higher procurement costs in certain periods. The Group incurred additional expenditure relating to procurement planning, sourcing assessments, inventory management activities, and supplier engagement initiatives to support continuity of raw material supply and operational stability.	The Group anticipates that continued climate variability may influence the carrying amounts of certain assets and liabilities through changes in inventory levels, working capital requirements, trade payables, and procurement-related balances. Increased inventory holdings, strategic sourcing arrangements, and investments in supply chain resilience initiatives may affect capital allocation decisions and the carrying amounts of operational assets associated with procurement, storage, and supply chain management activities.	The Group expects climate-driven variability affecting raw material sourcing and production to increase procurement cost volatility and operational planning requirements over the short, medium, and long term. Potential financial effects may arise through fluctuations in natural rubber availability, increased dependence on imported latex, higher sourcing costs, inventory holding requirements, supply chain disruptions, and production continuity risks. The magnitude and timing of these financial effects will depend on future rainfall patterns, temperature changes, agricultural productivity, global latex market conditions, foreign exchange movements, supplier resilience, and the effectiveness of procurement and inventory management strategies implemented by the Group.

C1.8 Strategy and decision making

- Improve procurement resilience through rainfall monitoring
- Supplier diversification
- Strategic inventory build-up
- Imported latex contingency planning
- Analysis of incremental sourcing cost exposure

Procurement Resilience Actions

- Diversify supplier networks and sourcing locations to reduce concentration risk and improve supply continuity.
- Strengthen supplier engagement and contingency sourcing arrangements to improve supply chain resilience.
- Integrate rainfall and climate trend monitoring into procurement planning and sourcing decisions.

Operational Actions

- Strengthen inventory planning and safety stock strategies to reduce supply disruption impacts.
- Improve sourcing cost analysis and forecasting processes to manage raw material price variability.
- Continue process optimisation initiatives to improve operational flexibility during raw material variability.

The following tables summarise the current and anticipated financial effects of the CRRO 01 on the Group's prospects, including impacts on financial performance, net financial position, and cash flows across short, medium-, and long-term time horizons. The assessment has been performed separately for the Hand Protection and Plantation sectors and consolidated at Group level.

Hand Protection								
Impact on Company's Prospects	2025/2026 (Rs. Mn)				2024/2025 (Rs. Mn)			
	Current Reporting Period	Short Term	Medium Term	Long Term	Current Reporting Period	Short Term	Medium Term	Long Term
Impact on Financial Performance	(140)	(154)	(197)	(303)	(315)	(315)	(340)	(425)
Impact on Net Financial Position	(83)	(100)	(127)	(196)	(18)	(28)	(33)	(38)
Impact on Cash Flow	(132)	(148)	(189)	(291)	(288)	(288)	(315)	(380)

Plantation								
Impact on Company's Prospects	2025/2026 (Rs. Mn)				2024/2025 (Rs. Mn)			
	Current Reporting Period	Short Term	Medium Term	Long Term	Current Reporting Period	Short Term	Medium Term	Long Term
Impact on Financial Performance	(346)	(443)	(543)	(609)	(240)	(298)	(355)	(396)
Impact on Net Financial Position	(235)	(295)	(403)	(520)	(210)	(557)	(554)	(480)
Impact on Cash Flow	(862)	(941)	(988)	(954)	(827)	(883)	(878)	(856)

DPL Group									
Impact on Company's Prospects	Related Financial Statement Caption / Note Reference*	2025/2026 (Rs. Mn)				2024/2025 (Rs. Mn)			
		Current Reporting Period	Short Term	Medium Term	Long Term	Current Reporting Period	Short Term	Medium Term	Long Term
Impact on Financial Performance	Revenue (Note 03), Cost of sales, Finance cost (Note 5.1)	(486)	(598)	(740)	(913)	(555)	(613)	(695)	(821)
Impact on Net Financial Position	Note 19,20,27	(318)	(395)	(530)	(716)	(227)	(585)	(586)	(517)
Impact on Cash Flow	Net cash flow from operating activities, Net cash flows from investing activities and Net cash flows from financing activities	(994)	(1,089)	(1,177)	(1,245)	(1,115)	(1,170)	(1,193)	(1,236)

*This indicates the primary financial statement captions through which the identified financial effects are expected to be recognised. Where detailed note disclosures are not separately presented, references have been made to the relevant line items in the audited financial statements.

Note - Short term: Next 12 months; Medium term: 1–5 years; Long term: 5-10 years. Financial effects represent management's best estimates based on information available at the reporting date and are subject to uncertainties inherent in forward-looking assessments.

FY2024/25 financial effects were assessed based on the Hand Protection Sector only, reflecting the Group's initial voluntary adoption of SLFRS S1 and SLFRS S2. In FY2025/26, the assessment scope was expanded to include both the Hand Protection and Plantation Sectors in line with the Group's financial reporting consolidation boundary. As a result, comparative information between periods is not directly comparable.

SLFRS Sustainability Related Financial Disclosures

C1.9 Quantification methodology

The Group developed a financial quantification framework to assess sustainability-related compliance costs.

Effects identified	Quantifiable Measurement	Qualitative measures
Climate variability and supply shocks	Raw material cost Trends in price volatility	Supply disruptions Import dependency Cost volatility

The Group developed a quantitative model to assess the financial implications of rainfall-related sourcing disruptions. The analysis incorporated both quantitative and qualitative considerations and was reviewed internally by procurement, sustainability, operations, and finance teams.

The methodology included:

- Assessing historical rainfall trends across sourcing regions;
- Comparing rainfall levels against local latex procurement trends;
- Evaluating local versus imported latex price differentials;
- Applying lead-time assumptions to imported procurement behaviour;
- Calculating blended procurement cost impacts;
- Estimating incremental sourcing costs attributable to increased import dependency

C1.10 Monitoring mechanisms

Metric	Metric Definition & Calculation Method	Target Type	Quantitative Target	Base Year (FY2024/25)	Time Horizon	Current Performance FY2025/26	Purpose of Metric	Validation / Assurance
Percentage of local latex sourced from Sri Lankan suppliers	Local latex procurement volume ÷ total latex procurement volume ×100	Intensity	Maintain sourcing within 60%–75% range	79%	Medium–Long term	80%	Measures sourcing dependency and climate exposure concentration	Verified through procurement and supplier records
Incremental sourcing cost arising from import dependency (Rs. Mn)	Additional procurement cost incurred due to increased import dependency caused by climate variability	Absolute	Progressive reduction in cost volatility over long term	Rs.315 Mn	Medium–Long term	Rs.140 Mn	Measures financial impact of climate-related sourcing disruptions	Verified through procurement cost analysis
Percentage of imported latex procurement	Imported latex procurement volume ÷ total latex procurement volume ×100	Intensity	Maintain below defined internal threshold	21%	Medium term	20%	Measures dependence on imported raw materials	Procurement and inventory records

C1.11 Progress made during the year

During FY 2025/26, the Group:

- Completed rainfall and sourcing trend analysis;
- Quantified incremental sourcing cost due to imported latex dependency of Rs.140 Mn;
- Integrated climate-related sourcing risk into srro/crro assessments;
- Strengthened procurement scenario analysis processes;
- Enhanced monitoring of rainfall-related procurement impacts;
- Initiated procurement resilience planning enhancements.

C1.12 Significant judgements and uncertainties

The analysis also involves assumptions relating to future sourcing behaviour, customer demand stability, operational continuity, and climate intensity trends.

The Group will continue refining its climate-related procurement risk assessments as more granular operational and climate data becomes available.

- Unpredictability of future rainfall patterns;
- Limitations in long-term climate forecasting precision;
- Uncertainty over future imported latex pricing;
- Foreign exchange volatility;
- Changing supplier behaviour and market dynamics;
- Assumptions regarding procurement lead times and inventory strategies.

How the Company is Resourcing and Plan to Resource Activities

The Group allocates resources to manage SRROs and CRROs through operating expenditure, capital expenditure and cross-functional initiatives.

Action	Investment	Source of funding
Procurement resilience	Rs. 80 Mn	Funding for these initiatives is currently supported through internally generated funds and operational budgets.
imported latex contingency planning	Rs. 70 Mn	
inventory Management	Rs. 30 Mn	

SLFRS Sustainability Related Financial Disclosures

SASB FB-AG-110a.1, FB-AG-110a.2, FB-AG-130a.1, FB-AG-140a.1, FB-AG-140a.2, CG-HP-140a.1, CG-HP-140a.2

CRRO 2: Early Energy and Water Investments Translating to Cost Efficient and Climate Resilient Expansions in Future

Category: Climate Transition Opportunity (Policy & Regulations)

OPPORTUNITY DRIVER

Sri Lanka's transition towards national climate commitments, alongside increasing energy transition initiatives and resource efficiency expectations, is driving accelerated investments in renewable energy, energy efficiency, and sustainable water management.

C2.1 Opportunity Description

The Group has identified early investment in renewable energy, energy-efficient technologies, and sustainable water management systems as a material climate-related transition opportunity, driven by increasing energy and water consumption associated with operational expansion, rising industrial electricity and water tariffs, evolving decarbonisation and climate-related regulatory expectations, heightened stakeholder focus on resource efficiency and low-carbon manufacturing, and growing demand for climate-resilient manufacturing operations. The Group expects that early adoption of energy and water optimisation initiatives will support long-term operating cost efficiency, reduce exposure to energy and water price volatility, enhance climate resilience, minimise operational disruptions, strengthen ESG positioning, and improve competitiveness in export markets. In line with this strategy, the Group is investing in solar energy systems, energy-efficient machinery, sustainable biomass and renewable energy initiatives, rainwater harvesting, water recycling and reuse systems, and water efficiency optimisation projects.

The Group recognises that increasing decarbonisation requirements, rising utility costs, and climate-related resource constraints present strategic opportunities to strengthen operational resilience through early investments in renewable energy, energy-efficient technologies, water optimisation systems, circular water management initiatives, and resource-efficient manufacturing infrastructure. As manufacturing expansion drives higher energy and water demand, the Group believes that proactive investments in energy and water resilience initiatives can enhance long-term operational sustainability, reduce exposure to utility cost volatility, and improve overall climate resilience.

Applicable Time Horizon

The Group considers CRRO 02 to be primarily a medium- to long-term climate-related transition opportunity, as increasing climate transition requirements, rising energy and water costs, and evolving resource efficiency expectations are expected to progressively strengthen the business case for early investments in energy-efficient technologies and water optimisation initiatives. While certain benefits and investment requirements may emerge in the short term, the most significant operational efficiencies, cost benefits, and resilience outcomes are expected to materialise over the medium and long term.

Time Horizon	Applicability
Short-term	Moderate
Medium-term	High
Long-term	High

C2.2 Connected information

SRRO 01, SRRO 02, CRRO 01	Strategy, Metrics & Targets, Scenario Analysis and Climate Resilience Assessment
Revenue (Note 03), Cost of Sales, Other income and gains (Note 04) Note 10,19,23,27 Cash flows	Natural Capital, Manufactured Capital, Financial Capital and Intellectual Capital

C2.3 Sources of information and supporting evidence

Internal Sources

The Group identified CRRO 02 through:

- Energy and water consumption assessments;
- Utility cost analysis;
- Engineering feasibility studies;
- Operational expansion plans;
- DPL Pulse - ESG Roadmap 2030;
- Capex investment evaluations;
- Internal climate-related financial impact assessments.

External Sources

- SLFRS S1 and SLFRS S2;
- GRI Standards;
  Sri Lanka Sustainable Energy Authority publications;
- Ceylon Electricity Board tariff publications;
- National Water Supply and Drainage Board tariff publications;
- Sri Lanka's Updated Nationally Determined Contributions (NDCs) under the Paris Agreement (2021)
- IPCC climate assessments;

C2.4 Identification of the opportunity

The Group identified CRRO 02 through:

- Enterprise-wide sustainability and climate risk assessments;
- Operational energy and water consumption reviews;
- Utility cost trend analysis;
- Climate scenario analysis;
- Esg roadmap assessments;
- Stakeholder and investor engagement;
- Cross-functional operational and engineering reviews.

The Group identified CRRO 02 through:

- Future energy and water demand arising from operational expansion;
- Long-term electricity and water tariff trends;
- National climate and renewable energy targets;
- Operational vulnerability to energy and water disruptions;
- Expected future climate-related resource constraints.

C2.5 Current effects on business model and value chain		Anticipated effects on business model and value chain
Early investments in energy-efficient technologies, renewable energy, and water optimisation initiatives currently strengthen the Group's business model and value chain by improving resource efficiency, reducing exposure to energy and water cost volatility, supporting operational continuity, and enhancing preparedness for future climate-resilient and sustainable growth.		The Group anticipates that early investments in energy and water resilience initiatives may reduce long-term operating costs, lower exposure to energy and water tariff increases, strengthen operational resilience, improve production continuity, minimise exposure to climate-related disruptions, support lower-carbon manufacturing operations, and enhance competitiveness in export markets. In addition, the Group expects improved alignment with customer sustainability expectations, decarbonisation pathways, ESG-focused investor expectations, and future climate-related regulatory requirements.
Upstream	Reduced exposure to energy and water supply risks through improved resource efficiency and strategic supplier engagement.	
Own Operations	• Energy price volatility; • Water tariff increases; • Resource efficiency expectations; • Climate-related utility supply risks. The group has initiated investments in: • Renewable energy infrastructure; • Energy-efficient technologies; • Water optimisation systems; • Operational efficiency projects. These initiatives currently affect: • Manufacturing operations; • Capital allocation decisions; • Engineering and maintenance activities; • Sustainability-related operational planning.	
Downstream	Enhanced competitiveness, customer alignment, and market access through climate-resilient and resource-efficient operations.	

Development of Impact pathway

Risk – Area of concentration in the business model/ value chain -Financial Impact

Early investments in energy efficiency and water management to support sustainable and climate-resilient operations → Manufacturing operations Capital allocation and investment planning → Impact on other income, PPE and Investing cash flows

SLFRS Sustainability Related Financial Disclosures

C2.6 Where the risk is impacted

Area	Impact
Manufacturing operations	Reduced energy and water intensity
Utility management	Lower exposure to tariff volatility
Production continuity	Improved operational resilience
Sustainability performance	Reduced environmental footprint
Financial performance	Long-term operating cost efficiency
Capital allocation	Strategic climate-resilient investments

C2.7 Current and anticipated financial effects

Current Financial Effects	Anticipated Effects on the Carrying Amounts of Assets and Liabilities	Anticipated Financial Effects
During FY2025/26, the Group continued to realise financial and operational benefits from investments in renewable energy, energy-efficient technologies, water treatment systems, rainwater harvesting initiatives, and treated water reuse projects. These initiatives contributed to improved resource efficiency, reduced exposure to electricity and water cost increases, enhanced operational resilience, and supported the Group's climate resilience and sustainability objectives. Expenditure incurred during the period primarily related to the operation, maintenance, and optimisation of renewable energy and water management infrastructure.	The Group anticipates that ongoing and future investments in renewable energy, water efficiency, and climate resilience initiatives may influence the carrying amounts of certain assets and liabilities. These impacts may arise through additions to property, plant and equipment, renewable energy infrastructure, water treatment and recycling facilities, and associated capital projects. The carrying amounts of related assets may also be affected by future upgrades, expansions, technological enhancements, and resource efficiency improvement initiatives undertaken to support operational growth and resilience.	The Group expects early investments in renewable energy, energy-efficient technologies, and sustainable water management initiatives to generate financial benefits over the short, medium, and long term. Potential benefits may arise through reduced electricity and water costs, lower exposure to utility tariff increases, improved resource efficiency, enhanced operational continuity, and increased resilience to climate-related resource constraints. Additional benefits may include strengthened competitiveness in sustainability-sensitive export markets, alignment with evolving customer and regulatory expectations, and improved long-term operational efficiency. The magnitude and timing of these financial effects will depend on future utility tariffs, operational utilisation levels, maintenance requirements, climate-related regulations, technological developments, and the effectiveness of resource efficiency initiatives implemented by the Group.

C2.8 Strategy and decision making

The Group's response strategy focuses on enhancing climate resilience and operational efficiency through renewable energy adoption and sustainable resource management.

Energy Transition Actions

- Expand renewable energy capacity and strengthen energy monitoring systems across operational facilities.
- Continue implementation of energy-efficient technologies and operational energy optimisation initiatives.

Water Management Actions

- Continue investments in water treatment, recycling and reuse initiatives across operations.
- Strengthen water efficiency initiatives through water intensity monitoring and optimisation programmes.

Operational Resilience Actions

- Integrate resource efficiency considerations into operational planning and expansion activities.
- Reduce operational exposure to utility cost volatility through efficiency and resilience initiatives.

Sustainability and ESG Actions

- Align operational initiatives with long-term sustainability and resource efficiency objectives.
- Continue integrating energy and water performance targets into management monitoring processes.

The following tables summarise the current and anticipated financial effects of the CRRO 02 on the Group's prospects, including impacts on financial performance, net financial position, and cash flows across short, medium-, and long-term time horizons. The assessment has been performed separately for the Hand Protection and Plantation sectors and consolidated at Group level.

Hand Protection								
Impact on Company's Prospects	2025/2026 (Rs. Mn)				2024/2025 (Rs. Mn)			
	Current Reporting Period	Short Term	Medium Term	Long Term	Current Reporting Period	Short Term	Medium Term	Long Term
Impact on Financial Performance	87	276	474	1,270	173	369	588	1,442
Impact on Net Financial Position	586	785	1,009	1,854	389	590	820	1,696
Impact on Cash Flow	(411)	(409)	(395)	(334)	(44)	(30)	17	157

Plantation								
Impact on Company's Prospects	2025/2026 (Rs. Mn)				2024/2025 (Rs. Mn)			
	Current Reporting Period	Short Term	Medium Term	Long Term	Current Reporting Period	Short Term	Medium Term	Long Term
Impact on Financial Performance	71	27	8	(10)	61	105	116	137
Impact on Net Financial Position	213	269	321	643	227	143	174	179
Impact on Cash Flow	133	75	15	(328)	110	108	112	119

DPL Group									
Impact on Company's Prospects	Related Financial Statement Caption / Note Reference*	2025/2026 (Rs. Mn)				2024/2025 (Rs. Mn)			
		Current Reporting Period	Short Term	Medium Term	Long Term	Current Reporting Period	Short Term	Medium Term	Long Term
Impact on Financial Performance	Revenue (Note 03), Cost of Sales, Other income and gains (Note 04)	158	302	482	1,259	233	474	704	1,579
Impact on Net Financial Position	Note 10,19,23,27	799	1,053	1,331	2,497	617	733	994	1,875
Impact on Cash Flow	Net cash flow from operating activities, Net cash flows from investing activities and Net cash flows from financing activities	(278)	(334)	(380)	(662)	66	77	129	276

*This indicates the primary financial statement captions through which the identified financial effects are expected to be recognised. Where detailed note disclosures are not separately presented, references have been made to the relevant line items in the audited financial statements.

Note - Short term: Next 12 months; Medium term: 1–5 years; Long term: 5-10 years. Financial effects represent management's best estimates based on information available at the reporting date and are subject to uncertainties inherent in forward-looking assessments.

FY2024/25 financial effects were assessed based on the Hand Protection Sector only, reflecting the Group's initial voluntary adoption of SLFRS S1 and SLFRS S2. In FY2025/26, the assessment scope was expanded to include both the Hand Protection and Plantation Sectors in line with the Group's financial reporting consolidation boundary. As a result, comparative information between periods is not directly comparable.

SLFRS Sustainability Related Financial Disclosures

C2.9 Quantification methodology

Effects identified
Changes in consumer preferences

→

Quantifiable Measurement
Capex Cost savings Energy, Water

→

Qualitative measures
Stronger sustainability positioning
Increased climate resilience

The assessment considered a range of factors, including the benefits derived from renewable energy generation, avoided energy tariff escalation, reductions in water procurement costs, improvements in operational efficiency, expected depreciation impacts, and projected long-term utility cost savings.

The Group quantified CRRO 02 using:

- Projected energy and water investment costs;
- Estimated operational savings from renewable energy and water optimisation projects;
- Avoided future utility tariff increases;
- Expected efficiency improvements.

The assessment considered:

- Renewable energy generation benefits;
- Avoided energy tariff escalation;
- Reduced water procurement costs;
- Operational efficiency improvements;
- Expected depreciation impacts;

Projected long-term utility savings

C2.10 Monitoring Mechanisms

Metric	Metric Definition & Calculation Method	Target Type	Quantitative Target	Base Year (FY2024/25)	Time Horizon	Current Performance FY2025/26	Purpose of Metric	Validation / Assurance
Energy intensity per production unit	Total energy consumption ÷ total production volume	Intensity	Reduce by 15% by 2030	Hand Protection - 8.01 MJ/Per pair Plantation - 8.5 MJ/Per revenue unit	Medium–Long term	Hand Protection - 7.43 MJ/Per pair Plantation - 7.4 MJ/Per revenue unit	Measures efficiency improvements	Verified through utility and production records
Water intensity per production unit	Total water consumed ÷ total production volume	Intensity	Reduce by 15% by 2030	Hand Protection - 7.58 m^3 per pair Plantation - 1.5 m3 per revenue unit	Medium–Long term	Hand Protection - 7.82 m^3 per pair Plantation - 2 m3 per revenue unit	Measures operational water efficiency	Verified through water meter and production records
Volume of recycled/ reused water	Total recycled or reused water volume annually	Absolute	Increase by >25% by 2030	183,433 m^3	Medium term	224,645 m^3	Measures water resilience and circularity	Water treatment and operational records
Annual renewable energy generation	Increase renewable energy generation capacity	Absolute	Increase >30% by 2030	2,152 Mn GJ	Medium–Long Term (2025–2030)	2,143Mn GJ	Measures renewable energy capasity growth	Water treatment and operational records

C2.11 Progress made during the year

During FY 2025/26, the Group:

- Continued investments in renewable energy projects of Rs.1000 Mn;
- Expanded energy-efficient operational initiatives;
- Progressed water optimisation and recycling assessments;
- Enhanced operational efficiency reviews;
- Strengthened climate-related operational planning;
- Advanced ESG integration into capital allocation decisions;
- Evaluated additional renewable energy and sustainable water management opportunities.

C2.12 Significant judgements and uncertainties

The assessment of CRRO 02 involves significant judgement due to:.

- Uncertainty regarding future energy and water tariff movements;
- Evolving climate-related regulations and policy frameworks;
- Uncertainty regarding future renewable energy economics;
- Changes in operational expansion requirements;
- Uncertainty regarding climate-related resource constraints;
- Assumptions relating to long-term operational savings.

The Group will continue refining its climate resilience and operational efficiency assessments as additional operational data, climate information, and regulatory developments become available..

C2.13 How the Company is Resourcing and Plan to Resource Activities

The Group allocates resources to manage SRROs and CRROs through operating expenditure, capital expenditure and cross-functional initiatives.

Action	Investment	Source of funding
Energy efficiency	Rs. 635 Mn	**Funding sources include:** • Internally generated funds; • Strategic capital allocation; • Potential sustainability-linked financing opportunities.
Water management	Rs. 383 Mn	

SLFRS Sustainability Related Financial Disclosures

6 Monitoring of progress against Strategy

The Group monitors progress against its sustainability and climate strategy using operational, financial and sustainability-related indicators. Progress is reviewed through management reporting, sustainability working papers, procurement reviews, operational reviews and governance forums.



7 Metrics and Targets

Metric Category	KPI	FY2025/26 Performance	Target	Target Period	Progress Status	Basis for Measurement
Climate Transition Risks	Assets exposed to transition risks (% of total assets)	Nil	Maintain exposure within approved risk appetite through proactive compliance and adaptation measures	Ongoing	On Track	(Assets associated with business activities exposed to transition risks ÷ Total assets) × 100
Climate Physical Risks	Assets/facilities exposed to physical risks (% of total assets)	0.03%	Maintain exposure within approved risk appetite through climate resilience and adaptation initiatives	Ongoing	On Track	(Value of assets exposed to identified climate physical risks ÷ Total assets) × 100
Climate Opportunities	Revenue/assets aligned with climate-related opportunities (% of total assets)	0.13%	Increase alignment with climate-related opportunities through sustainable products and climate resilience investments	Medium to Long Term	On Track	(Assets associated with climate-related opportunities ÷ Total assets) × 100

Metric Category	KPI	FY2025/26 Performance	Target	Target Period	Progress Status	Basis for Measurement
Capital Deployment	Climate-related capital expenditure	Rs.1,000 Mn	Continue strategic investment in renewable energy, energy efficiency, water optimisation and climate resilience initiatives	Ongoing	On Track	Total capital expenditure relating to renewable energy, biomass systems, energy-efficient technologies, water treatment systems and other climate-related initiatives
Greenhouse Gas Emissions	Scope 1 emissions	Hand Protection - 7,224 tCO_2e Plantation - 18,711 tCO_2e	Reduce emissions intensity through operational efficiency improvements	Medium Term	On Track	Direct GHG emissions from owned or controlled sources calculated in accordance with the GHG Protocol
Greenhouse Gas Emissions	Scope 2 emissions	Hand Protection - 12,575 tCO_2e Plantation - 5,079 tCO_2e	Increase renewable energy utilisation and reduce grid emission intensity	Medium Term	On Track	Indirect GHG emissions from purchased electricity, steam, heating and cooling calculated in accordance with the GHG Protocol
Greenhouse Gas Emissions	Scope 3 emissions*	Hand Protection - 214,158 tCO_2e Plantation - 15,565 tCO_2e	Improve value chain emissions visibility and reduce emissions where practicable	Long Term	In Progress	Indirect value chain emissions calculated using applicable GHG Protocol categories
Greenhouse Gas Emissions	Total GHG emissions**	Hand Protection - 233,957 tCO_2e Plantation - 39,355 tCO_2e	Reduce overall emissions intensity over time through climate mitigation initiatives	Long Term	On Track	Scope 1 + Scope 2 + Scope 3 emissions
Remuneration	Employees covered under ESG-linked performance assessment	100%	Maintain ESG-linked performance assessment coverage	Annual	Achieved	(Number of employees assessed using ESG-linked performance criteria ÷ Total employees covered under performance evaluations) × 100
Remuneration	Executive remuneration linked to climate/ ESG-related KPIs	5%	Maintain integration of climate and ESG-related KPIs within executive performance assessments	Annual	Achieved	(Variable remuneration linked to ESG or climate-related KPIs ÷ Total executive variable remuneration) × 100

7.1 Internal Carbon Pricing Considerations

Disclosure Requirement	Response
Application of Internal Carbon Price	The Group does not currently apply a formal internal carbon price in investment appraisal, capital allocation, transfer pricing, or scenario analysis.
Carbon Price Used	Not Applicable
Future Consideration	The Group continues to monitor climate-related regulatory developments and may evaluate the application of an internal carbon pricing mechanism as its climate-related risk management and decarbonisation initiatives mature.

* Full applicable Scope 3 emissions categories disclosed

** Direct and energy indirect operational emissions total

The Group measures and discloses its greenhouse gas (GHG) emissions in accordance with the GHG Protocol Corporate Standard, ISO 14064-1:2018. It applies the financial control approach for GHG accounting, consistent with the consolidation principles used in its financial statements. GHG emissions have been quantified by identifying relevant emission sources across the entity's operations, and emission factors and Global Warming Potential (GWP) values obtained from DEFRA GHG Conversion Factors and IPCC assessment guidance, respectively.

The Group's greenhouse gas (GHG) emissions comprise Scope 1, Scope 2 and Scope 3 emissions arising from the consolidated accounting group, with no emissions attributable to other investees.

SLFRS Sustainability Related Financial Disclosures

8. Integrating ESG into Performance-driven Remuneration and Rewards

Dipped Products PLC has integrated ESG-related performance indicators into appraisal, performance management, and incentive structures across departments and employee levels. These KPIs are aligned with the Group's DPL Pulse ESG Roadmap 2030 and are tailored to relevant functional responsibilities to strengthen accountability for sustainability- and climate-related performance across the organisation.

The integration of ESG-linked KPIs supports the monitoring of progress against sustainability objectives, aligns incentives with the achievement of strategic ESG priorities, and reinforces the integration of identified SRROs and CRROs into strategy, operational decision-making, and risk management processes. Examples of ESG-related targets and performance indicators linked to material sustainability areas are presented on Page 112.

During the current reporting period, 5% of executive management remuneration was linked to sustainability-related considerations, reflecting the Group's commitment to embedding sustainability priorities within performance assessment and decision-making processes. The sustainability-related considerations incorporated into executive performance assessments include relevant ESG objectives, operational sustainability initiatives, and progress against key sustainability and climate-related targets.

These targets are informed by the sources of guidance referred to on Page 153 including sustainability reporting standards, industry guidance, stakeholder expectations, regulatory developments, and internal risk assessments. Accordingly, the selected KPIs and targets support the monitoring and management of material sustainability- and climate-related risks and opportunities relevant to the Group.

This approach reinforces ESG as a shared organisational responsibility rather than a standalone function, embedding sustainability considerations into how performance is measured, recognised, and rewarded across the business

9. Scenario Analysis and Climate Resilience Assessment

The Group performed climate-related scenario analysis during FY 2025/26 as part of its climate resilience assessment process in line with SLFRS S2 – Climate-related Disclosures. The assessment was undertaken to evaluate the potential impact of climate-related physical and transition risks and opportunities on the Group's business model, strategy, operations, value chain and financial resilience over short-, medium- and long-term time horizons. The analysis covers Hand Protection manufacturing operations in Sri Lanka and Thailand, and plantation subsidiaries where relevant to natural rubber sourcing and Group value chain dependencies. The outputs were used to assess the resilience of the Group's business model and strategies in relation to the identified CRROs and SRROs, and to support management actions relating to sourcing resilience, operational planning, market access, compliance readiness, energy and water efficiency, and climate-resilient investments.

9.1 Methodology and approach

The climate scenario analysis was developed using a structured qualitative approach aligned with SLFRS S2 principles and based on reasonable and supportable information available at the reporting date. The assessment considered internationally recognised climate pathways, jurisdiction-specific policy developments, and operational factors relevant to the Group's business model and value chain. The assessment considered both physical and transition-related factors that could reasonably affect the Group's prospects, including upstream raw material sourcing and supplier networks, manufacturing operations in Sri Lanka and overseas locations, energy and water requirements, customer sustainability expectations, export market requirements, downstream demand trends and product sustainability requirements. The analysis considered short-term (next 12 months), medium-term (1–5 years) and long-term (5–10 years) horizons.

Global scenarios

IPCC AR 6 Scenarios

Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSP) which are used to understand physical impacts of climate change and socioeconomic trends for a range of climate scenarios respectively.

International Energy Agency (IEA)- World Energy Outlook 2023 transition scenarios

Scenarios exploring the different pathways for the energy sector reflecting policy choices and investment decisions



Local context

Carbon Net Zero 2050 Roadmap and Strategic Plan

Proposed climate action to mitigate GHG emissions and increase carbon sequestration and storage across six main thrust sectors identified in Sri Lanka's Nationally Determined Contributions (NDC)

Sri Lanka Climate Prosperity Plan

Provides 3 scenarios which simulates a range of macro-economic and societal decision-making reflecting the accelerating pressures of climate change.

Scenario A - Net Zero	Scenario B-Current Pathway	Scenario C-Divergence
Alignment to 2 degree scenario	Alignment to 3 degree scenario	Alignment to 4 degree scenario
Sri Lanka meets its climate commitments with rapid decarbonisation	The country meets its unconditional NDC commitments	Global and local implementation gap, climate commitments not met
Global scenario C3/SSP 1-2.6 NZE Local scenario CPP	Global scenario C6/SSP 2-4.5 APS Local scenario NDC	**Global scenario** C7/SSP 3-7.0 STEPS **Local scenario** BAU

The Group selected climate scenarios to reflect a balanced range of plausible physical and transition pathways. The selected scenarios represent lower, moderate and higher climate outcomes and were used to test how the Group's strategy may remain resilient under accelerated transition, orderly current-policy progression, and fragmented or delayed transition conditions. This approach enables management to assess possible impacts on raw material sourcing, energy and water use, compliance requirements, customer demand, operating costs, capital allocation and long-term competitiveness.

9.2 Group Scenarios Applied for Assessment

The Group developed three internally applied scenarios based on global pathways and local policy developments to assess potential impacts on operations and strategic resilience. Scenario A – Net Zero assumes accelerated implementation of climate policies, stronger sustainability requirements, increased renewable energy adoption and enhanced customer sustainability expectations. Scenario B – Current Pathway assumes progressive implementation of existing climate commitments, regulations and market requirements. Scenario C – Divergence assumes uneven implementation of climate and sustainability measures across jurisdictions, resulting in increased uncertainty, operational complexity and possible market fragmentation.

9.3 Climate-related Factors Considered in Assessment

The assessment considered sustainability and climate-related matters relevant to the Group's operating profile, including rainfall variability and natural rubber availability, temperature and physical climate trends, water availability and resource constraints, evolving regulatory and compliance requirements, customer sustainability expectations, energy and utility cost developments, and supply chain resilience and sourcing stability. These factors were considered because they are directly connected to the Group's dependence on natural rubber and latex-based inputs, export-oriented operations, energy- and water-intensive manufacturing processes, and customer requirements relating to sustainability and product compliance.

Climate Related Policies in the jurisdiction	These policy references and external information sources were considered because they may influence energy transition requirements, renewable energy adoption, climate adaptation priorities, product and packaging compliance expectations, export market access, and long-term operating costs relevant to the Group. For Sri Lanka, the assessment considered national climate policies, NDC commitments, the Sri Lanka Climate Prosperity Plan, and other relevant local climate and policy sources. For Thailand and other operating/export jurisdictions, the Group considered relevant local regulatory developments, customer requirements and market expectations where these could affect manufacturing operations, sourcing, logistics, customer access and sustainability-related compliance obligations. **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

Sources Of Information Climate Related Policies In The Jurisdiction	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
Rationale for Scenario Selection	The selected scenarios were chosen to reflect a range of climate-related pathways that could reasonably influence the Group's operations, supply chain and export market exposure. A three-scenario approach was selected to assess resilience under accelerated transition, current-policy progression and fragmented transition conditions. As the Group operates in export-oriented hand protection manufacturing across Sri Lanka and Thailand, with plantation sector linkages relevant to natural rubber sourcing, the scenarios were designed to evaluate potential impacts arising from changing sustainability regulations, customer requirements, natural resource dependencies, energy and water requirements, and physical climate conditions affecting supply stability and operational resilience.
Connectivity to the Group's Business Model and Value Chain	The selected scenarios are directly relevant to the Group's business model and value chain due to its reliance on natural rubber and latex-based raw materials, export-oriented manufacturing operations, energy- and water-intensive production processes, plantation sector linkages, and increasing customer requirements relating to sustainability and product compliance. Potential impacts may arise across upstream sourcing activities, manufacturing operations, customer requirements, logistics arrangements, export market access, capital allocation and long-term competitiveness.
Inputs and Key Assumptions Used	The scenario analysis incorporated available internal and external information, including IPCC AR6 climate scenarios, IEA energy transition scenarios, Sri Lanka's Nationally Determined Contributions, the Sri Lanka Climate Prosperity Plan, relevant local policy developments, customer sustainability requirements, export market developments, operational energy and water consumption patterns, sourcing and procurement information, and sustainability-related regulatory developments. Key assumptions considered included future climate variability, energy and utility price movements, natural rubber supply availability, sustainability adoption trends, evolving customer expectations, regulatory developments, and the timing and effectiveness of mitigation and adaptation actions.
Timing of Assessment	The climate scenario analysis was conducted during FY 2025/26 using information available at the reporting date and forms part of the Group's ongoing climate resilience assessment process. The analysis was reviewed through management and sustainability reporting processes and will be refined periodically as additional internal data, regulatory developments, customer expectations, and external climate information become available.

9.4 Physical climate scenarios

Reference global scenarios:

IPCC (AR 6) – For Physical Risk

These scenarios were considered to assess the potential exposure of the Group's raw material sourcing, plantation-related dependencies, water availability, agricultural productivity and operational continuity to changing physical climate conditions. The selected IPCC AR6 scenarios provide a basis for evaluating lower, moderate and higher physical climate outcomes over the assessment horizons.

Scenario	Description
C3/SSP 1-2.6	Low emission scenario with the increase in global warming limited to 20 C by 2100 and net zero status achieved between 2055 and 2060 supported by a near 65% reduction in GHG emissions by 2050
C6/SSP 2-4.5	Intermediate emission scenario with global temperature projected to increase by 30C in 2100 compared to pre-industrial levels
C7/SSP 3-7.0	High emission scenario with global temperatures projected to increase by 40C in 2100 compared to pre-industrial levels

9.5 Transition risk scenarios

Reference global scenarios: IEA (2023)

These scenarios were considered to assess the potential implications of energy transition pathways, climate policy developments, utility cost movements, renewable energy adoption, carbon-related expectations, customer sustainability requirements and export market expectations. The IEA scenarios were mapped to the Group's Scenario A, Scenario B and Scenario C to support assessment of transition-related resilience under accelerated, current-policy and fragmented transition conditions.

Net Zero Emission (NZE) Scenario	Demonstrates the pathways for the energy sector to help limit the global temperature rise to 1.5 °C through universal access to reliable modern energy services and successful achievement of key energy-related SDGs
Announced Pledges Scenario (APS)	Assumes that governments will meet, in full and on time, all announced climate-related commitments including longer term net zero targets and pledges in Nationally Determined Contributions (NDCs)
Stated Policies Scenario (STEPS)	Reflect the policies and measures that are actually in place and what governments are doing to meet their targets. The STEPS are associated with a temperature rise of 2.4 °C in 2100 (with a 50% probability).

9.6 Local scenarios - For jurisdictional relevance

Local scenarios were considered to reflect jurisdiction-specific developments relevant to the Group's operations and value chain. For Sri Lanka, the assessment considered the Business as Usual pathway, NDC scenario and Climate Prosperity Plan pathway. For Thailand and other relevant operating/export jurisdictions, the Group considered available local regulatory developments, customer requirements, energy transition policies and market expectations where these may affect manufacturing operations, sourcing, logistics, product compliance and customer access.

Business As usual	NDC scenarios	Climate prosperity plan
Continuation of the current development trajectory of the country with limited climate-related interventions	Represents core commitments presented in the country's NDC and shows the development pathway if the Paris Agreement NDC targets are met	Pathway in which the country achieves maximum utilization of its domestic renewable energy resources and fully climate-proofs the economy

10. Limitations and Areas of Uncertainty

The assessment includes uncertainties associated with future climate developments, policy implementation timing, technological advancements, market responses, customer preferences, and assumptions relating to climate pathways. Due to limitations in available historical and forward-looking data, the Group currently applies a qualitative assessment approach and will continue enhancing scenario capabilities over time.

1. Uncertainty regarding the timing, severity, and geographical impact of climate-related physical risks, including rainfall variability, flooding, droughts, and temperature increases affecting natural rubber supply, plantation operations, and manufacturing activities in Sri Lanka and Thailand.
2. Uncertainty relating to future global and regional regulatory developments, including evolving ESG disclosure requirements, EUDR implementation, carbon-related regulations, sustainable packaging requirements, and customer-specific compliance expectations across export markets
3. Uncertainty over the pace of global decarbonisation and transition pathways under different climate scenarios (NZE, APS, STEPS), which may impact future energy prices, carbon costs, renewable energy incentives, and market competitiveness.
4. Uncertainty associated with future electricity and water tariff movements, particularly in Sri Lanka, due to fuel-price volatility, regulatory pricing adjustments, and increasing resource scarcity.
5. Uncertainty regarding customer and end-consumer preferences for sustainable and low-carbon products, including the extent of future demand growth, pricing premiums, and willingness to absorb sustainability-related cost increases.
6. Uncertainty relating to supply chain resilience and availability of compliant natural rubber and sustainable raw materials, including dependency on smallholder suppliers and exposure to climate impacts affecting agricultural yield and quality.
7. Uncertainty over technological advancements, operational performance, and long-term economic returns from renewable energy, water efficiency, and decarbonisation investments undertaken by the Group.
8. Uncertainty regarding macroeconomic conditions, including inflation, foreign exchange fluctuations, global trade dynamics, and logistics disruptions, which may influence production costs, export demand, and investment capacity.
9. Uncertainty relating to the reliability, availability, and maturity of climate-related data, assumptions, and scenario modelling methodologies used in assessing future climate-related risks and opportunities.
10. Uncertainty regarding the effectiveness of national and international climate policies, including the achievement of Sri Lanka's NDC targets, Climate Prosperity Plan objectives, and global net zero commitments.

SLFRS Sustainability Related Financial Disclosures

RISK SENSITIVITY



SRRO 1: Increasing Compliance Requirements

The Group considered sustainability-related transition scenarios to evaluate potential future compliance requirements and market expectations.

The scenario analysis included:

Scenario	Key Consideration
Net Zero Scenario	Accelerated ESG regulations, higher sustainability disclosure expectations and rapid adoption of sustainable sourcing standards
Current Pathway Scenario	Progressive strengthening of compliance and sustainability requirements
Divergence Scenario	Fragmented regulatory developments, inconsistent market expectations and increased operational complexity

The analysis indicated increasing compliance-related expenditure and operational requirements under all assessed scenarios.

The assessment focused on:

- Compliance cost escalation;
- Sustainable sourcing requirements;
- Customer ESG expectations;
- Sustainable packaging regulations;
- Certification and traceability obligations;
- Disclosure and reporting requirements.

Scenario	Description of impacts	Short Term	Medium Term	Long Term (>2 years)
Scenario A- Net Zero	Accelerated global decarbonisation, stricter ESG disclosures, EUDR implementation, product carbon footprint requirements, and enhanced supply chain traceability requirements increase compliance expectations across export markets. Early compliance strengthens market access, preferred supplier positioning, and long-term competitiveness.	●	●	●
Scenario B- Current pathway	Gradual increase in sustainability-related compliance obligations and customer expectations across major export markets. Compliance costs continue to increase, but implementation timelines remain manageable.	●	●	●
Scenario C- Divergence	Fragmented and inconsistent climate and sustainability regulations across regions create operational complexity, increased compliance uncertainty, duplicated reporting requirements, and increased risk of non-compliance or market fragmentation.	●	●	●

● High ● Medium ● Low

Capacity to adjust strategy	
High capacity to adjust through enhancement of ESG governance frameworks, certifications, traceability systems, and compliance processes aligned with evolving export market requirements	
Availability and flexibility of current financial resources to respond	Ability to redeploy, repurpose, upgrade or decommission existing assets
Moderate to high flexibility through phased compliance investments, operating cash flows, and prioritisation of high-risk regulatory areas across Sri Lanka and Thailand operations	Existing systems and reporting platforms can be upgraded and integrated with ESG, traceability, audit, and sustainability disclosure requirements.
Planned mitigation and adaptation measures	
Expansion of ESG management systems, certifications (ISO, SMETA, WRAP), supplier due diligence, digital traceability systems, PCF/LCA capabilities, and compliance monitoring frameworks.	
Planned time horizon of investment	**Planned investment scale**
Short- to medium-term (1–5 years) with continuous upgrades thereafter	Medium to High – recurring operational and system-related investments driven by regulatory and customer requirements.



SRRO 2: Growing Customer Preference for Renewable and Recycled Material-Based Product Solutions

The Group considered climate-related transition scenarios to assess future demand for sustainable and recycled material-based products.

The scenario analysis included:

Scenario	Key Consideration
Net Zero Scenario	Accelerated demand for low-carbon and sustainable products
Current Pathway Scenario	Gradual increase in sustainable procurement requirements
Divergence Scenario	Uneven sustainability adoption across regions and markets

The Group expects increasing sustainable product demand under all assessed scenarios, particularly within export markets.

The assessment focused on:

- Customer preference changes;
- Sustainable product demand growth;
- Adoption of renewable and recycled materials;
- Pricing premium opportunities;
- Sustainability-driven market differentiation;
- Sustainable packaging demand.

Scenario	Description of impacts	Short Term	Medium Term	Long Term (>2 years)
Scenario A- Net Zero	Strong acceleration in global demand for sustainable, low-carbon, recyclable, and plant-based products supports revenue growth, premium pricing opportunities, customer retention, and long-term market differentiation.	●	●	●
Scenario B- Current pathway	Moderate growth in customer preference for sustainable products and packaging across export markets. Sustainable product lines continue to expand gradually, supporting improved competitiveness and revenue diversification.	●	●	●
Scenario C- Divergence	Uneven adoption of sustainability requirements and customer expectations across regions creates mixed demand conditions. Sustainable products remain important in regulated markets, but growth opportunities vary significantly by geography and customer segment.	●	●	●

● High ● Medium ● Low

Capacity to adjust strategy	
High capacity to adjust product strategy through sustainable product innovation, packaging redesign, and alignment with customer sustainability expectations.	
Availability and flexibility of current financial resources to respond	Ability to redeploy, repurpose, upgrade or decommission existing assets
Moderate to high flexibility supported by export revenue generation, customer-driven demand growth, and phased product development investments.	Existing production lines and packaging systems can be upgraded and modified to accommodate sustainable materials and product innovations
Planned mitigation and adaptation measures	
Expansion of sustainable product portfolio (rPET, plant-based products), sustainable packaging transition, product innovation, customer collaboration, and sustainability-focused marketing initiatives.	
Planned time horizon of investment	**Planned investment scale**
Medium- to long-term (3–7 years).	Medium – focused on product development, packaging transition, certifications, and process modifications.

SLFRS Sustainability Related Financial Disclosures



CRRO 1: Climate-driven variability impacting raw materials sourcing/production

The Group considered climate-related physical scenarios to evaluate potential future compliance requirements and market expectations.

The scenario analysis included:

Scenario	Key Consideration
Net Zero Scenario	Lower long-term climate severity with stronger mitigation and adaptation actions
Current Pathway Scenario	Continued climate variability with moderate adaptation progress
Divergence Scenario	Higher rainfall intensity, rising temperatures, and increased sourcing disruptions

The assessment focused on:

- Rainfall variability;
- Latex supply disruption frequency;
- Imported latex dependency;
- Procurement cost escalation;
- Inventory buffer requirements;
- Operational continuity risks.

The Group used climate-related scenario analysis to assess the resilience of procurement and sourcing operations under varying climate pathways. The assessment indicated higher sourcing volatility and imported latex dependency under Current Pathway and Divergence scenarios.

Scenario	Description of impacts	Short Term	Medium Term	Long Term (>2 years)
Scenario A- Net Zero	Climate mitigation and adaptation measures help moderate long-term physical climate impacts; however, short-term climate variability, rainfall extremes, and temperature increases continue to affect latex yield, quality, agricultural productivity, and supply chain stability.	Low	Low	Medium
Scenario B- Current pathway	Increasing rainfall variability, flooding events, and rising temperatures affect natural rubber yield, quality, tapping frequency, and raw material sourcing stability. Moderate disruptions to production, logistics, and procurement costs are expected.	Low	High	High
Scenario C- Divergence	Severe climate-related disruptions including extreme rainfall, prolonged droughts, temperature stress, pest prevalence, and supply shortages significantly impact natural rubber availability, production continuity, pricing volatility, and operational resilience.	High	High	High

High Medium Low

Capacity to adjust strategy	
Moderate capacity to adjust sourcing strategies through supplier diversification, import sourcing, plantation adaptation measures, and inventory management improvements	
Availability and flexibility of current financial resources to respond	Ability to redeploy, repurpose, upgrade or decommission existing assets
Moderate flexibility subject to raw material price volatility, foreign currency availability, and supply chain disruptions	Existing sourcing networks, plantation practices, storage facilities, and procurement systems can be partially upgraded to improve resilience and supply chain visibility.
Planned mitigation and adaptation measures	
Supplier diversification, climate-resilient plantation practices, rainfall monitoring, improved inventory planning, strategic sourcing, and long-term supplier engagement initiatives.	
Planned time horizon of investment	**Planned investment scale**
Medium- to long-term (3–10 years).	Medium to High – depending on climate severity, sourcing diversification requirements, and plantation adaptation investments.



CRRO 2: Early Energy and Water Investments Translating to Cost Efficient and Climate Resilient Expansions in Future.

The Group assessed this using climate-related transition scenarios.

The scenario analysis included:

Scenario	Key Consideration
Net Zero Scenario	Accelerated renewable energy transition and increasing utility costs
Current Pathway Scenario	Gradual increase in energy and water efficiency expectations
Divergence Scenario	Uneven policy implementation and utility price volatility

The Group expects renewable energy and water optimisation investments to provide increasing financial and operational benefits under all assessed scenarios.

The analysis evaluated:

- Future utility tariff escalation;
- Renewable energy adoption trends;
- Operational energy and water demand growth;
- Climate-related resource stress;
- Cost savings potential from early investments.

Scenario	Description of impacts	Short Term	Medium Term	Long Term (>2 years)
Scenario A- Net Zero	Existing investments in renewable energy, energy efficiency, rainwater harvesting, and treated water reuse provide significant long-term operational resilience, reduced exposure to carbon-related costs, improved resource security, and enhanced competitiveness in low-carbon export markets.	Low	High	High
Scenario B- Current pathway	Increasing electricity and water tariffs, gradual carbon transition pressures, and resource efficiency expectations enhance the value of prior energy and water investments, supporting margin protection and operational stability over time.	Low	Low	High
Scenario C- Divergence	Delayed and fragmented climate action results in continued energy price volatility, resource insecurity, and infrastructure pressure. Existing renewable energy and water efficiency investments provide partial resilience benefits, but broader climate and economic instability may limit overall gains.	Medium	Low	Low

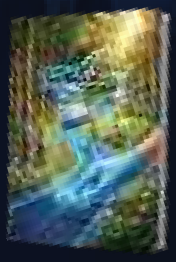
High Medium Low

Capacity to adjust strategy	
High capacity to adjust operational strategy due to existing renewable energy and water efficiency investments supporting long-term climate resilience and cost optimisation.	
Availability and flexibility of current financial resources to respond	Ability to redeploy, repurpose, upgrade or decommission existing assets
Moderate flexibility supported by long-term operational savings, energy cost reductions, and phased capital investment planning	Existing energy and water infrastructure can be upgraded, expanded, and integrated with future low-carbon technologies and resource efficiency initiatives
Planned mitigation and adaptation measures Expansion of solar energy systems, sustainable biomass usage, energy-efficient technologies, rainwater harvesting, treated water reuse, and operational efficiency improvement programmes	
Planned time horizon of investment Medium- to long-term (3–15 years).	**Planned investment scale** High – significant capital investment in renewable energy, water management, and climate resilience infrastructure.

Evolution of DPL's ESG Journey



> "Sustainability at DPL has evolved from a strategic roadmap into an embedded enterprise discipline that shapes governance, performance, innovation, and long-term value creation."
>
> - Chairman -



FOUNDATION

In 2023, DPL formalised its sustainability journey through the launch of DPL Pulse: ESG Roadmap 2030 aligned to the Hayleys LifeCode, establishing a structured enterprise ESG framework to guide strategic priorities, measurable commitments, accountability, and long-term value creation.

The roadmap created a clear foundation for integrating sustainability into business planning, operational execution, stakeholder engagement, and performance governance.

REVIEW & REFLECTION

Following two years of implementation, FY 2025/26 marked an important point of strategic reflection.

Progress against original commitments, evolving stakeholder expectations, emerging sustainability disclosure requirements, and improved organisational ESG data maturity created the opportunity to reassess the roadmap's continued relevance, ambition, and execution effectiveness.

Accordingly, DPL undertook a structured review of DPL Pulse's First Edition. The launch of Hayleys Lifecode's Second Edition paved the way for the comprehensive review of existing targets and identifying gaps.

STRENGTHENING FOR THE NEXT PHASE

This review resulted in the launch of the second edition of DPL Pulse in 2025, strengthening the ESG roadmap for the organisation's next phase of delivery through 2030

THE REVISED ROADMAP REFLECTS:

- • recalibrated targets where progress had already been achieved
- • refined baselines based on improved organisational data maturity
- • expanded ESG scope across Planet, People, Product, Partner and Governance
- • new ESG priorities and measurable commitments
- • strengthened governance accountability and oversight
- • enhanced alignment with evolving sustainability and climate disclosure expectations

DPL's ESG maturity now reflects a transition from ESG as a structured programme toward ESG as an embedded governance and strategic management discipline

ESG FRAMEWORK REVIEW IN FY 2025/26

- 2 years of implementation progress reviewed
- improved ESG data maturity reflected in baseline revisions
- governance accountability strengthened
- existing targets reassessed and recalibrated
- ESG scope expanded across 5 strategic focus areas
- new commitments introduced
- stronger alignment with GRI, SASB, SLFRS S1 & S2

DPL Pulse Evolution

ONE ROADMAP. GREATER MATURITY. STRONGER ACCOUNTABILITY. EXPANDED AMBITION.



LAUNCHED THE REVISED VERSION



1ST EDITION
Launched in 2025
Established our ESG foundation and 2030 roadmap

2ND EDITION
Launched in 2025
Stronger. Broader. Future-ready for 2030 delivery

EVOLUTION TABLE

Strategic Dimension	1st Edition	2nd Edition
Strategic focus	ESG foundation	Enterprise execution
Scope	Initial ESG roadmap	Expanded 5-pillar ESG architecture
Targets	Original commitments	Recalibrated 2030 ambitions
Baselines	Initial data assumptions	Refined organisational data maturity
Governance	Structured ownership	Enhanced accountability & oversight
Risk integration	Emerging	Stronger ESG risk integration
Disclosure readiness	ESG reporting	ESG + climate disclosure readiness

ESG GOVERNANCE AT A GLANCE

Sustainability governance is embedded across leadership oversight, executive accountability, enterprise execution, and transparent disclosure.

Detailed governance roles, Board oversight mechanisms and committee responsibilities are provided in the Corporate Governance Section (Pages 110 to 13). Additionally Climate and sustainability-related risks and opportunities related governance disclosures aligned to SLFRS S1 & S2 are provided from pages 148 to 207.

ESG REPORTING, ASSURANCE & DISCLOSURE MATURITY

Reporting Framework	DPL Application	Reference
Integrated Reporting Framework	Value creation reporting across capitals	Page 225–475
GRI Standards	GRI-aligned sustainability disclosures	GRI Content Index Page 587-593
SASB Standards	Industry-specific disclosure integration	SASB Content Index Page 594-601
SLFRS S1 & S2	Sustainability and climate related financial disclosures	SLFRS Disclosure Section Page 601-604

2 YEARS
Implementation progress reviewed

5 FOCUS AREAS
Expanded ESG architecture

FEBRUARY 2025
Second edition launched

2030
Refreshed strategic horizon

DPL Pulse Performance Dashboard

Our ESG roadmap drives measurable impact across Planet, People, Product and Partner, creating long-term value for our stakeholders and the world we share.

PLANET

DPL Pulse Target	2023/24	2024/25	2025/26	Target 2030/31	Status
Renewable energy	93.3%	94%	94%	95%	
100% sustainable biomass	46.2%	50.3%	43%	100%	
Reduction in emissions (Scope 1 & 2)	8.9%	0.2%	1.8%	20%	
Sustainable water sourcing	8.4%	8.8%	9.8%	30%	
Increase the biodiversity programme to cover 5 times the area occupied by the group	N/A	2 Acres	3 Acres	125 Acres	

Achieved On Track Missed

PEOPLE

DPL Pulse Target	2023/24	2024/25	2025/26	Target 2030/31	Status
Average training hours of 40 hours per employee per annum	33 hrs	36 hrs	50 hrs	40 hrs	
Cover 95% of training average ratio for Junior Executive and above employees	80%	85%	80%	95%	
100% performance evaluation process across the group including all local & foreign locations	100%	100%	100%	100%	
100% implementation of talent management and succession planning system for all positions at the senior manager level and above	33%	38%	40%	100%	
10,000 man hours of leadership and supervisory development programmes	8,757 hrs	9,553 hrs	10,703 hrs	10,000 hrs	
Anti-discriminatory training covering 100% employees	6%	28%	55%	100%	
Total Injury Frequency Rate = 0	6.3	5.1	5.2	0	
DPL Safety Compliance Index = 100%	63%	67%	76%	100%	
100% alignment with safe chemical management practices within the group operations	80%	100%	100%	100%	
100% coverage of employees in access to mental well-being services	On request basis	74%	100%	100%	
Attrition rate of 9.5%	22%	20%	20%	9.5%	
Engaging employees in productivity improvement process by involving 60% of permanent employees	60%	84%	85%	60%	
Executive employee engagement activities & 90% staff involvement	82%	83%	89%	90%	

Achieved On Track Missed

PRODUCT

DPL Pulse Target	2023/24	2024/25	2025/26	Target 2030/31	Status
Digital transformation across 80% of business support functions	46%	54%	60%	80%	
Obtain eco-ratings for 10% of product	1%	2%	2.5%	10%	
Determination of emission intensity for 10% of products	1%	2%	2.5%	10%	
30% Usage of recycled material in packaging	4%	13%	15%	30%	
100% Recyclable packaging	80%	82%	97%	100%	
30% reliance on renewable and recycled input materials (Eg: Chemicals / Yarns / liners etc.)	1%	1.5%	2%	30%	
10% of compostable and biodegradable products	1%	2%	2%	10%	
10% of total sustainable chemical consumption applications	3%	2%	3.3%	10%	

Achieved On Track Missed

PARTNER

DPL Pulse Target	2023/24	2024/25	2025/26	Target 2030/31	Status
Achieve 40% social and environmental screening of total suppliers	20%	57%	66%	40%	
of supply chain to implement chemical management practices 30%	20%	57%	66%	30%	
Increase CSR beneficiaries by 50% through community development activities around each operating location	43%	110%	200%	50%	
Achieve customer satisfaction levels of 95%	87%	85%	81%	95%	
Ensure 100% accessibility for all products and technical data for all our products allowing customers to make informed purchase decisions	100%	100%	100%	100%	

Achieved On Track Missed

Principles That Guide Our Purpose

ALIGNMENT TO THE GUIDING PRINCIPLES OF UNITED NATIONS GLOBAL COMPACT (UNGC)

Human Rights

THE UNIVERSAL DECLARATION OF HUMAN RIGHTS

Principle 1
Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2
Make sure that they are not complicit in human rights abuses.

Labour

THE INTERNATIONAL LABOUR ORGANIZATION DECLARATION ON FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK

Principle 3
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4
the elimination of all forms of forced and compulsory labour;

Principle 5
the effective abolition of child labour; and

Principle 6
the elimination of discrimination in respect of employment and occupation.

Environment

THE RIO DECLARATION ON ENVIRONMENT AND DEVELOPMENT

Principle 7
Businesses should support a precautionary approach to environmental challenges;

Principle 8
undertake initiatives to promote greater environmental responsibility; and

Principle 9
encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

THE UNITED NATIONS CONVENTION AGAINST CORRUPTION

Principle 10
Businesses should work against corruption in all its forms, including extortion and bribery.

No	UNGC Principle	Impact to Stakeholders	DPL Actions Aligned to UNGC Principles	Capital Reference
HUMAN RIGHTS				
1	Support and respect internationally proclaimed human rights	✓	Human Rights Policy, DEI Policy, ethical sourcing, community inclusion programmes, responsible customer/ product stewardship	Human / Social & Relationship / Governance
2	Ensure non-complicity in human rights abuses	✓	Supplier due diligence, grievance mechanisms, compliance audits, ethical procurement, governance oversight	Governance / Social & Relationship / Human
LABOUR				
3	Uphold freedom of association & collective bargaining	✓	Employee voice, grievance mechanisms, worker dialogue, supplier labour expectations	Human / Social & Relationship
4	Eliminate forced and compulsory labour	✓	Zero tolerance labour governance, supplier code compliance, ethical recruitment, social accountability systems	Human / Governance / Supplier
5	Abolish child labour	✓	Child labour prevention in operations and supply chain, community education support, supplier monitoring	Human / Social & Relationship / Governance
6	Eliminate discrimination in employment and occupation	✓	DEI Policy, anti-harassment framework, inclusive recruitment, women empowerment, equal opportunity practices	Human / Social
ENVIRONMENT				
7	Precautionary approach to environmental challenges	✓	Climate risk management, environmental governance, pollution prevention, biodiversity conservation, responsible sourcing	Natural / Governance / Manufactured
8	Promote greater environmental responsibility	✓	Decarbonisation, water stewardship, waste reduction, circular packaging, ecosystem restoration, ESG strategy implementation	Natural / Manufactured / Social
9	Encourage environmentally friendly technologies	✓	Sustainable product innovation, renewable/recycled materials, clean technologies, energy-efficient infrastructure, R&D	Intellectual / Natural / Manufactured
ANTI-CORRUPTION				
10	Work against corruption in all its forms	✓	Code of Conduct, anti-bribery governance, whistleblowing, supplier ethics, compliance controls, transparent reporting	Governance / Social & Relationship

ESG in Motion

FY 2025/26 HIGHLIGHTS

Aligning with DPL's 50th Anniversary commemorations, FY 2025/26 marked a defining year in DPL's sustainability journey—accelerating ESG leadership through thought leadership, organisational capability building, ecosystem stewardship, employee wellbeing innovation, and national recognition.

DPL'S FIRST-EVER ESG FORUM

A 50th Anniversary Milestone in Sustainability Leadership

DPL convened its inaugural ESG Forum as a landmark 50th Anniversary initiative, bringing together Board leadership, senior management, Hayleys Group representatives, customers, and external sustainability experts to advance strategic dialogue on the future of responsible manufacturing and sustainability leadership.

The Forum reinforced DPL's positioning as a corporate sustainability thought leader while creating a platform for knowledge exchange, leadership visibility, and ESG capability building across the organisation and beyond.

KPI HIGHLIGHTS

2	6	8	5	6	120
Powerful Panel Discussions	DPL Board Level Speakers	DPL ESG Steering Committee Level Speakers	Hayleys Group and External Expert Speakers	External Stakeholders Involved	Participants









PANEL DISCUSSIONS – KEY TOPICS COVERED

1 Planet Panel

From Climate to Conservation: How Manufacturers Can Lead Climate Action & Ecosystem Restoration

- Climate action & decarbonisation
- Renewable energy & resource efficiency
- Waste & pollution management
- Biodiversity conservation & ecosystem restoration
- Environmental governance & disclosures
- Environmental digitalisation



2 People Panel

Empowering People: Building a Diverse, Skilled and Future-Ready Workforce

- DEI, human rights & ethical labour
- Talent attraction & retention
- Learning & leadership development
- OHS & wellbeing
- Crisis resilience
- Performance culture & continuous improvement



3 Product Panel

Driving Sustainable Product & Packaging Innovation through Market Intelligence, Compliance & Customer Expectations

- Sustainable product innovation
- Safer materials & product stewardship
- Circularity & lifecycle thinking
- Customer expectations
- Compliance, certifications & traceability
- Digital innovation & commercial scalability



4 Partner Panel

Stronger Together: Ethical Sourcing, Community Impact & Customer Partnerships for Shared Value

- Ethical sourcing & supplier ESG alignment
- Responsible supply chains & traceability
- Customer partnerships
- Community impact & shared value
- Multi-stakeholder collaboration
- ESG communications & reputation



Nature Positive Actions & Social Innovation

ECOPULSE NATURE RESERVE, HANWELLA

Transforming DPL's Hanwella operating landscape into a biodiversity-focused eco-restoration space supporting native habitat creation, environmental stewardship, and awareness.

Rs. 4.5 Mn
Investment in Eco-park Development

02
Bee Colonies Established

2 Acres
Land area within facility restored for biodiversity conservation

50
Native Plants Introduced



DPL CARELINE - HOTLINE FOR MENTAL WELLBEING SUPPORT



DPL Careline was launched in partnership with Sumithrayo Sri Lanka, providing confidential emotional wellbeing support to our employees and their immediate family members.

JOURNEY TOWARD 100% EMPLOYEE ACCESS TO MENTAL WELLBEING SUPPORT

ECOPULSE CLOUD FOREST ECOSYSTEM RESTORATION PROJECT

DPL launched Sri Lanka's first private-sector conservation initiative above 5,000 feet through the EcoPulse Cloud Forest ecosystem restoration programme in Dell Mountain, Lindula.

5,000+ ft
Private sector conservation leadership

SRI LANKA'S FIRST PRIVATE SECTOR CONSERVATION INITIATIVE ABOVE 5,000 FT



ESG Reporting & Performance Measurement

Cross-functional teams participated in DPL's ESG reporting accelerator workshop to strengthen KPI ownership, measurement discipline, and transparent performance reporting.

- **KPI ownership mapping**
- **Developing DPL's Input-to-impact measurement framework**
- **Reporting readiness enhancement**
- **Stronger cross-functional ESG accountability**

KPI HIGHLIGHTS

100%
Executive leadership participation in ESG training

3,800+ Hrs
ESG awareness training delivered

100%
New recruits introduced to ESG expectations

Training covered ESG governance, climate action, human rights, responsible business conduct, diversity, ethical leadership, and sustainability reporting, strengthening capability across all levels of the organisation.

DEI TRAINING



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 55% 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.

BUILDING AN INCLUSIVE & RESPECTFUL WORKPLACE

A DEFINING ESG MILESTONE YEAR

ESG EXCELLENCE & SUSTAINABILITY RECOGNITION

ESG Excellence Winner – National Business Excellence Awards	Sri Lankan Sustainability Awards – 3 Awards	Best Corporate Citizen Sustainability Awards	Presidential Environment Awards	ACCA Sustainability Reporting
Excellence in Environmental, Social & Governance	Sustainable Eco Design	Top 10 Best Corporate Citizens	Silver Award	Winner of Manufacturing Sector
	Sustainable Construction in Manufacturing	Environmental Integration Award		
	Biodiversity Recognition			

Global Commitments in Action

Our Global Development Impact

DPL'S CONTRIBUTION TO THE UNITED NATION'S SUSTAINABLE DEVELOPMENT GOALS (UN SDGS)

UN SDG Goal No	UN SDG Goals' Targets	DPL Actions that are Aligned or Contributes to the Achievement of UN SDGs	Impact on Key Stakeholders	Capital reference for details	Reference Pages
	1.2, 1.4, 1.5	Rural farmer livelihood development, community welfare support, disaster relief & recovery, employee emergency support, supplier family/community support	Rural communities, vulnerable households, employees, suppliers	Social & Relationship Capital (Community / Supplier), Human Capital	309-344 345-376
	2.1, 2.3, 2.4	Nutrition programmes, rural farming community support, sustainable plantation practices, regenerative agriculture, farmer capacity building	Farming communities, plantation workers, vulnerable communities	Social & Relationship Capital, Natural Capital, Intellectual Capital (Plantations)	345-376 309-344
	3.4, 3.8, 3.9	Employee health & safety, DPL Careline mental wellbeing support, community healthcare outreach, blood donation, PPE support, occupational health programmes	Employees, communities, public healthcare institutions	Human Capital, Social & Relationship Capital, Natural Capital	345-376 239-287
	4.3, 4.4, 4.7	Employee learning & development, leadership training, farmer training, school support, community education programmes, ESG awareness and capacity building	Employees, youth, students, suppliers, rural communities	Human Capital, Social & Relationship Capital, Intellectual Capital	239-287 345-376
	5.1, 5.5, 5.6	DEI Policy, women-friendly workplace practices, female recruitment, menstrual dignity programmes, anti-harassment governance, women livelihood creation	Female employees, women in communities, girls, leadership talent	Human Capital, Social & Relationship Capital	239-287 309-344
	6.3, 6.4, 6.6	Water stewardship, wastewater treatment, water reuse, process efficiency, environmental compliance, community sanitation support where relevant	Communities, regulators, ecosystems, customers	Natural Capital, Manufactured Capital	433-475 345-376
	7.2, 7.3	Renewable energy adoption, ISO 50001 energy management, efficient infrastructure, lower energy process innovation	Investors, customers, environment, regulators	Natural Capital, Manufactured Capital, Intellectual Capital	433-475 377-400
	8.3, 8.5, 8.7, 8.8	Employment generation, ethical labour practices, human rights governance, OHS systems, skills development, supplier ethical sourcing	Employees, suppliers, contractors, regulators	Human Capital, Social & Relationship Capital (Supplier)	239-287 309-344
	9.4, 9.5	R&D investments, new products, patents, automation, smart manufacturing, LEED-certified infrastructure, digitalisation	Customers, investors, employees, regulators	Intellectual Capital, Manufactured Capital	401-433 377-400

UN SDG Goal No	UN SDG Goals' Targets	DPL Actions that are Aligned or Contributes to the Achievement of UN SDGs	Impact on Key Stakeholders	Capital reference for details	Reference Pages
	10.2, 10.3	Inclusive employment, DEI governance, vulnerable group community support, supplier inclusion, accessibility-focused programmes	Employees, underserved communities, suppliers	Human Capital, Social & Relationship Capital	239-287 345-376
	11.5, 11.6	Disaster response and rebuilding support, community resilience initiatives, ecosystem restoration, public infrastructure support	Communities, local authorities, vulnerable households	Social & Relationship Capital, Natural Capital	345-376 239-287
	12.2, 12.4, 12.5, 12.6	Sustainable packaging innovation, recycled materials, circular product design, responsible chemical management, waste reduction, ESG disclosures	Customers, regulators, investors, environment	Natural Capital, Intellectual Capital, Customer Capital	433-475 309-344
	13.1, 13.2	Decarbonisation initiatives, climate governance, renewable energy, resilient infrastructure, ESG roadmap climate targets, climate risk management	Investors, customers, regulators	Natural Capital, Manufactured Capital, Governance	433-475 377-400
	14.1, 14.2	Coastal clean-ups, mangrove restoration, pollution prevention, packaging/plastic reduction initiatives	Planet, communities, regulators	Natural Capital, Social & Relationship Capital	345-376 433-475
	15.1, 15.2, 15.5	EcoPulse Nature Reserve, cloud forest restoration, biodiversity conservation, sustainable sourcing, regenerative agriculture	Suppliers, communities, customers, regulators	Natural Capital, Social & Relationship Capital	433-475 309-344
	16.5, 16.6, 16.7	Ethics governance, whistleblowing, compliance systems, responsible procurement, human rights governance, stakeholder engagement	Investors, regulators, employees, suppliers	Governance Capital, Human Capital, Supplier Capital	229-238 289-308
	17.16, 17.17	NGO partnerships, healthcare partnerships, ESG collaboration, customer sustainability partnerships, supplier engagement, conservation partnerships	Government Authorities, Communities, suppliers, customers, NGOs, investors	Social & Relationship Capital, Natural Capital, Customer / Supplier Capital	289-308 345-376



A Diversified Legacy

Among the reef's most vital contributors is the parrotfish, a creature whose specialised role sustains the health and continuity of the entire ecosystem. By feeding on the algae that would otherwise overwhelm and suffocate coral structures, parrotfish actively maintain the ecological balance that allows the reef to regenerate and thrive. In doing so, they also produce the fine white sand that forms tropical beaches and builds new coastal foundations over time, with a single parrotfish producing up to 90 kilograms of sand each year through the natural processing of coral. It is this capacity for specialised contribution, each function distinct yet collectively indispensable, that makes the parrotfish one of the reef's important ecosystem engineers.

DPL's business lines operate as diversified strengths within the ecosystem we have built over five decades. While each business serves distinct industries and customer needs, together they contribute specialised capabilities that strengthen resilience, support adaptability and drive sustainable long-term value across the Company. Through expertise spanning Industrial, Medical and Household sectors, we continue to reinforce the foundations that support future growth, ensuring the DPL ecosystem remains resilient, interconnected and prepared for the evolving demands of tomorrow.

BUSINESS LINE REVIEWS



Hand Protection Sector





We are a leading global manufacturer of hand protection solutions with five decades of industry expertise. Established in **1976**, DPL has consistently remained at the forefront of innovation in the protective glove sector with an established global presence.



07
Factories

+780
Product Variants

+70
Market Served
countries across six continents

2,679
Employees

Manufacturing Facilities

05 in Sri Lanka / **02** in Thailand

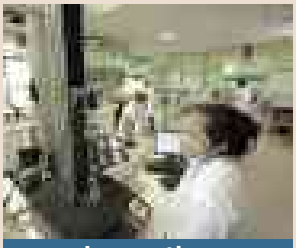
Our Brands

In addition to manufacturing and packaging brands for our customers, we have successfully established four DPL-owned brands across the retail, industrial, medical, and electrical glove segments, strengthening our market presence and brand recognition.

Product range

- Supported Gloves
- Unsupported Gloves
- Disposable Gloves
- Electrician Gloves
- Sports Gloves
- Sleeves

OUR STRENGTHS


Innovation

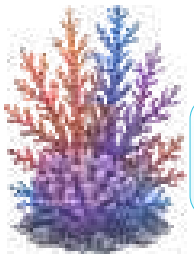

Quality Assurance


Robust Technology

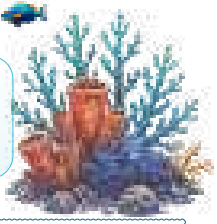

Skilled Team


Reliable Supply Chain

CONTRIBUTION TO GROUP



15%	62%	61%	58%	84%
Employees	Revenue	PBT	Assets	Carbon footprint



Hand protection	Units	2025/26	2024/25
Financial Capital			
Revenue	Rs.Bn	51.1	46.4
PBT	Rs.Bn	4.4	3.9
PAT	Rs.Bn	3.2	3.2
Manufactured Capital			
Capacity utilisation	%	90	90
Capital Investment	Rs.Bn	5.8	2.4
Intellectual Capital			
New products	No	12	15
Number of patents	No	15	13
R&D team	No	19	19
Social and Relationship Capital			
Small scale suppliers	%	93	93
Number of new customers	No	47	77
Number of CSR beneficiaries	No	30,000	21,000
Human Capital			
Employees	No	2,679	2,570
Payments to Employees	Rs.Bn	6.5	6.2
Investment in training	Rs.Mn	8	11
Collective agreements signed	No	1	1
Natural Capital			
Water reused/recycled	m^3	224,645	183,433
Solar power generated	MWh	5,592	5,548
Energy intensity	MJ/Per Pair	7.43	8.01
Energy consumed	GJ Bn	2.2	2.29

SWOT Analysis

Internal Factors

Strengths

- Technology Leadership
- R&D Excellence
- Customer Relationships
- Sustainability Integration

Weaknesses

- FX Exposure
- Compliance Complexity
- Export Dependence
- Raw Material Sensitivity

External Factors

Opportunities

- Value-added Products
- Emerging Markets
- Sustainable Products
- Smart Manufacturing

Threats

- Cost Inflation
- Climate Risks
- Market Competition
- Regulatory Pressure

Hand Protection Sector

STRATEGY AND PERFORMANCE

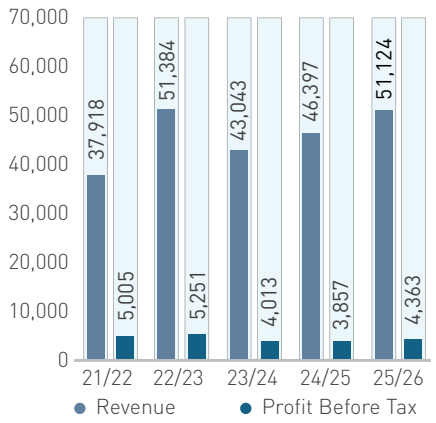
Financial performance

Revenue	Profit After Tax	Assets
Rs 51 Bn	Rs 3.2 Bn	Rs 49.8 Bn
2025/26	2025/26	2025/26

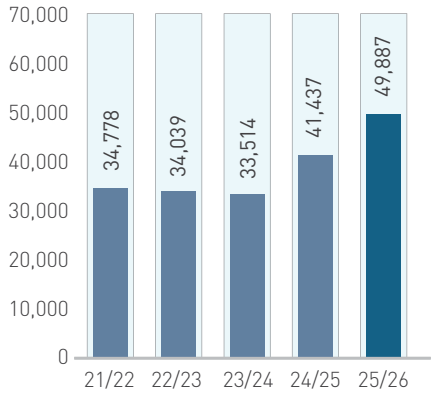
Aligning our 2025/26 initiatives to the corporate strategy	
Profitable growth	• Organic growth driven by agents in 4 regions and focus on value added product range through the DPL sport glove facility in Sri Lanka and The Hi Care facility in Thailand. • Cost optimization through process and productivity improvements and automation to minimize waste, enhance energy efficiency and optimize material usage. • Capacity addition through new production lines in Hanwella Rubber Products Private Limited and Dipped Products PLC Kottawa Location. • Commenced work on the new greenfield manufacturing facility at the Katunayake Export Processing Zone (KEPZ). Phase one includes a 100,000 sq. ft. factory with two natural rubber glove production lines.
Customer focus	Enhanced quality Assurance through FSC certified rubber souring, quality testing centres and stringent supplier validations.
Innovation and digitization	• New value-added products such as high-end chemical resistant gloves, magnetically detectable gloves and ultra thin specialty gloves. • Focused on functionalized gloves designed for specific end use applications such as thermal protection, Food handling. • Strengthened digitization through new systems such as CRM and latex collection and payment systems.
Climate action	• 94% reliance on renewable energy • Disclosed full scope of GSG emissions. • Environmental projects such as biodiversity conservation through the Eco Pulse Reserve project. • Embedding sustainability principles through biodegradable packaging. • Invested Rs 1 Bn in high energy efficiency boilers and thermal heaters for manufacturing. • External Assurance of Non-financial indicators.
Value chain and community development	• Supported 4,893 small holder farmers through the First light initiative. • Recognised 250 suppliers through reward and recognition events. • Supported local communities through various CSR initiatives as discussed in page 345-376.
Inspired and dedicated team	• 124,122 training hours, 55% DEI training coverage • Rs. 27 Mn investment in productivity improvement linked trainings • Zero health and safety related incidents.

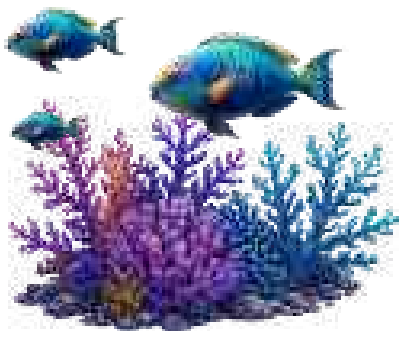
- During the financial year, the Group continued strengthening its position in the global hand protection industry by focusing on specialised and value-added glove categories, enhancing market competitiveness and strengthening customer relationships across key international markets.
- In line with its growth strategy, the Group expanded its market reach through strengthened customer engagement initiatives and strategic partnerships across key regions including Europe, Asia, the Middle East and other emerging markets, capturing additional opportunities within industrial and specialised glove segments.
- Several initiatives were undertaken to optimise operational efficiency through process enhancements, cost optimisation measures and improved production planning aimed at maintaining operational resilience under evolving market conditions.
- The Group continued investing in automation and digital transformation initiatives through advanced manufacturing technologies and process improvements to enhance productivity, reduce operational inefficiencies and strengthen overall manufacturing capabilities.
- Capacity enhancement initiatives were undertaken across selected manufacturing facilities to support growing demand for specialised glove categories including electrician gloves, chemical-resistant gloves and other industrial hand protection solutions. Expansion initiatives included additional production capabilities and supporting infrastructure improvements amounting to approximately Rs. 5.8 billion.
- Sustainability continued to remain a core strategic focus area, with initiatives undertaken to improve renewable energy adoption, resource efficiency and operational sustainability performance. During the year, renewable energy contributed approximately 94% of the Group's energy requirements.
- The Group strengthened its sustainability framework by further integrating environmental, social and governance considerations into business operations while enhancing disclosures aligned with SLFRS S1 and SLFRS S2 requirements and other evolving international sustainability expectations.
- Research and development activities remained a key focus area, with the Group developing 12 new products and securing 02 patents/intellectual property registrations aimed at strengthening product differentiation and supporting future growth opportunities.
- Progress continued in sustainable product innovation through initiatives focused on environmentally responsible materials, sustainable packaging solutions and lower-impact product alternatives aligned with evolving customer preferences and global sustainability trends.
- Biodiversity conservation and environmental stewardship initiatives continued across the Group through habitat restoration activities, responsible resource management practices and community-based environmental programmes supporting long-term ecological resilience.
- The Group continued creating positive socio-economic impact through community development and livelihood enhancement initiatives, benefiting approximately 30,000+ beneficiaries and reinforcing its contribution towards sustainable development priorities.
- Strategic initiatives undertaken during the year collectively strengthened the Group's long-term competitiveness, improved operational resilience and supported sustainable value creation for stakeholders.

PERFORMANCE Rs. Mn



TOTAL ASSETS Rs. Mn





Plantation Sector



At the heart of our Plantation sector lies a powerful belief: growth must be meaningful, inclusive, and sustainable.

As the country's largest Regional Plantation Company grouping—through Kelani Valley Plantations PLC, Talawakelle Tea Estates PLC, and Horana Plantations PLC—we steward more than 64,771 acres across 55 estates, not merely as assets, but as living ecosystems that sustain livelihoods, communities, and future generations. Our journey is one of transformation. Through our Smart Agriculture Plan, we are redefining plantation management by embedding ICT, automation, and drone technology into daily operations. Sustainability is part of who we are—from renewable energy and reforestation to regenerative agriculture, our estates create lasting value while restoring nature. This commitment underpins our globally recognised Sustainability Framework, a benchmark for environmental and social risk management that we continue to advance with purpose and pride, as we strive to serve society a little better every day.

Our certifications

- EU, Japan & US Organic Certification
- Regenerative Agriculture Certification
- Rainforest Alliance
- ISO certifications
- Equitable Rubber Foundation
- Region Agri – world's first certified tea estate (Halgolla)
- SBTi + FLAG validation (sector pioneer)

Our Estates

64,771 Acres

Land base

Located in

- 55 Estates in High and Low Grown areas
  - Kelani Valley Plantations PLC
  - Talawakelle Tea Estates PLC
  - Horana Plantations PLC

Market served

We reach over 50 countries through our marketing arm, Mabroc Teas.

Product range

- Tea
- Rubber
- Other valuable commodities

OUR STRENGTHS



Innovation



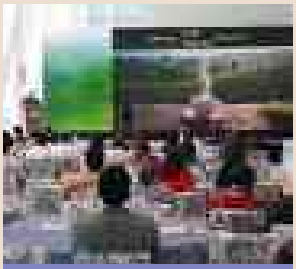
Certifications



Our People

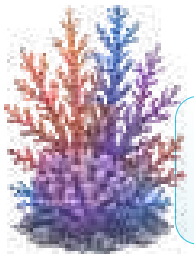


Manufacturing Capacity



Marketing

CONTRIBUTION TO GROUP

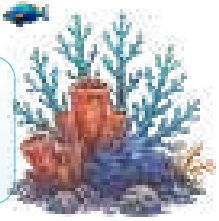


38%
Revenue

39%
PBT

42%
Assets

16%
Carbon footprint



Plantations	Units	2025/26	2024/25
Financial Capital			
Revenue Rs Bn	Rs. Bn	31.2	33.1
PBT Rs Bn	Rs. Bn	2.8	3.4
PAT	Rs. Bn	1.8	2.3
Manufactured Capital			
Estates	No	55	55
Capital Investment	Rs. Mn	1,957	1,971
Intellectual Capital			
New products	No	5	5
National & International certifications	No	25	26
Social and Relationship Capital			
Investment in CSR	Rs. Mn	324	347
Number of CSR beneficiaries	No	486,338	520,078
Number of customers acquired	No	116	103
Human Capital			
Employees	No	15,528	15,775
Payments to Employees	Rs. Mn	10	11
Investment in training	Rs. Mn	37	22
Natural Capital			
Volume of Rainwater	m^3 Mn	65,319	44,698
Renewable energy usage	%	85	76
Energy usage	GJ	484,858	547,811

SWOT Analysis

Internal Factors

Strengths
- Sustainable Operations
- Operational Expertise
- Diversified Estate Portfolio
- Governance Strength

Weaknesses
- Workforce Constraints
- Cost Pressure
- Technology Gap
- Productivity Variability

External Factors

Opportunities
- Value-added Products
- Eco-tourism
- ESG Markets
- Smart Agriculture

Threats
- Climate Risk
- Regulatory Pressure
- Commodity Volatility
- Inflation & Cost Escalation

Plantation Sector

STRATEGY AND PERFORMANCE

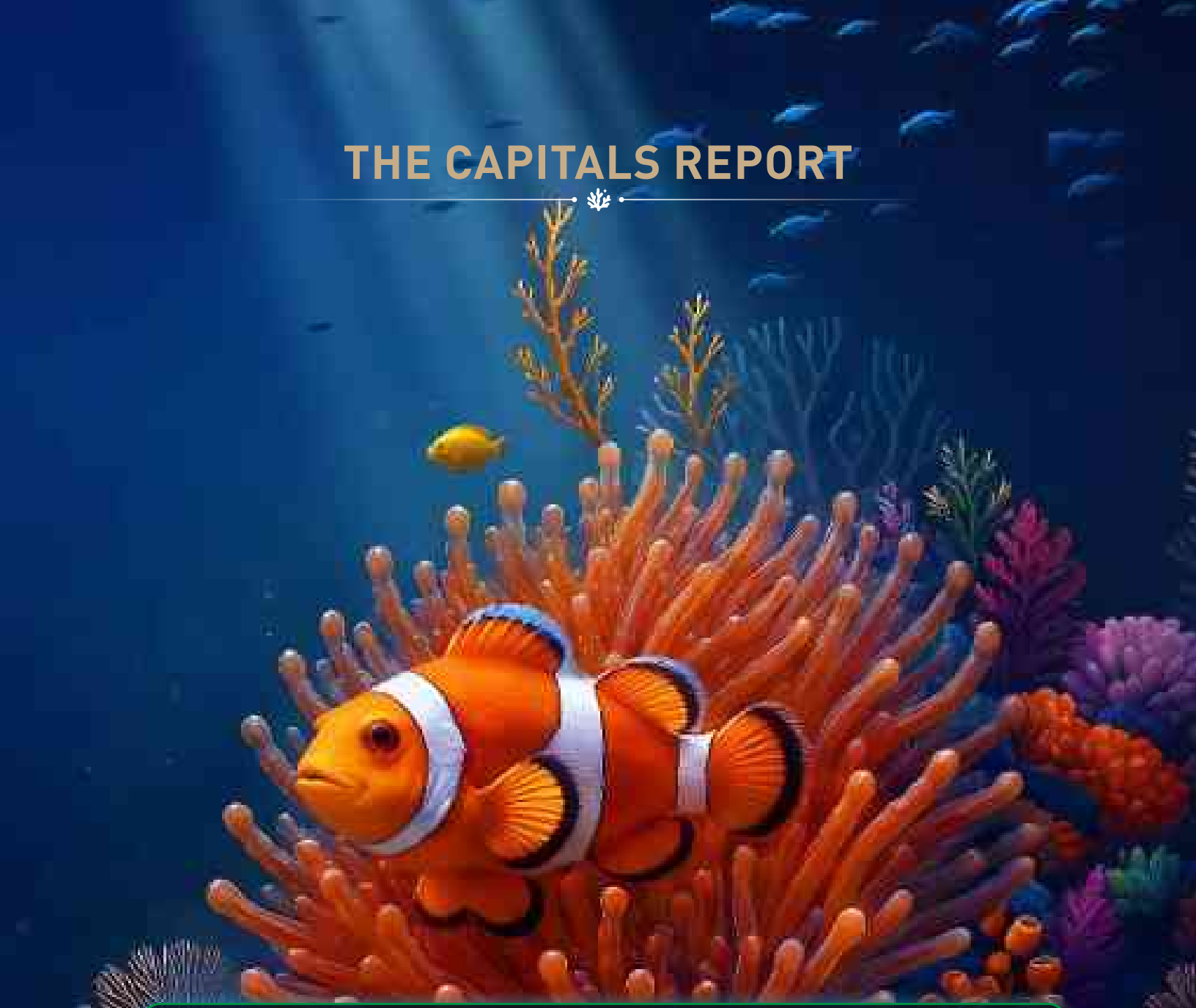
Financial performance

Revenue	Profit After Tax	Assets
Rs. 31.2 Bn	Rs. 1.8 Bn	Rs. 36.3 Bn
2025/26	2025/26	2025/26

Aligning our 2025/26 initiatives to the corporate strategy	
Profitable growth	• Organic growth driven by participating in international trade fairs, introducing value added products and expanding direct sales in key markets such as UK. • Crop diversification by cultivating coffee, oil palm, coconut, spices and bee honey. • Capital Investments for Sri Lanka first green certified tea factory, the Thiruvanaganga Tea Factory
Customer focus	• Introduced organic tea ranges • Compliance to high quality standards
Innovation and digitization	Digital Transformation & Smart Agriculture • Smart weather stations and soil monitoring • Drone technology for crop health analysis, fertilizer application • Cloud based MIS and centralized data systems
Climate action	• Patron member of UN Global Compact – Climate Emergency Task Force. • Achieved the Science Based Targets initiative (SBTi) validation and the Forest, Land, and Agriculture (FLAG) validation Environmental stewardship • Launch of a recycling processing centre in the Nuwara Eliya region • Reforestation and biodiversity restoration projects with 8,000+ native trees planted; >99% survival rate and Cloud Forest Restoration with DPL • Renewable energy generation for internal consumption, with excess exported to the grid
Value chain and community development	• Flagship program: "Home for Every Plantation Worker : achieved 80% targets • Engaged with 2500 smallholder tea growers and encouraged them through annual recognition programs, technical support, quality and traceability improvements
Inspired and dedicated team	• We continued to lead the industry in human capital development with a training investment of Rs. 37 Mn and 9.27 training hours per employee, generating a significant training productivity yield ratio. • Introduction of VKR 360 grievance system, Industry first independent grievance hotline

Sri Lanka's tea export sector demonstrated resilient performance during 2025, with cumulative exports reaching 257.44 million kilograms, recording a growth of 11.65 million kilograms (+4.7%) compared to the corresponding period in 2024. The improvement was primarily supported by the strong contribution from value-added tea categories, reflecting a gradual shift towards higher-value export products. Although the average FOB value marginally declined in local currency terms to Rs. 1,760.70 per kilogram (2024: Rs. 1,763.61), the increase in average FOB value in USD terms to USD 5.85 per kilogram (2024: USD 5.84) highlights the industry's continued ability to strengthen foreign currency earnings and maintain pricing resilience in global markets

THE CAPITALS REPORT

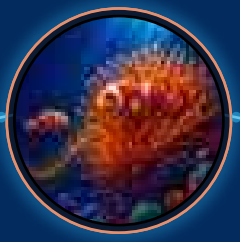


A Sustaining Legacy

Among the most celebrated relationships within a coral reef ecosystem is that between the clownfish and the sea anemone, a partnership that sustains the health of the wider reef. Protected by a specialised mucus coating, clownfish live safely among the anemone's stinging tentacles, gaining shelter and security within the reef environment. In return, their constant movement improves water circulation around the anemone, clearing debris and supporting the nutrient exchange that the broader ecosystem depends upon to thrive. It is a relationship of reciprocity, where two distinct organisms, each contributing its own specialised strengths, collectively reinforce the stability, resilience and continuity of the reef as a whole.

At DPL, our six capitals contribute distinct strengths and capabilities while remaining deeply interconnected within the ecosystem we have built over five decades. By aligning these resources, we strengthen resilience, support adaptability and sustain long-term value creation across the Company, ensuring that the ecosystem around us continues to grow stronger for generations to come.

The Capitals Report



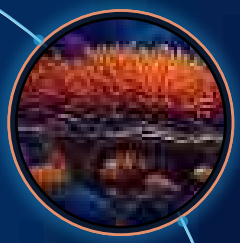
Financial Capital

Refer Pages 229 to 238



Human Capital

Refer Pages 239 to 287



Manufactured Capital

Refer Pages 377 to 400



Intellectual Capital

Refer Pages 401 to 433



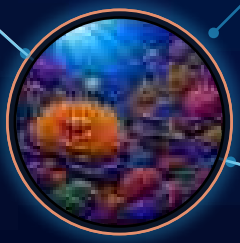
Social & Relationship Capital

Refer Pages 289 to 376



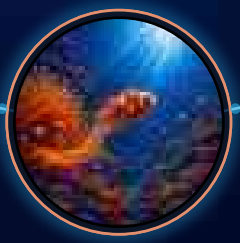
Natural Capital

Refer Pages 433 to 475



Supplier

Refer Pages 309 to 344



Customer

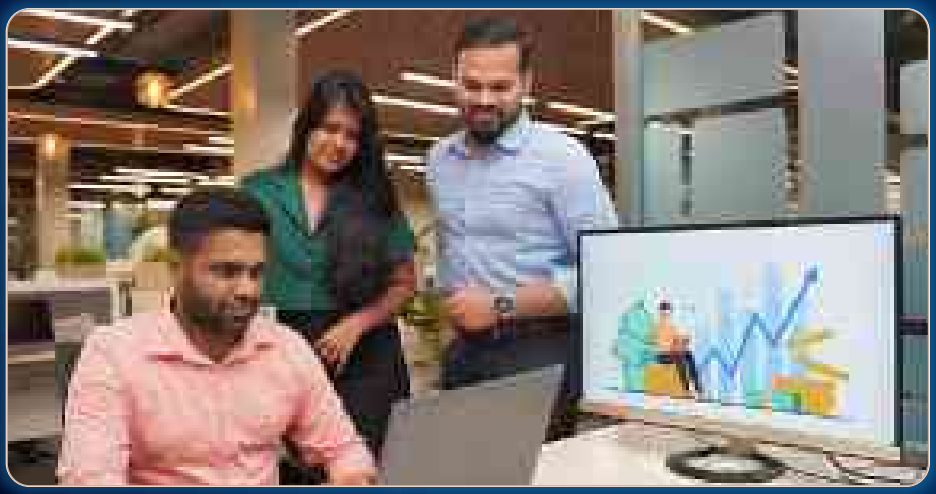
Refer Pages 289 to 308



Community

Refer Pages 345 to 376

Financial Capital

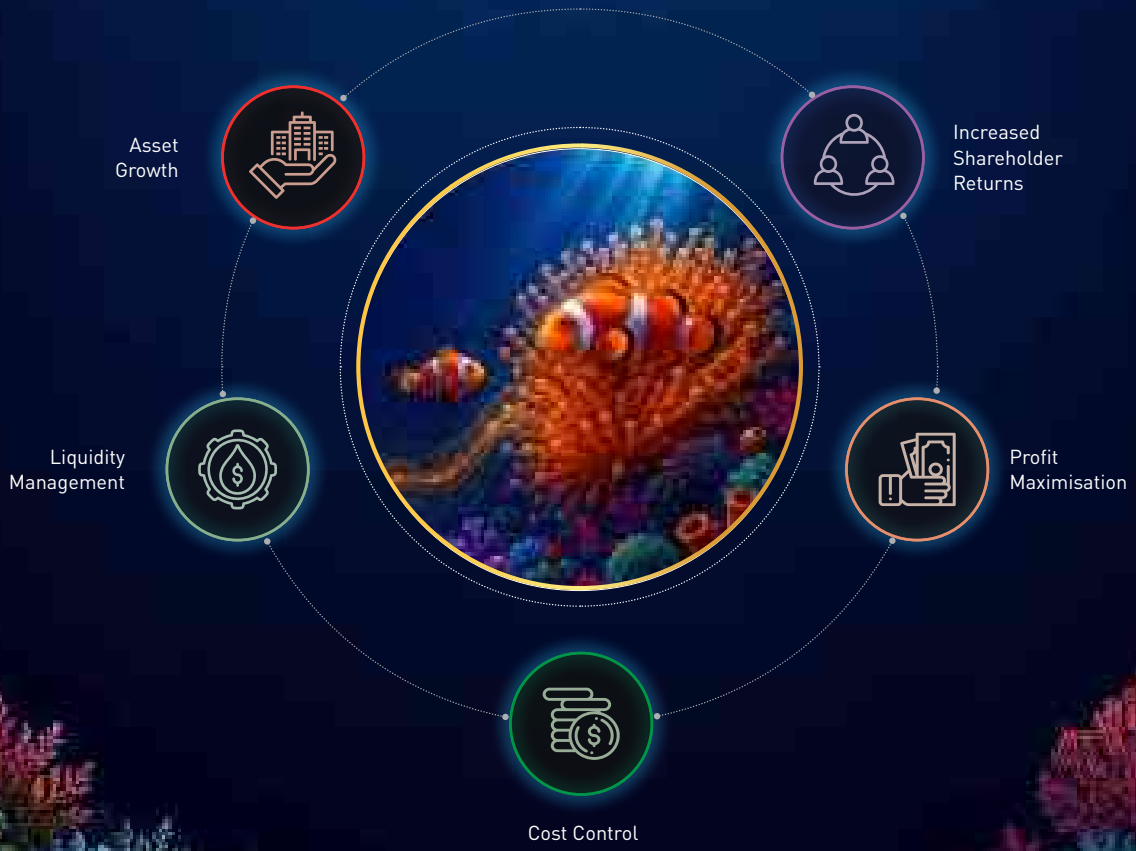


THE FLOW OF STABILITY

Clownfish actively contribute to the overall health of their host by foraging near the anemone and bringing food directly to it, nourishing the anemone while sustaining the steady, purposeful flow that keeps it healthy, productive and anchored within the wider reef.

Our Financial Capital enables us to invest in growth opportunities, enhance operational capabilities and navigate evolving market conditions. Through sound financial management and disciplined decision-making, we support long-term value creation and business sustainability.

KEY PILLARS OF FINANCIAL CAPITAL



Value Creation

Our Financial Capital enables the effective deployment of resources across the business, supporting operational excellence, strategic investments and future growth opportunities. Through sound financial management, we create sustainable value for shareholders and other stakeholders.

HAND PROTECTION Protecting hands, Enabling progress		PLANTATION Nurturing nature, Sustaining Life
• **Rs. 5.8** Capital expenditure • **Rs. 50 Bn** Total assets	**INPUTS** Resources invested	• **Rs. 2.0 Bn** Capital expenditure • **Rs. 36 Bn** Total assets
• Product innovation and value-added solutions • Capacity expansion and operational optimisation	**ACTIVITIES** What we do	• Processing and value addition initiatives • Productivity and sustainability enhancement programmes
• **Rs. 51 Bn** Revenue • **Rs. 4.5 Bn** Operating profit	**OUTPUTS** Direct deliverables	• **Rs. 31 Bn** Revenue • **Rs. 2.6 Bn** Operating profit
• **10.2%** Revenue growth • **8.8%** Operating Profit Margin	**OUTCOMES** Performance improvements	• Improved earnings contribution to Group profitability • **8.4%** Operating Profit Margin
• Foreign exchange earnings generation • Enhanced shareholder value creation	**IMPACT** Business value created	• Long-term cash flow generation • Sustainable value creation from productive biological assets

TWO ECOSYSTEMS, ONE PURPOSE
Creating long-term value for people, planet and prosperity

Material Topics

- **M8** Regulations and compliance
- **M13** Macro economic impacts
- **M25** Market presense
- **M22** Operational efficiency and productivity

Impacted Stakeholders

- Customers
- Government & Regulators
- Investors
- Communities
- Employees

Impacted SDG

- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Alignment with Strategic Priorities

- Climate Action
- Innovation & Digitalisation
- Profitable Growth

Link with Key Risks and Opportunities/ SRROs/CRROs

- SRRO 01 and 02
- CRRO 01 and 02
- FR 01
- RCR 01

AWARDS AND RECOGNITION



Gold Award – Manufacturing Sector (Turnover Above Rs. 50 Bn) at the CA Sri Lanka TAGS Awards 2025

Recognised for excellence in transparency, accountability, governance, and corporate reporting practices.



Top 10 & Manufacturing Sector Winner at the CMA Excellence in Integrated Reporting Awards 2025

Recognised for excellence in integrated reporting, stakeholder communication, value creation disclosure, and transparent reporting of financial and non-financial performance.



Excellence in Corporate Governance and Strategy at the National Business Excellence Awards (NBEA)

Received recognition for strong corporate governance, strategic leadership, risk management, and sustainable long-term value creation.

FUTURE FOCUS

Short Term

- Enhance profitability through productivity and margin improvement initiatives.
- Improve cost efficiency through operational excellence and process optimisation.
- Manage foreign exchange exposures to minimise earnings volatility.
- Strengthen operating cash flows and maintain healthy liquidity buffers.
- Maintain a balanced capital structure and cost-effective financing.

Long Term

- Maximise sustainable ROCE through effective capital allocation.
- Drive structural margin improvements and value-added growth.
- Prioritise strategic investments and innovation initiatives.
- Deliver long-term shareholder value through sustainable earnings growth.
- Build a resilient financial structure to manage external uncertainties.
- Integrate sustainability considerations into long-term financial decision-making.

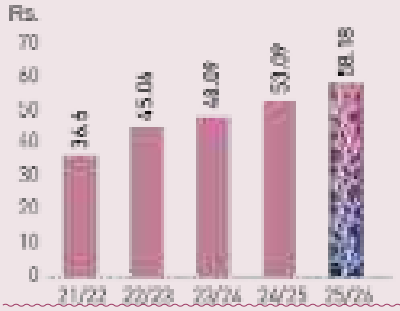
Financial Capital

Value created to our shareholders

12,961
Shareholders

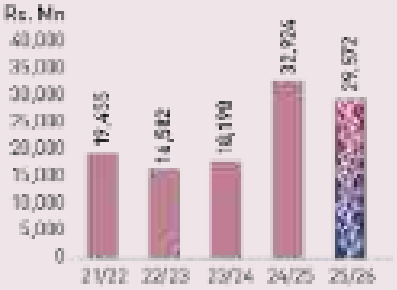
Net assets per share

Net assets value per share increased to Rs 58.18 in FY25/26 compared to Rs 53.09 last year.



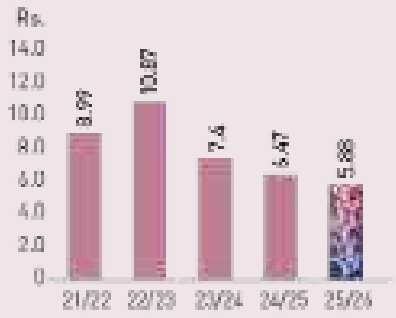
Market capitalisation

Market capitalisation was Rs. 29,752 Mn at the end of FY2025/26 compared to Rs. 32,924 Mn in the previous year.



Earnings per share (EPS)

Earnings per share was Rs. 5.88 per share during FY25/26 compared to Rs. 6.47 per share reported last year.



Financial Capital represents the resources that enable DPL Group to sustain operations, invest in growth, enhance resilience, and create long-term value for shareholders and other stakeholders. Through disciplined capital allocation, prudent financial management, and strategic investments, the Group continued to strengthen its financial foundation during FY2025/26.

Measuring our progress

Growth

Rs. 86 Bn
Assets

- 15% consolidated growth
- 20% growth in the Hand Protection sector
- 9% in the Plantation sector

Rs. 82 Bn
Revenue

- 3% consolidated growth
- 10% growth in the Hand Protection sector
- 6% decline in the Plantation sector

Profitability

8%
PBT Margin

- 8% consolidated
- 9% Hand Protection sector
- 9% Plantation sector

10%
ROE

- Refer the DuPont analysis in page 237

Financial Strengths

0.4 Times
Leverage
(Debt to Equity ratio)

1.6 Times
Working Capital Management
(Current ratio)

Investor Returns and Wealth Creation

Indicator	FY25/26	YoY
Dividend per Share (DPS)	Rs. 2.13	↑ 12%
Dividend Yield	4.31%	↑ 0.86%
Net Asset Value per Share	Rs. 58.18	↑ 10%
Total Number of Shareholders	12,961	↑ 12%

Despite challenging global market conditions, disciplined capital allocation, cost optimisation and operational efficiencies enabled the Group to maintain financial resilience while investing in future growth opportunities.

OPERATING ENVIRONMENT

We operated in a challenging and dynamic environment during the period, affected by global economic uncertainty, elevated input costs and continued pressure on supply chains. Higher energy, logistics and other operating costs, together with inflationary pressures, increased the overall cost base. Exchange rate volatility, including movements in the Sri Lankan Rupee, also influenced export realisations, imported input costs and margin stability.

Overall, the operating environment demanded strong cost discipline, strategic agility and a continued focus on value-added products to mitigate external pressures and sustain performance. These objectives were supported through the disciplined execution of a focused and forward-looking corporate strategy.

Our Management Approach

Our approach to financial capital management is grounded in the principles of responsible stewardship, with a clear focus on maximising shareholder value while fulfilling our obligations and contributing positively to society. We strategically manage our financial resources to support sustainable growth, optimise asset utilisation, and maintain a strong and resilient financial foundation. This disciplined approach enables us to deliver consistent, long-term value to all stakeholders while navigating an evolving business environment.

OUR CAPITAL ALLOCATION PRIORITIES

Total Capital Deployed in FY 25/26: **Rs. 10.1 Bn**

Growth Investments



Capacity expansion, develop new products, and pursue strategic growth opportunities to strengthen the Group's competitive position.

FY2025/26 Focus Areas:

- Capacity expansion in the Hand Protection sector
- Product innovation and portfolio enhancement
- Technology and process improvement initiatives
- Market expansion and customer development

Operational Excellence



Improve efficiency, quality, and productivity to drive sustainable performance and cost competitiveness.

FY2025/26 Focus Areas:

- Productivity enhancement initiatives
- Automation and digitalisation projects
- Quality improvement programmes
- Continuous improvement and operational efficiency initiatives

Sustainability Investments



Invest in energy, water, and environmental initiatives to reduce resource intensity, strengthen resilience, and support sustainable growth.

FY2025/26 Focus Areas:

- Energy efficiency projects
- Water stewardship initiatives
- Waste management and circular economy programmes
- Environmental performance improvement projects

Shareholder Returns & Financial Stability

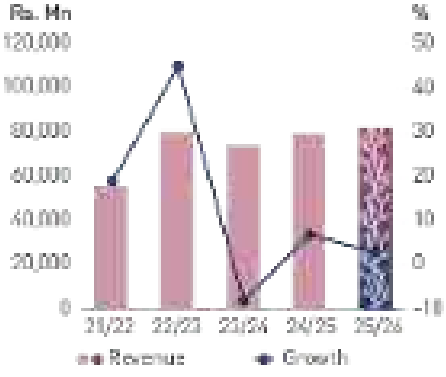


Maintain an optimal balance between rewarding shareholders and preserving financial flexibility to support long-term growth.

FY2025/26 Focus Areas:

- Dividend distributions to shareholders
- Maximisation of shareholder net worth
- Strengthening working capital management
- Preserving liquidity and financial resilience

Revenue



The Group's revenue increased by 3% during the year to Rs. 82,044 Mn. However, growth in the Hand Protection segment was partially offset by the decline in the Plantation sector, resulting in overall subdued revenue growth for the year.

Revenue from the Hand Protection segment, which accounted for 62% of total Group revenue, increased by 10% to Rs. 51,124 Mn. Key revenue drivers included product diversification through high value added offerings, new product innovations, expansion into new markets, and strengthened customer partnerships.

The increase in sales volumes was supported by capacity enhancements arising from selected expansion projects in Sri Lanka, together with ongoing product rationalisation initiatives. These measures enabled DPL to optimise its production capabilities and further strengthen its portfolio of premium, value-added and customised product offerings.

Financial Capital

Revenue from the Plantation sector declined by 6% during the year to Rs. 31,244 Mn. The sector was adversely affected by changing weather patterns, with prolonged periods of heavy rainfall impacting both crop yields and quality. In addition, average tea and rubber prices experienced a decline during the reporting period, further exerting pressure on revenue performance.

Revenue by business sectors

Hand Protection

62%
of Group revenue

10%
Year on Year increase in revenue in FY25/26

Plantation

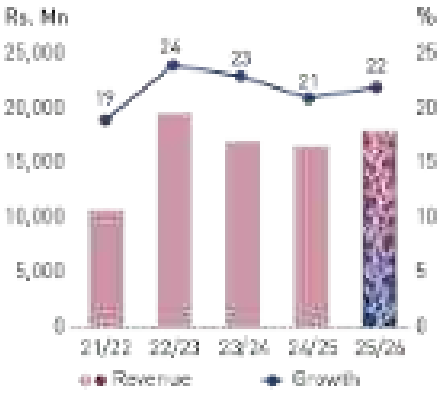
38%
of Group revenue

6%
Year on Year decline in revenue in FY25/26



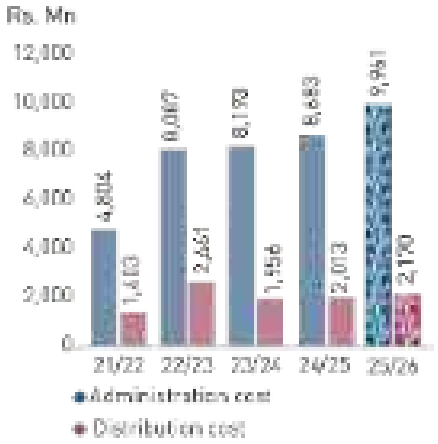
Profitability, Efficiency and Value Creation

Gross Profit and Gross Margins



Consolidated gross profit increased by 9% to Rs. 17,978 Mn during the year, supported by continued improvements in operational efficiency. Key initiatives included the adoption of new technologies, productivity enhancements and effective waste management practices, which collectively contributed to an improvement in the gross profit margin to 22%, compared with 21% in the previous year.

Strategic Investment and Operating Costs



Group operating expenses increased by 13% to Rs 12,131 Mn compared to last year.

Administration expenses increased to Rs. 9,961 Mn, reflecting higher employee-related costs, depreciation arising from infrastructure investments, and increased expenditure associated with business expansion, operational support functions, and strategic growth initiatives.

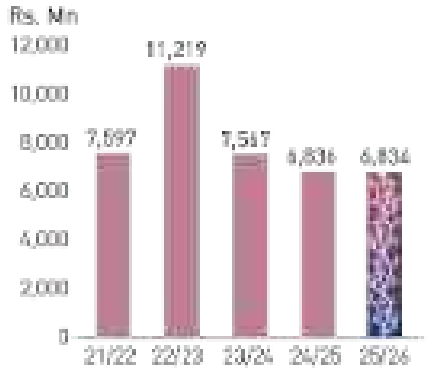
The plantation sector's profitability was impacted by elevated wage and operating costs.

Administration costs in the Hand Protection sector increased by 17%, while the Plantation sector recorded a year-on-year increase of 7%.

Distribution costs

Distribution expenses increased in line with market expansion activities, customer engagement initiatives and revenue growth across key markets. Distribution costs of the Hand Protection sector increased by 7% to Rs. 2,031 Mn, primarily driven by various marketing initiatives, including brand-building campaigns, market expansion efforts, and enhanced customer engagement activities. Distribution costs of the Plantation sector amounted to Rs. 138 Mn compared to Rs. 109 Mn in the previous year.

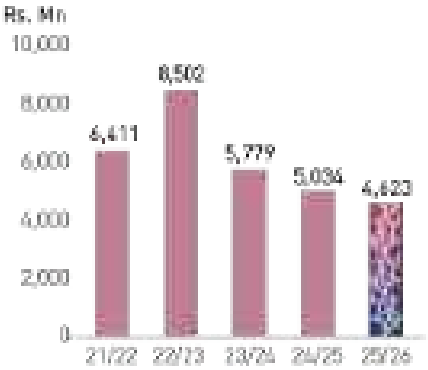
Profit before Tax



Group Profit Before Tax remained resilient at Rs. 6,834 Mn despite increased investments in operational capabilities, market expansion and productivity enhancement initiatives. The Hand Protection sector delivered a strong performance, recording a Profit Before Tax of Rs. 4,363 Mn and a PBT margin of 8.5%, supported by improved operational efficiency, value-added product offerings, and resilient demand across key markets.

The Plantation sector reported a Profit Before Tax of Rs. 2,896 Mn, with a PBT margin of 8.4%, reflecting its continued contribution to the Group's overall performance.

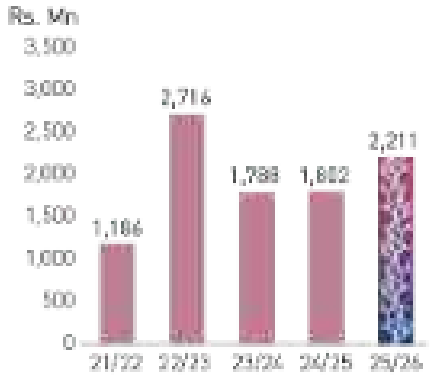
Profit after Tax



Despite significant investments in capacity expansion, productivity enhancement and future growth initiatives, the Group maintained a profit after tax of Rs. 4.6 Bn while continuing dividend distributions to shareholders. Refer the chairmans statement.

Taxation

GRI 207-1, 207-2, 207-3, 207-4



Group tax expenses recorded at 2,211 Mn in FY25/26 at an effective tax rate of 25%. Mix results in profitability lead to increased tax.

The tax expenses in the Hand protection sector increased considerably to Rs 1,216 Mn compared to Rs 631 Mn last year. Tax expenses increased in line with improved profitability in the Hand Protection sector.

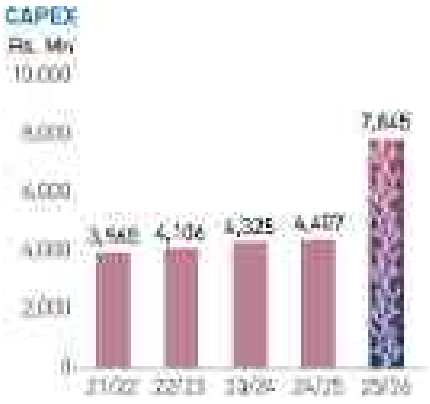
Tax expenses in the Plantation sector declined to Rs. 994 Mn compared to Rs. 1,170 Mn in the previous year, primarily due to the reduction in profit before tax recorded by the segment during the period.

The Group's tax strategy is overseen by the Board of Directors and the Audit Committee, while its implementation is managed by the Chief Financial Officer (CFO) and the finance team. Ongoing compliance with tax regulations is monitored by the Internal Audit team, with an independent review conducted by external auditors at the end of each financial year. The CFO is responsible for liaising with tax authorities and ensuring the timely submission of tax returns to the relevant Inland Revenue departments.

Asset growth

Group assets increased by 15% to Rs. 86,012 Mn as at the end of FY25/26. Non-current assets recorded an increase of 24% to Rs. 45,091 Mn primarily driven by ongoing capital investments in property, plant and equipment in the Hand Protection Sector, with total capital expenditure amounting to Rs. 7,776 Mn during the year.

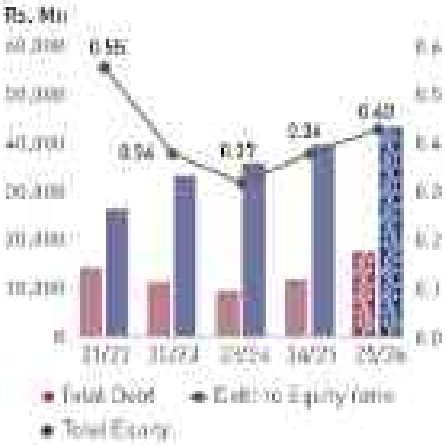
Current Assets increased by 7% to Rs. 40,921 Mn as of the end of FY25/26.



Financial Capital



Balanced Capital Management



The group total debt recorded at Rs. 17,612 Mn compared to Rs. 12,013 Mn last year. Total Equity increased by 10% to Rs. 43,512 Mn by end of FY 25/26. The increase in leverage reflects strategic funding obtained to support capacity expansion, operational infrastructure and long-term growth investments, while maintaining a prudent debt-to-equity ratio of 0.40 times.

Cash Flows

Operating cash flows remained strong at Rs. 3,813 Mn, while additional working capital was deployed to support business growth and increased sales activity. Operating cash flows before working capital changes improved to Rs. 11,638 Mn in FY25/26, up from Rs. 9,664 Mn last year, reflecting stronger underlying operating performance. However, this improvement was partly offset by higher net cash outflows relating to working capital requirements, which increased to Rs. 4,992 Mn during the year. This primarily reflected the additional working capital investment required to support the Group's ongoing capacity expansion initiatives. Consequently, the Group's overall operating cash flows were adversely impacted.

Use of Funds	FY25/26
Capital Investments	Rs. 10,101 Mn
Working Capital Expansion	Rs. 4,992 Mn
Growth Financing Raised	Rs. 5,075 Mn

The Group's Other Comprehensive Income recorded income of Rs 811 Mn compared to Rs 18 Mn in the previous year.

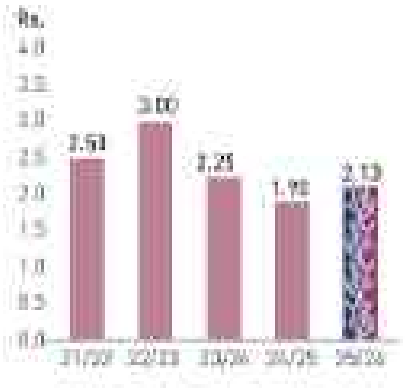
Performance of the share

Dipped Products PLC's share remained actively traded during FY 2025/26, reflecting continued investor interest despite fluctuations in broader market conditions and sector-specific developments.

During the year, the share traded within a range of Rs. 46.7 to Rs. 71.5 and closed at Rs. 49.4 as at March 31, 2026. The share continued to provide liquidity to investors, supported by active market participation throughout the year.

Approximately a total of 240 Mn shares were traded across 71,032 transactions during the year, demonstrating sustained trading activity and engagement among market participants. The Company's long-term focus on operational resilience, value creation, and sustainable growth continues to underpin its commitment to delivering shareholder value.

Dividend per share



The Group remained firmly committed to delivering shareholder value during the year, maintaining a consistent focus on rewarding shareholders through an increased dividend per share. This reflects the Group's confidence in its long-term performance and its commitment to disciplined capital allocation.

The group paid a dividend of Rs. 2.13 per share compared to Rs. 1.90 per share last year. Dividend Yield increased to 4.31% in FY25/26 compared to 3.45% last year.

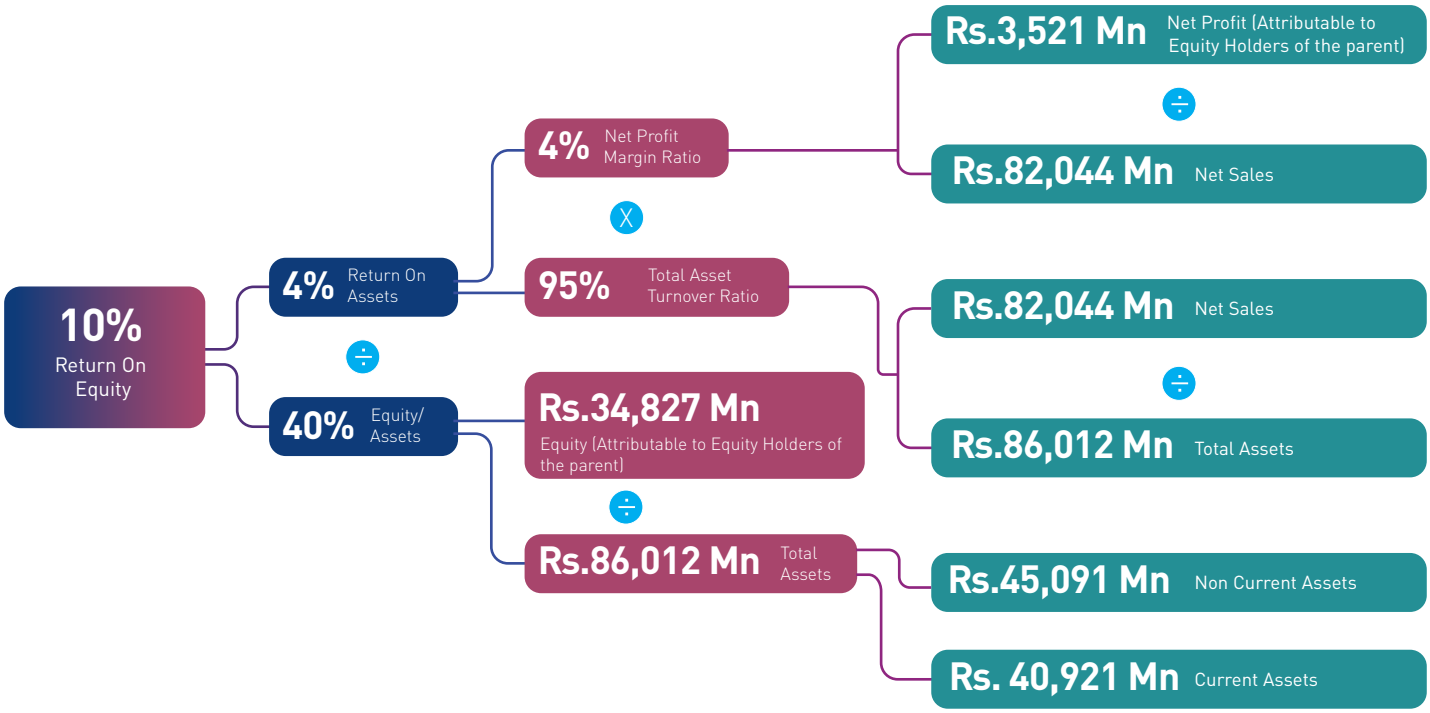
SANKEY ANALYSIS

This Sankey diagram provides a structured visualisation 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.



DUPONT ANALYSIS

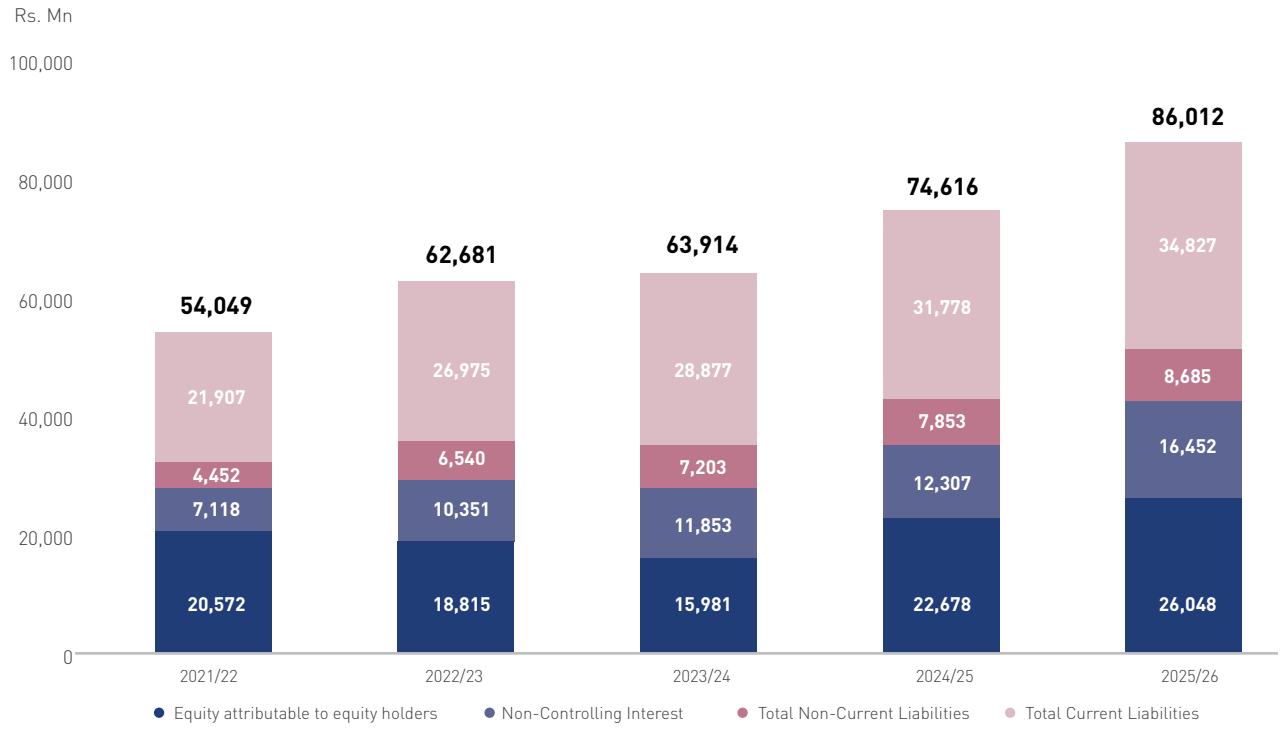
DuPont analysis is a financial framework that breaks down return on equity (ROE) into three key components: profit margin, asset turnover, and financial leverage. This method helps investors and analysts understand how a company generates its profitability and where improvements can be made. By dissecting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



Financial Capital

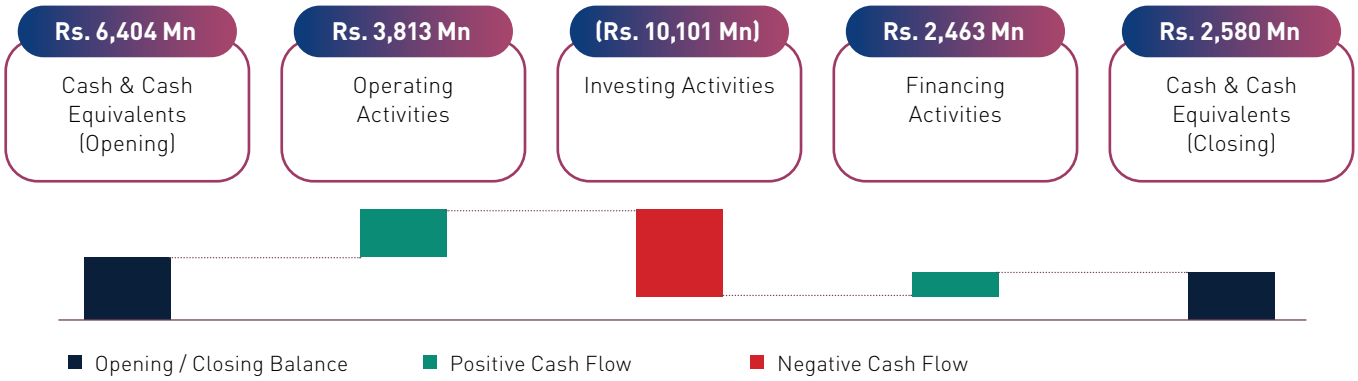
CAPITAL STRUCTURE

The Group's capital structure continued to strengthen during FY2025/26, with total capital employed increasing to Rs. 86,012 Mn from Rs. 74,616 Mn in the previous year. This growth was primarily driven by the expansion of shareholders' equity to Rs. 34,827 Mn, supported by improved earnings retention and continued value creation. The strengthened equity base provides a solid foundation for operational resilience, strategic execution and sustainable future growth, while debt levels remained aligned with the Group's operational and investment requirements.



CASH FLOW WATERFALL

The Cash Flow Waterfall illustrates the key drivers of cash movement during FY 2025/26, showing how operating performance, working capital changes, investing activities, and financing decisions contributed to the movement from opening to closing cash balances. It provides a clear view of the Group's cash generation and utilisation throughout the year.



Human Capital



THE VITALITY OF THE COLONY

Clownfish communities are built on clear structure and defined purpose. Each member of the group occupies a distinct role, from the dominant breeding pair to the younger fish that support and sustain the colony. This social order ensures continuity, with each individual contributing to the health and cohesion of the group as a whole.

Every individual at DPL plays a vital role in our collective success, contributing unique capabilities that help build a stronger, more resilient and enduring organization.

KEY PILLARS OF HUMAN CAPITAL



- Talent Acquisition, Retention and Employer Brand
- Ethical Employment and Human/Labour Rights
- Learning, Capability Building and Skills Development
- Employee Well-Being and Safe-Balanced Work Culture
- Performance Management
- Career Development and Succession Planning
- Remuneration, Benefits and Supportive Working Conditions
- Occupational Health and Safety (OHS)
- Employee Voice, Social Dialogue and Industrial Relations
- Diversity, Equity and Inclusion (DEI)
- Employee Engagement and Organisational Culture
- People-Serving Emergency Response and Future-Crisis Preparedness

Value Creation

Human Capital underpins every aspect of our operations, from manufacturing and quality assurance to innovation and customer service. By investing in our people and cultivating a culture of safety, collaboration and growth, we create sustainable value for all stakeholders.

GRI 3-3

HAND PROTECTION Protecting hands, Enabling progress		PLANTATION Nurturing Nature, Sustaining Life
• **Rs. 6.5 Bn** Payments to Employees • **Rs. 8 Mn** investment in employee training and development	**INPUTS** Resources invested	• **Rs. 37 Mn** Investment in employee training and development • **15,528** Total workforce employed
• **55%** DEI training coverage • **100%** employees covered by performance evaluations	**ACTIVITIES** What we do	• Training conducted on improving productivity • Awareness session on grievances handling
• **124,122** total training hours • **50** Average training hours per employee • **34%** female workforce representation	**OUTPUTS** Direct deliverables	• **9 hrs** Average training hours per estate worker • **143,995** Total employee training hours
• **89%** Employee engagement index • **80%** Employee perception score • **80%** Employee retention rate • **44%** female hires	**OUTCOMES** Performance improvements	• **77%** Employee retention rate • **23%** Attrition rate
• **Rs. 27 Mn** productivity improvement linked to training • **89.4%** reduction in practical skill gaps • **Zero** fatalities	**IMPACT** Business value created	• Strengthened workforce capability and operational productivity • Enhanced workforce retention and organisational resilience

TWO ECOSYSTEMS, ONE PURPOSE
Creating long-term value for people, planet and prosperity

Material Topics	Impacted Stakeholders	Impacted SDG	Alignment with Strategic Priorities	Link with Key Risks and Opportunities/ SRROs/CRROs
M8 Regulations and compliance	Government & Regulators		Inspired and dedicated team	SRROs 01
M20 Operational Safety & Emergency Preparedness	Communities		Value chain and community development	HRR 01
M23 Human Rights Assessment	Employees			

AWARDS AND RECOGNITION

Winner – Manufacturing Sector at The Great HR Awards

Recognised for excellence in human capital management, employee engagement, talent development, workplace wellbeing, and people-centric leadership practices.



Special Recognition Award at the DEI Champions Awards 2025

Recognised for advancing diversity, equity, and inclusion through inclusive workplace practices, equal opportunities, and initiatives that foster belonging and empowerment.



Recognition of Differently Abled Persons in Export-Oriented Enterprises at the National Chamber of Exporters (NCE) Awards

Recognised for promoting inclusive employment opportunities and creating an accessible and supportive workplace for differently abled individuals.



FUTURE FOCUS

Short Term

- Improve learning and development
- Strengthen employee value proposition
- Enhance DEI training coverage
- Continue succession planning rollout
- Strengthen compliance monitoring
- Increase mental health support

Long Term

- Strengthen employee wellbeing
- Promote Health and safety
- Focus on Diversity, Equity and Inclusion (DEI)
- Build future ready capabilities
- Strengthen employee voice and social dialogue

Human Capital

OUR MANAGEMENT APPROACH

GRI 2-23, 2-24, 2-25, 2-26 | SDG 8.8, 16.6, 16.7

Our human capital strategy focuses on capability development, retention and wellbeing, and compliance and safety, aligned with business and operational needs. Through targeted learning, employee support initiatives and strengthened governance and monitoring, we build a skilled, engaged and compliant workforce.

In FY 2025/26, this resulted in improved training coverage, stronger compliance oversight and enhanced employee support, contributing to workforce stability and reduced people-related risks.

HR, Governance, Risk and Compliance

HR Governance and Oversight

The foundation of our HR management is based on a strong policy framework, well defined processes, and a rigorous governance structure that is fully aligned with our parent company, Hayleys PLC. These systems reflect the standards set out in the Hayleys Lifecode 2030 and our own DPL Pulse: ESG Roadmap 2030, ensuring that our environmental and social ambitions are embedded into every aspect of people management.

HR data is managed through controlled systems ensuring accuracy, confidentiality and responsible use, including digital and AI-enabled tools.



Our policy framework

At DPL, the HR policy framework is communicated through multiple structured channels, ensuring that all employees across factories and corporate functions are consistently informed and aligned.

Policy Framework

- Hayleys Values
- DPL Business Code of Conduct
- Remuneration Policy
- Anti Sexual Harassment Policy
- Social Accountability Policy
- Recruitment and Selection Policy
- Human Rights Policy
- Pregnant Mothers' Policy
- Diversity, Equity and Inclusion (DEI) Policy
- Higher Education Assistance Policy
- Late Attendance and Overtime Policy
- Flexible Work Arrangement Policy

Communication Channels

- Induction and training programs
- Direct support such as the grievance hotline
- Factory HR briefings
- Awareness and wellbeing communication.
- Periodic reviews such as Monthly governance forums. Factory operations and finance meetings.

Whistleblower Procedure

Designated email
ethics@dplgroup.com

Anonymously 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.

GRI 408-1

Compliance requirements most material during the year.

During the year, DPL compliance obligations were identified under the below categories, and we ensured compliance through structured governance mechanisms and continuous monitoring. If any issues were identified, then investigated, corrective actions implemented and learnings integrated into policies and controls.



Health and safety



Ethical / Human Rights Commitment



Labour laws

DPL maintained full compliance with all HR, labour, and OHS regulations during FY 2025/26, with no reported non-compliance cases, regulatory fines, policy breaches, or penalties, reflecting strong governance and effective compliance controls.

Human capital risk register

Key human capital risks include skills shortage, critical role attrition, compliance risks and OHS incidents, managed through defined controls and monitoring. Risks are reviewed through management forums and escalated through governance structures in line with enterprise risk management processes. This is comprehensively covered in the Risk management section on page 140.

Future readiness shifts

DPL undertook several strategic initiatives to strengthen its future readiness across technology, talent, compliance and generational shifts.

OUR COMMITMENT

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

labour law or human rights violations were reported during the year.

Digitalisation, AI and Automation

- Expanded ORACLE HCM to all foreign operations and DMSHRIS System to Dipped Products India (Pvt) Ltd and Hi-Care Thai Gloves Co., Ltd
- Used AI enabled tools for talent sourcing
- Cadre rationalisation initiative

Managing Generational shifts

- Training for senior leaders on "how to work with new-generation employees".
- Engagement activities such as Friday fun day to bridge generational differences.

Compliance

- The compliance monitoring system for automated tracking of labour standards such as working hours and overtime caps.

Skills development

- Scaling training and development initiatives to strengthen the leadership pipeline and build a multi-skilled agile team prepared for growth and technology shifts.

WORKFORCE PLANNING AND HR ANALYTICS

HR Analytics and Decision Support

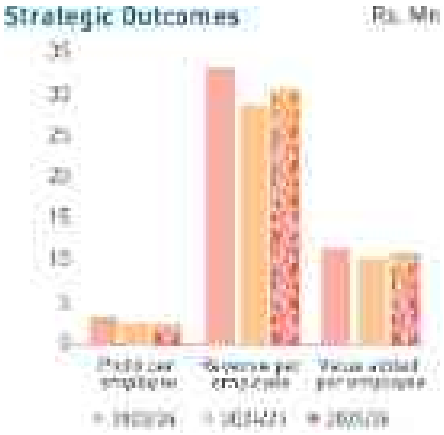
Our workforce planning approach is closely aligned with production forecasts, customer demand, and operational needs across all factories. Regular manpower planning exercises are performed to estimate workforce needs and maintain continuity across operations. HR analytics insights on attrition, absenteeism, productivity, safety and diversity trends supported targeted decision-making. These insights informed recruitment planning, retention actions, workforce deployment and training priorities. Workforce planning and analytics are continuously monitored and reviewed to improve workforce efficiency and decision-making.

Data Analytics and Digital Enablement

We use the Oracle Human Capital Management (HCM) system as the core HR platform. This is a structured, data driven, and transparent approach. The system contains embedded smart features that enhance process efficiency while enabling performance-based talent reviews, goal setting and integrates learning needs directly from performance outcomes.

Area	FY 2025/26	FY 2024/25
HR dashboards in use (Yes/No)	Yes	Yes
Predictive analytics used (Yes/No)	Yes	Yes
AI-enabled HR tools (Yes/No)	Yes	Yes

Workforce analytics contributed to improved workforce stability and operational efficiency.



Human Capital Strategic Outcomes

Strategic outcome (standard)	FY 2025/26	FY 2024/25
Capability readiness for critical roles	22%	11%
Critical-skill training completion Compliance / Technical / Leadership / Process excellence	15%	10%
Attrition in critical roles	2%	4%
Employee engagement index	89%	83%



Workforce Profile – Group

The Group employed 18,207 employees during the year, reflecting a 1% increase from the previous year. As at 31 March 2026, the Hand Protection sector employed 2,679 employees, while the Plantation sector employed 15,528 employees. Workforce data is monitored by region, employment type, status and category, with gender as a key classification.



Beyond Sri Lanka, we operate in Thailand, with smaller teams in France, Italy, Poland, India and the UAE. Workforce planning is aligned with production and customer demand through structured forecasting and periodic reviews, with variances monitored to address gaps in critical roles and skills. Disclosures cover employees and controlled non-employee workers across all operating locations, unless otherwise stated. Controlled non-employee workers, including contractors and temporary workers under DPL supervision and operational control, are included in workforce disclosures where applicable.

This workforce structure supports operational continuity, productivity and the ability to meet customer demand effectively.

Changes in the workforce structure

The workforce continued to shift towards younger age groups, driven by increased recruitment of Gen Z and early-career talent, particularly in operations and junior roles. This is balanced by experienced employees across technical, supervisory and managerial positions, ensuring continuity and stability.

Headcount growth was primarily within existing sites, with a notable increase in Sri Lanka. The workforce is increasingly multi-generational, reflecting our commitment as an equal opportunity employer, shaped by demographic shifts, evolving skill needs and labour availability.



Workforce Profile – Hand Protection

Workforce Profile – Hand Protection	FY 2025/26			FY 2024/25		
	Male	Female	Total	Male	Female	Total
By Region						
Sri Lanka	1,524	515	2,039	1,469	434	1,903
Overseas	249	391	640	248	419	667

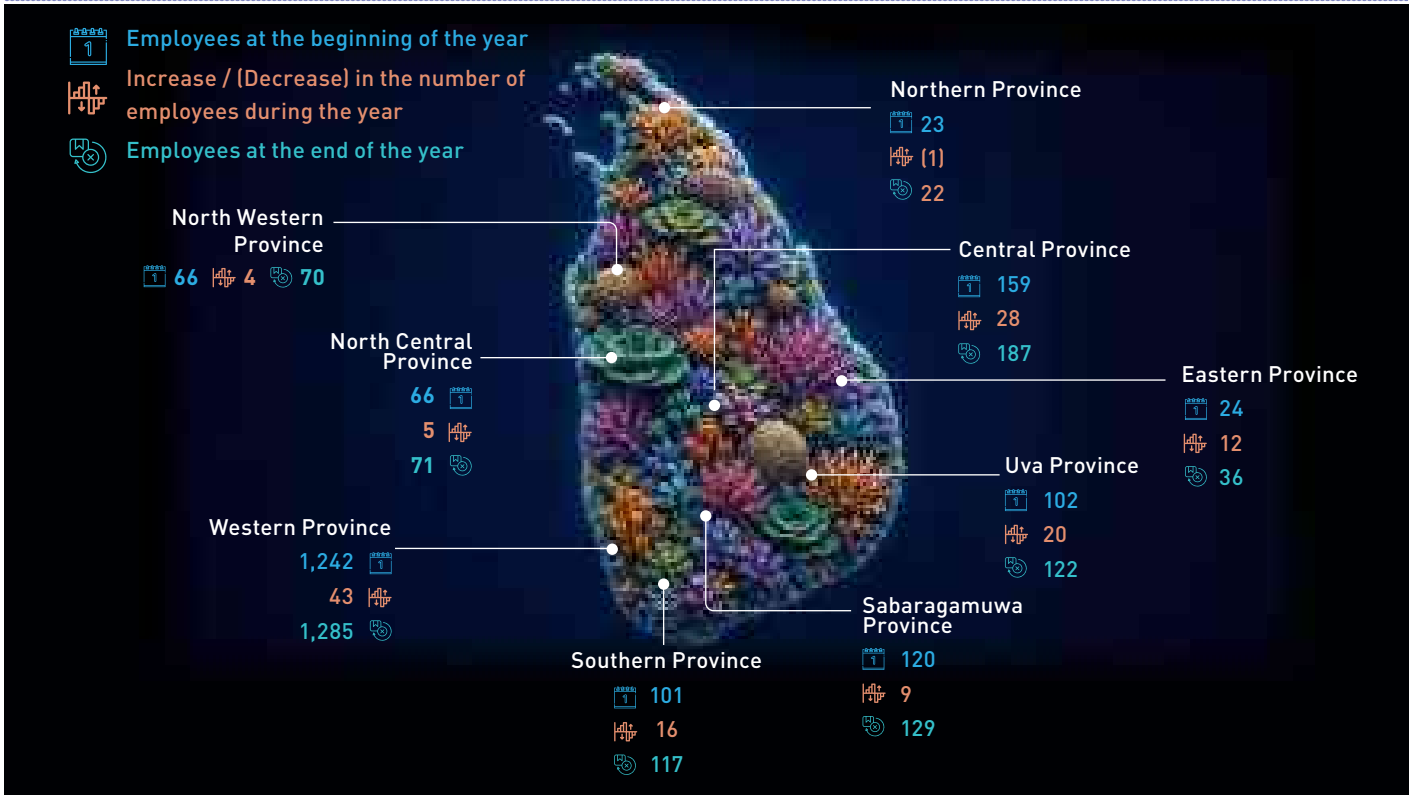
Employee classifications are based on employment status and type in accordance with internal HR definitions.

Sri Lanka Workforce

Workforce Profile – Hand Protection	FY 2025/26			FY 2024/25		
	Male	Female	Total	Male	Female	Total
By Employment Status						
Permanent	1,351	375	1,726	1,239	337	1,576
Contract	173	140	313	230	97	327
By Employee Category						
Assistant manager and above	108	26	134	102	24	126
Executive	108	43	151	103	44	147
Non-executive	1,308	446	1,754	1,264	366	1,630
By Employment Type						
Part time	-	-	-	-	-	-
Full time	1,524	515	2,039	1,469	434	1,903

Overseas Workforce

Workforce Profile – Hand Protection	FY 2025/26			FY 2024/25		
	Male	Female	Total	Male	Female	Total
By Employment Status						
Permanent	249	391	640	245	419	664
Contract	-	-	-	3	-	3
By Employee Category						
Assistant manager and above	34	14	48	25	9	34
Executive	17	31	48	18	28	46
Non-executive	198	346	544	205	382	587
By Employment Type						
Part time	-	-	-	-	-	-
Full time	249	391	640	248	419	667



GRI 202-2, 411-1

Generational Analysis – Hand Protection

We analyse our workforce beyond traditional age categories to better understand generational needs and expectations.

By Employee Category and Age Group – Hand Protection								
	Under 30 Years		30-50 Years		Over 50 Years		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Assistant Manager and above	3	-	88	23	51	17	142	40
Executive	51	30	58	35	16	9	125	74
Non-Executives	647	306	737	405	122	81	1,506	792
Total	701	336	883	463	189	107	1,773	906

In line with our commitment to local value creation, we prioritise recruiting from local communities across all our operating locations, wherever practical and aligned with local and international labour standards. All employees across our global footprint are engaged on a full time basis, as we do not offer part time roles in any region. Employment status is categorised as permanent or fixed-term contract, and we do not operate any non guaranteed hour arrangements. Additionally, none of our facilities are located near indigenous communities, nor have we made any negative impact or caused any incident of violations of any rights of indigenous people. We have not received any complaints regarding impacts on such communities.



Plantations Sector

By Employee category	Male	Female	Total
Manual	6,502	7,655	14,157
Clerical and Supervisory	803	319	1,122
Executives	41	31	72
Assistant Managers and Above	163	14	177



TALENT ACQUISITION, RETENTION AND EMPLOYER BRAND

GRI 401-1 | SDG 8.5, 10.2, 5.1

Talent Acquisition

Our talent acquisition approach focuses on attracting high-quality candidates through fair and inclusive selection processes. Hiring managers follow structured best practices to ensure equal opportunity and minimise bias, while transparent onboarding supports smooth integration into our culture. Disclosures cover all employee categories across Sri Lanka and overseas operations, with employer branding strengthened through external recognitions and institutional partnerships.

- Recruitment & Selection Policy
- DEI Policy
- Human Rights Policy (fair hiring safeguards)
- Retention Strategy Framework

Critical Talent Needs and Recruitment Challenges

There is challenge faced with limited availability of qualified candidates from local technical institutions. In response, targeted initiatives were implemented to build internal capabilities, including a structured 4-year technician development programme in partnership with the National Institute of Technical Education (NITA). Workforce planning and skills mapping are used to identify critical roles and future capability needs, supported by internship and apprenticeship programmes to strengthen a sustainable talent pipeline.

Employer Branding

Employer branding is strengthened through career outreach, institutional partnerships and employee value proposition initiatives, supporting improved candidate attraction and offer acceptance. Employer brand effectiveness is measured through offer acceptance rates and candidate quality indicators.

ETHICAL HIRING

Recruitment processes include age verification, prevention of child and forced labour, and accessible hiring practices where applicable.



By Age	2025/26
>50	12
30-50	158
Less than 30	519

Recruitment Effectiveness

Candidate quality improved through the in-house technician development pathway with NAITA, while recruitment efficiency was enhanced using LinkedIn's licensed recruiter tools, including AI-supported matching and targeted sourcing. Participation in university career fairs further strengthened the quality and diversity of applicants. In FY2025/26, Hand protection sector a new hire rate of 26%

Recruitment is supported by structured interview criteria and standardised evaluation methods to ensure consistency and fairness, alongside gender-neutral job advertisements and inclusive hiring practices. Recruitment and retention effectiveness are monitored through defined KPIs, supporting talent sustainability and workforce stability.

Metric	FY 2025/26	FY 2024/25
Time to fill (days)	52	63
Offer acceptance rate	100%	93%
New hire retention (12 months)	90%	74%
Positions filled internally	8%	4%
Hires from structured pipeline (e.g., NAITA)	18%	22%

06 Career fairs attended

79 Internships Provided

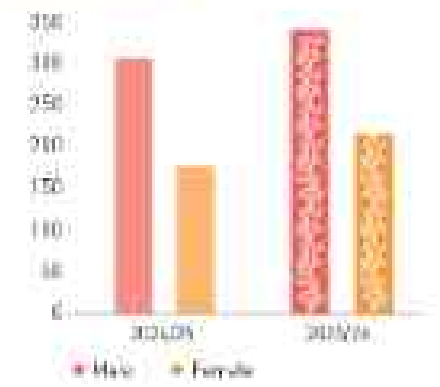
25 Enrolments in NAITA

TALENT RETENTION

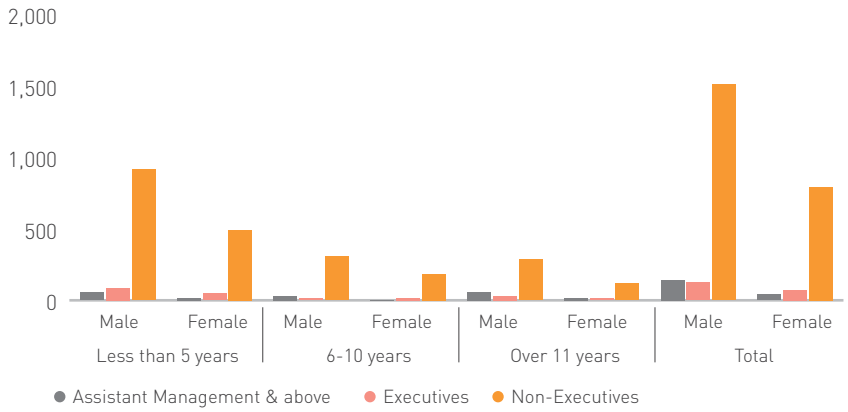
During the reporting period, executive turnover declined, supported by strengthened Employee Value Proposition (EVP) initiatives, enhanced engagement activities and improved retention among younger employees. Retention is driven through career development pathways, learning and development, employee engagement programmes, competitive compensation benchmarking, and wellbeing initiatives, contributing to workforce stability and reduced attrition.

Exits by Age	Under 30 years	30-50 year	Over 50 Years
Male	231	90	16
Female	119	78	18
Total	350	168	34

Exits by Gender



Service analysis of employees



Types of Turnover Rate

Attrition was primarily driven by voluntary resignations, particularly among technically skilled factory employees migrating overseas, and to a lesser extent among certain executive roles. No material involuntary terminations or retrenchment programmes were recorded during the year. No retrenchments or VRS programs were implemented.

Retention and Attrition rate

During the reporting period, the Hand Protection sector recruited 689 employees, while 552 employees exited the organisation. Despite continued labour market migration dynamics, particularly within technical roles, the sector maintained a strong employee retention trend, reflecting workforce loyalty, engagement, and organisational stability.

The sector recorded a labour retention rate of 80%, while retention among permanent employees remained notably stronger at 89%, demonstrating the long-term commitment and loyalty of employees to the organisation. Ongoing investments in employee wellbeing, engagement, remuneration, development, and supportive workplace practices continued to support workforce retention across operations.

DPL Pulse: ESG Roadmap 2030 – Target and Performance

DPL Pulse: Target	Baseline Performance	Performance in	Performance in	Expected Performance for	Target for	Status
	2020/21	2024/25	2025/26	2026/27	2030/31	
Attrition rate	26%	20%	20%	19%	9.5%	On Track

ETHICAL EMPLOYMENT AND HUMAN RIGHTS

GRI 402-1, 406-1, 409-1, 410-1 | SDG 8.7, 8.8, 10.3, 16.6

Promotion of Human Rights / Labour Rights

Policies and Procedures Applicable;

- Hayleys Values
- Business Code of Conduct
- Human Rights Policy
- Child Labour Remediation Policy
- Industrial Relations Policy
- DEI Policy
- Social Accountability Policy
- Grievance Handling Policy

ZERO
Cases of Child Labour

ZERO
Cases of Forced / Involuntary / Compulsory labour

ZERO
Cases of Human Trafficking / Modern-Day Slavery

These policies, grievance mechanisms and human rights practices apply across employees and controlled non-employee workers across all operating locations.

Measures Taken

Recruitment Controls

Recruitment is limited to individuals aged 18 and above, supported by a comprehensive age verification process.

Training and Awareness

Employees are trained on human rights topics, including child labour, forced labour, human trafficking and modern-day slavery Including human rights policies and procedures, including appropriate conduct and use-of-force guidelines.

Grievance and Incident Reporting

Incident reporting and grievance handling mechanisms (refer page 239) enable confidential reporting, non-retaliation and timely resolution of concerns.

High-Risk Regions and Due Diligence

In higher-risk regions, enhanced controls are implemented, including 100% coverage of operational sites for human rights risk assessments. Due diligence is supported through structured risk assessments, stakeholder engagement, periodic audits and continuous monitoring, with findings integrated into governance processes.

Mitigation and Preventive Controls

Internal controls are in place to prevent and detect child labour, forced labour, human trafficking and modern-day slavery. Clear procedures support risk identification, reporting and corrective action, including remediation where required. If here issues are identified, corrective and remedial actions are implemented and monitored to closure.

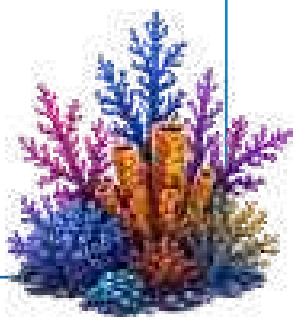
Preventive measures include prohibition of identity document retention, ethical recruitment without fees, and protection of young workers. Follow-up actions are managed through grievance and whistleblower mechanisms, ensuring accountability, transparency and continuous improvement.

No reported cases of any violations related to freedom of association

We respect workers' rights to freely associate and engage in collective dialogue in line with applicable laws. These rights are supported through clear policies, grievance and whistleblower mechanisms, and regular monitoring, enabling concerns to be raised without fear of retaliation. Grievances are managed through a structured process ensuring confidentiality, non-retaliation, timely resolution and follow-up of corrective actions.

Human rights standards are extended beyond our operations to across the value chain through supplier codes of conduct, screening and periodic evaluations.

Risk Assessments cover **100%** of operational sites



Training on Human Rights

DPL continued to strengthen awareness on human rights, ethical conduct, workplace dignity, and responsible labour practices through ongoing training for 100% employees, non-executive employee, service providers, security personal, janitorial, transport and other functions. During FY 2025/26, 3,888 training hours on this topic recorded

Discrimination and Harassment Cases and Actions

DPL maintains a zero-tolerance approach towards discrimination, harassment, and unfair workplace treatment, supported through formal reporting, investigation, and resolution mechanisms. Established governance and escalation processes help ensure fair, confidential, and non-retaliatory handling of workplace concerns.

Human Rights Risk Assessment

DPL continued to assess and monitor key human rights risks across operations, including freedom of association, child labour, forced labour, and modern-day slavery risks. Monitoring is supported through audits, compliance reviews, grievance mechanisms, and management oversight processes.

Audits and Certifications

Human rights practices are supported through internal and external audits, certifications and compliance with applicable international standards. Regular audits monitor the effectiveness of these safeguards. Strong performance in independent social compliance audits, including SMETA, BSCI and WRAP, together with positive customer assessments, supports the effectiveness of our preventive systems.

Audits cover **100%** of operational sites



GRI 404-1, 404-2 SDG 4.3, 4.4, 4.7

LEARNING, CAPABILITY BUILDING AND SKILLS DEVELOPMENT

Policies and Frameworks Applicable;

- Learning and Development Policy
- DPL Pulse ESG Roadmap 2030
- Training and Capability Development Framework
- Competency Framework (Oracle-based)
- Leadership Development Framework
- Higher Education Assistance Policy

Learning and Development Achievements

During the year, DPL enhanced the governance, quality and reach of its Learning and Development (L&D) framework, supporting its vision of becoming a learning-driven organisation.

- Strengthened governance through Oracle-linked performance and competency systems
- Improved training quality through customised programmes addressing leadership and technical skill gaps
- Expanded training coverage across employee categories

Training Needs

Training needs are identified through structured Training Needs Identification (TNI) processes aligned with performance reviews and business priorities. Programmes are designed to address current and future capability requirements across all employee categories. During the year, the Group invested Rs. 8 Mn in training and development initiatives to strengthen employee capabilities, support professional growth, and build a future-ready workforce aligned with organisational priorities.



Challenges faced and Mitigation Actions

Key challenges included skill shortages, regulatory changes and evolving workforce expectations. These were addressed through targeted training, digital capability building, leadership development and strengthened compliance training.



Challenge: Limited skilled labour and workforce migration.



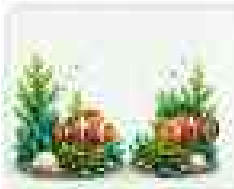
Action: Strengthened internal talent pipelines through technical training and external partnerships.



Challenge: Increasing expectations on workforce capability and compliance.



Action: Enhanced training programmes aligned with customer and industry requirements.



Challenge: Differences in skills and expectations across workforce groups.



Action: Implemented targeted leadership and capability-building programmes to bridge gaps.

Training Reach

Training coverage increased notably, with DPL achieving average 50 hours of training per employee, surpassing its 2030 target of 40 Hours well ahead of schedule.

Indicator	FY 2025/26	FY 2024/25
Total no. of training hours	124,122	85,865
Total no. of employees trained	8,714	7,466
Training completion rate	88%	83%
Executive and above workforce covered by training	96%	95%
Critical roles covered by training hours	18,637	17,088

Learning Delivery Modes

Mode	FY 2025/26	FY 2024/25
Online	3,335	1,627
In-person	23,350	26,867
Blended	8,336	5,712
On-the-job training	89,101	51,659

42% employees assessed for knowledge building and skills development opportunities via Talent Need Identification (TNI)s.

Average Hours of Training per Employee by Gender and Employee Category

Employee category	Male FY25/26 (hrs)	Female FY25/26 (hrs)	Avg FY25/26	Male FY24/25 (hrs)	Female FY24/25 (hrs)	Avg FY24/25
Assistant Manager and above	4,262	1,243	36.2	2,593	942	28.1
Executive	5,046	2,948	45.2	3,803	2,215	40.9
Non-Executive	58,623	52,000	50.9	58,093	18,219	36.7



DPL Pulse: ESG Roadmap 2030 – Target and Performance

DPL Pulse: Target	Baseline Performance	Performance in	Performance in	Expected Performance for	Target for	Status
	2020/21	2024/25	2025/26	2026/27	2030/31	
Average training hours per employee	9 Hrs	36 Hrs	50 Hrs	40 Hrs	40 Hrs	Achieved
Coverage of training for Junior Executive and above employees	75%	95%	96%	87%	95%	On Track
No of man hours of leadership and supervisory development programmes	2,339 Hrs	9,553 Hrs	10,703 Hrs	11,000 Hrs	10,000 Hrs	Achieved

L&D Effectiveness and Outcomes

L&D effectiveness is evaluated through performance and competency improvements, succession readiness, behavioural and cultural shifts, and employee engagement outcomes. The impact of training programmes is reflected in improvements in productivity, retention and capability development.

Impact of Learning and Development

Rs. 27 Mn
annualised productivity and efficiency improvement linked to training

89.4%
reduction in practical skill gaps through active application of Lean and problem-solving skills

75%
of employees demonstrated improved capability and performance

The return on investment of training programmes is evaluated through improvements in performance, productivity, retention and internal talent progression.



Skills Development and Capacity Building Programmes

- We invest in external technical training to strengthen specialised expertise, partnering with the Plastics and Rubber Institute of Sri Lanka to sponsor 22 employees annually for industry-relevant qualifications, and with the Sri Lanka Institute of Textile and Apparel for specialised training.
- Language Development Programmes were offered through external providers to enhance communication skills across employee levels.
- Financial support is provided for postgraduate studies, including Master's degrees, MBAs, and PhDs, supporting long-term career growth and organisational capability.

Structured learning pathways are defined across leadership, functional and technical roles to support career progression and succession planning.

Category	Programme	No. of Training Hours
Leadership Development	Staff Development Programme	5,576
Leadership Development	Executive Development Programme	5,932
Leadership Development	Management Development Programme	2,148
Compliance and ESG	Occupational Health and Safety (OHS) Training	7,377
Compliance and ESG	Common Training	3,568
Compliance and ESG	Internal Auditor Training	184
Compliance and ESG	ESG Training	38
Compliance and ESG	Product Compliance (PPE / EN / ASTM Standards)	738
Technical and Engineering	Quality SLIS Training	512
Technical and Engineering	Glove Manufacturing Process Training	10,860
Technical and Engineering	Machine Operation and Maintenance Training	409
Technical and Engineering	Laboratory Testing and Quality Assurance	2,183
Technical and Engineering	Chemical Handling and Material Safety	356
Functional and Operational Excellence	Lean / Kaizen / TPM / Six Sigma / Process Engineering and Optimisation	6,327
Functional and Operational Excellence	ERP / SAP Systems Training	280

Orientation to all employees is delivered by Hayleys Group HR which covers;

- Business Code of Conduct
- Hayleys Values
- Different Sector Updates
- Branding and Reputation Management
- ESG Principles and Practices

Our common training programme aimed at improving the understanding, expertise and capabilities of our non-executive staff, service providers, spanning across security personnel, janitorial, transport, and other functions, over varied topics from

- Human rights
- Anti-sexual harassment
- Safe chemical handling
- Grievance handling mechanism
- Environmentally friendly practices
- Ethical conduct

33 employees sponsored
for specialised technical training and professional certifications

03 employees supported
with **Rs. 1.4 Mn** in financial assistance for higher education

Upskilling Experienced Workforce (NVQ Certification Pathway)

Expanded NVQ pathway to formalise skills, address competency gaps, and align with national standards.

- **Outcome**: Improves workforce capability, standardisation, and operational efficiency.

Internal Supervisor Development Programme

Continued development of high-potential employees through a structured programme focused on supervisory and leadership capabilities.

- **Outcome**: Builds internal leadership pipeline and supports succession planning.

Strategic Collaboration with Ceylon German Technical Training Institute

Strengthened industry–academia collaboration to address technical skill demands through knowledge sharing and student engagement.

- **Outcome**: Enhances talent readiness and strengthens the future talent pipeline.

Soft Skills Training covers;

1. Active Listening and Effective Communication
2. Teamwork and Collaborative Mindset
3. Adaptability and Learning Agility
4. Time Management and Work Discipline
5. Accountability and Ownership
6. Initiative and Proactiveness
7. Emotional Intelligence and Respectful Behaviour
8. Safety Mindset and Risk Awareness
9. Quality Mindset and Attention to Detail
10. Conflict Resolution and Interpersonal

Learning and Development Achievements at DPL Thailand



- Strengthened supervisory and leadership capabilities through an external Supervisory Skills programme, with 30 employees enhancing competencies in communication, coordination, and people management.
- Senior executives participated in the Smart Leader Programme in Bangkok, further building strategic leadership capabilities.
- Enhanced marketing capabilities through specialised digital marketing training programmes.
- Implemented a 15-hour Kaizen initiative for supervisors and key staff, generating over 150 improvement ideas focused on manufacturing cost efficiencies, supported by recognition and reward mechanisms.

Future Readiness: Building critical skills and capabilities for the long term

Capability building focuses on digital skills, ESG and compliance training, leadership development and cross-functional learning.

- Leadership Skills and Emotional Intelligence
- Innovation and Product Development
- AI and Digital Transformation
- ESG and Responsible Business Practices
- Process and Operational Excellence
- Engineering and Technology
- Health, Safety and Well-being
- Quality and Compliance
- Diversity, Equity and Inclusion (DEI)
- Supply Chain and Crisis Response

Structured learning pathways are defined across leadership, functional and technical roles to support career progression.

C-Suite Future Readiness Programme

The Session conducted were;

- AI for Business
- Inspiring Leadership through emotional intelligence
- Coaching and Mentoring
- Intergenerational Leadership







PLANTATION SECTOR

Industry-Leading Investment in Learning and Global Exposure

At Kelani Valley Plantations PLC, continuous learning is embedded as a strategic priority to build a skilled, future-ready workforce across estate operations. Maintaining an industry-leading investment in training and development, the company strengthened both technical and leadership capabilities through structured programmes and global exposure opportunities.

Employees benefited from international exposure programmes in Japan, Malaysia, Singapore, and India, gaining insights into advanced plantation practices, operational excellence, and sustainability approaches—translating global knowledge into local impact.

Further strengthening its people development approach, the company:

- Rolled out Women in Leadership and youth integration initiatives, enhancing inclusivity and building internal talent pipelines
- Continued collaboration with UN agencies, delivering globally aligned capacity-building programmes

This integrated approach has strengthened technical capabilities, leadership readiness, diversity and inclusion, and adoption of global best practices, while enhancing employee motivation and retention.

Training Performance Snapshot

110,319 hrs
Training Hours

Rs. 15 Mn
Investment in Training

15.6 hrs
Training Hours per Employee









GRI 404-3 SDG 8.5, 16.6

PERFORMANCE MANAGEMENT

Driving a Fair, Consistent and Performance-Oriented Culture

A structured and transparent performance management system is operated through the Oracle HCM Cloud Platform, aligning individual performance with corporate and functional objectives. Objectives are cascaded using a SMARTER framework, ensuring alignment, accountability, and measurable outcomes across all levels.



Performance is assessed through a balanced approach combining achievement of goals ("what") and demonstration of competencies ("how"), ensuring results are delivered in line with Hayley's values and leadership expectations.

Policies, Frameworks and Procedures applicable;

- Performance Management Policy
- Code of Conduct (performance and behavioural expectations)
- Goal-setting framework aligned to business / functional strategy and goals
- Competency framework (leadership, behavioural, and functional competencies)
- Calibration framework to ensure rating consistency
- Annual performance appraisal process
- System-driven documentation and tracking (Oracle HCM)

Performance appraisal process



Set Guideline | Goal setting | Mid year assessment | Year end review | Normalisation and Calibration | Finalisation | Identify training needs

Stage	Description
Guidelines	Assessment guidelines are shared with Supervisors to ensure consistent and objective performance evaluation.
Goal Setting	Annual goals set in line with organisational objectives.
Mid-Year Assessment	Progress reviewed and feedback provided.
Year-End Review	Final performance evaluation and feedback.
Calibration and Moderation	GMC-led review to ensure fairness and consistency of ratings.
Finalisation	Performance ratings finalised and communicated.
Training Needs Identification	PMS data used to identify development needs.

Component	Description
Goals (What)	Achievement of SMARTER-aligned KPIs linked to corporate and functional priorities Explore on extending Oracle and DMS to foreign companies
Competencies (How)	Assessment of leadership, behavioural, functional, and personal effectiveness competencies

Core Competencies Assessed;

- Building High Performance Teams and Developing People
- Customer Orientation
- Decision Making and Problem Solving
- Effective Communication
- Innovation
- Sound Business Judgment
- Teamwork
- Using Initiative

Performance Management Effectiveness

DPL monitors the effectiveness of its performance management system through structured indicators, ensuring continuous improvement and alignment with organisational objectives. The system also supports differentiation of performance, enabling recognition of high performers and identification of improvement areas.

Indicator	FY 2025/26	FY 2024/25
Managers trained on performance management process	100%	100%
Employees received training on performance reviews	100%	100%
Employees assessed on both goals and competencies	100%	100%
Employees receiving structured feedback discussions	100%	100%
High performer retention	100%	100%

Key Actions, Governance and Transparency

- Formal grievance and appeal mechanisms for performance outcomes
- Transparent communication of performance ratings, promotions, and role changes
- Periodic review of performance outcomes to ensure fairness and consistency

DPL Pulse: ESG Roadmap 2030 - Target and Performance

DPL Pulse: Target	Baseline Performance	Performance in	Performance in	Expected Performance for	Target for	Status
	2020/21	2024/25	2025/26	2026/27	2030/31	
% of employees covered by Performance evaluation	100%	100%	100%	100%	100%	Achieved



Career Development and Succession Planning

SDG 4.4, 8.5

A structured approach to career development and succession planning adopted to build internal capabilities and ensure leadership continuity.

Career development is enabled through defined pathways, internal mobility, and Individual Development Plans (IDPs), supporting growth across technical, functional, and leadership roles, with exposure through vertical, horizontal, geographical, and project-based movements.

Succession planning is embedded within the talent management framework, with structured talent reviews identifying high potential (HiPo) employees and successor readiness for critical roles.

Processes are enabled and tracked through Oracle HCM, while Managers and Supervisors support development through structured career discussions. Critical roles, particularly specialised technical and supervisory positions, are monitored for succession risk and addressed through talent development, mentoring, early successor identification, and targeted recruitment, supporting business continuity and workforce readiness.

KPI	FY 2025/26	FY 2024/25
Total promotions (Nos.)	42	51
Employees with internal movements (Nos.)	6	10
Internal roles filled through mobility (Nos.)	66	62
No of Employees with Training Needs Identification (TNI)	57	42
HiPo identification rate (%)	3.6	9
Critical roles with identified successors (Nos.)	22	11
"Ready now" successors (Nos.)	1	-
Leadership roles filled internally (Nos.)	1	-
HiPo retention (%)	100	100

POLICIES, FRAMEWORKS AND PROCEDURES

- Talent management and succession planning policy
- Learning and Development Policy
- Internal Mobility Framework
- Succession Planning Framework
- HiPo Identification Framework
- Annual Talent Review and Succession Planning Cycle
- Identification and Tracking of Successors for Critical Roles
- Internal Job Posting and Mobility
- IDP Implementation and Monitoring

Geographic mobility

07 Employees transferring between organisation facilities across the same country or different countries.

Horizontal mobility

07 Employee transfers to different functions/ departments within the organisation

Transversal mobility

143 Employees engaging in Project based stints due to their varied skills and capacities.

Vertical Mobility

42 Promotions/ transfers to next level of the organisation

Hayleys Group Opportunities

01 Employee moved across Hayleys Group Sectors (To and From DPL)

Measures Taken in FY 2025/26

- Strengthened talent management and succession planning through Oracle HCM integration across organisational levels
- Identified successors for critical roles and expanded coverage across employee categories
- Strengthened internal leadership pipeline through targeted development for management roles
- Implemented Individual Development Plans (IDPs) to address skill gaps and support future readiness
- Enabled employee ownership of career progression through structured development planning
- Strengthened manager and supervisor capability to support employee development through career discussions
- Monitored progress against short- and long-term career goals to support continuous improvement

DPL Pulse: ESG Roadmap 2030 - Target and Performance

DPL Pulse: Target	Baseline Performance	Performance in	Performance in	Expected Performance for	Target for	Status
	2020/21	2024/25	2025/26	2026/27	2030/31	
Implementation of talent management and succession planning system for all positions at the senior manager level and above	30%	38%	40%	41%	100%	On Track

REMUNERATION, BENEFITS AND SUPPORTIVE WORKING CONDITIONS

GRI 202-1, 401-2 | SDG 8.5, 10.2

Remuneration and Fair Pay

DPL maintains a structured remuneration framework to ensure fairness, competitiveness, and transparency across all employee categories. The Remuneration Policy governs salary determination, progression, and performance-based incentives, while ensuring compliance with national wage regulations across all operating locations.

Remuneration comprises fixed and variable components, benchmarked against market rates and aligned with minimum wage requirements. Non-executive employees receive statutory wages, overtime payments, and applicable collective benefits, while executive remuneration includes performance-based incentives, increasingly linked to ESG performance to support long-term sustainability.

Transparency is ensured through clear communication of salary structures, detailed monthly pay slips, and formal annual salary review processes. Wage levels are regularly assessed against minimum wage requirements and evolving living wage considerations. DPL also monitors remuneration fairness across employee categories and locations to promote equitable pay practices and strengthen employee trust.

Employee Benefits

DPL provides a structured benefits framework designed to support employees' financial security and overall wellbeing, extending beyond statutory requirements and strengthening the employee value proposition.

Core Benefits: All employees received benefits in line with employment category, operational context, and applicable local regulatory requirements across its significant operating locations. In the Hand Protection sector, employees receive statutory entitlements alongside a broader benefits package that includes, but is not limited to, medical support, allowances, employee loans, insurance coverage, wellbeing support, and other employment benefits. In the Plantations sector, employee remuneration and statutory benefits are provided in accordance with applicable labour regulations, including the Wages Board Ordinance. No material exclusions in employee benefits exist beyond those inherently associated with employment classification, local legal requirements, or the nature of temporary or part-time employment arrangements.

Financial and Performance-Related Benefits: Employees are eligible for performance-based bonuses and other monetary benefits aligned with individual and organisational performance. In FY 25/26, implementation of linking ESG goals to performance evaluation of employees. This aligns performance based remuneration with our DPL Pulse: ESG Roadmap 2030, ensuring that incentives drive long term environmental, social, and governance outcomes and achievement of targets.

POLICIES, FRAMEWORKS AND PROCEDURES

- Policy on Rewards and Remuneration
- Employee Benefits Policy (umbrella for medical, insurance, retirement)
- Parental Leave Policy
- Leave, Attendance and Overtime Policy
- Flexible Work Arrangement Policy
- Higher Education Assistance Policy
- Performance-Linked Incentive Framework
- Employee Wellbeing Framework
- Salary review and increment process
- Salary benchmarking and adjustment process
- Payslip issuance and remuneration communication
- Benefits enrolment and administration
- Insurance and retirement fund administration
- Overtime calculation and compensation process
- Flexible work request and approval process
- Parental leave administration process



Employee Perception on Remuneration, Benefits and Work Conditions

Employee feedback on working conditions is regularly assessed through structured evaluations to support continuous improvement in workplace practices.

Total Payments to Employees (Hand Protection Section)	Rs 6.5 Bn
Ratios of Entry-Level Wage to Minimum Wage by Gender	
Male	1:1.07
Female	1:1.07

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.

100%
of employees covered with ESG-linked Goal/s in the Annual Performance Evaluations

Family Friendly Programmes are designed to support employees across key life stages through provisions such as paternity, and newborn-related support.

Indicator	FY 2025/26				FY 2024/25			
	Entitled	Took	Returned	Retained After 12mon	Entitled	Took	Returned	Retained After 12mon
Male	1,773	43	43	38	1,717	25	25	25
Female	906	19	9	9	853	12	10	10



60

Employees Received New-Born Care Package

Supportive Working Conditions

DPL maintains supportive working conditions that enable employees to balance professional and personal responsibilities while ensuring fair, consistent and compliant employment practices across its operations.

Flexible work arrangements are provided where operationally feasible, helping employees manage personal commitments alongside work responsibilities. These arrangements supported employees facing medical, academic and caregiving needs, with 13 employees benefiting from flexible work options during the year.

DPL also promotes fair working conditions through compliance with contractual and regulatory requirements on working hours, overtime compensation and workplace standards. Additional support, including accommodation and related facilities, is provided for non-local employees working in overseas locations.

Employee feedback on working conditions and workplace support is encouraged through structured engagement mechanisms and two-way communication platforms, enabling employees to raise concerns and contribute to continuous workplace improvements.



PLANTATIONS SECTOR

Family-Friendly Workplace and Supportive Working Conditions

At Talawakelle Tea Estates PLC, creating a family-friendly and supportive workplace remains a key priority, recognising that employee wellbeing is closely connected to the wellbeing of their families and estate communities.

The company provides comprehensive lifelong healthcare and welfare support for employees, extending beyond the workplace to encompass the broader estate community. This includes maternity benefits, childcare support, immunisations, nutrition assistance, reproductive health services, and other family wellbeing initiatives, helping employees navigate different stages of life with greater care and security.

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• **Rs. 53 Mn** Investment in employee and family wellbeing programmes (health, nutrition, maternal / child care and family support initiatives)	• **192** Maternal, child health and wellbeing programmes conducted in partnership with the Ministry of Health and Government Midwives	• **212,644** Employee and family participations in healthcare, nutrition and wellbeing initiatives	• **98%** Employee satisfaction with health and wellbeing support programmes	• Enhanced workforce wellbeing, improved access to preventive healthcare and strengthened quality of life for employees and their families

This framework demonstrates how our investments and actions translate into measurable results, deliver meaningful outcomes, and create long-term value for our stakeholders and environment.

Reinforcing this commitment, the company embraced the Mother and Child-Friendly Seal for Responsible Business, reflecting its dedication to promoting healthier families, supportive working conditions, and inclusive workplace practices.

These initiatives contribute towards:

- Strengthening employee wellbeing and quality of life
- Supporting working mothers and family care responsibilities
- Enhancing access to healthcare and nutrition support within estate communities
- Fostering a more caring, inclusive, and people-centric workplace culture

Through these efforts, Talawakelle Plantations continues to build a workplace environment that prioritises dignity, wellbeing, and long-term social resilience for employees and their families.



GRI 403-1-10 SDG 3.4, 8.8 SASB FB-AG-320a.1

OCCUPATIONAL HEALTH AND SAFETY (OHS)

"We are committed to achieving Zero Accidents, Zero Harm to People and Zero Property Damages by ensuring a safe, healthy, and supportive work environment for all employees and non-employees across our operations."

Policy, Coverage and Scope

Group has a comprehensive Health and Safety Policy

100% Employees and 100% Non-Employees (including contractors, agency workers, and outsourced personnel) are covered under OHS measures across all operational locations and all are required to comply with DPL's OHS standards and are covered under the same safety systems, training, and controls

OHS standards apply consistently across all company-controlled premises and activities

OHS Management System

ISO 45001-certified Occupational Health and Safety Management System implemented across all manufacturing facilities

OHS performance and incidents are monitored through a digital management system

OHS performance is embedded intoleadership KPIs across all levels

Compliance and Governance

Compliance with national labour laws and international OHS standards (including ILO guidelines)

A structured legal and compliance framework ensures adherence to all regulatory requirements

Continuous improvement is driven through audits, incident learnings, and performance monitoring

Risk Management and Assurance

Regular Hazard Identification, Risk Assessment and Control (HIRAC) processes conducted and maintained

Risk assessments integrated into a central risk register

Internal and external safety audits conducted, with findings tracked and addressed systematically



Worker Participation and Training

Regular OHS training and awareness programmes conducted across all locations

Specialised training provided for high-risk operations and roles

Deployment of trained: Safety officers and First responders

Active worker participation through Safety committees and forums

Formal safety committees and engagement platforms enable structured worker consultation and feedback.

Employees are encouraged and empowered to identify hazards, report concerns, and contribute to safety improvements including with a goal in annual performance evaluations

Incident Management and Occupational Health

Structured processes for incident reporting, investigation, and root cause analysis, corrective and preventive actions and transparent communication of outcomes

Continuous monitoring of work-related injuries and ill-health

Implementation of occupational health surveillance programmes

Hazard Prevention and Control

Proactive control measures are implemented to eliminate or minimise exposure to high-risk hazards; machinery and equipment risks, chemical and substance hazards and workplace environmental risks

Priority is given to elimination of hazards at the source and substitution with safer alternatives wherever practicable, followed by the implementation of engineering, administrative, and personal protective equipment (PPE) controls.

Employee Well-Being

Comprehensive occupational health services include medical surveillance, exposure monitoring, and preventive health programmes.

Access to non-occupational medical and health services

Support for mental and psychological well-being, including counselling access

Promotion of physical well-being and recreational activities

Initiatives designed to enhance employee health, engagement, and resilience

Indicator	FY 2025/26
ISO 45001 certified operations	100%
Workforce covered by OHS system	100%
No. of internal OHS audits	17
No. of external audits	23

Work-related Injuries and Ill-Health Performance

Metric (Standard)	FY 2025/26	FY 2024/25
No. of fatalities as a result of work-related injury	0	0
Rate of fatalities as a result of work-related injury	0	0
No. of high-consequence work-related injuries (excluding fatalities)	9	5
Rate of high-consequence work-related injuries (excluding fatalities)	1.24	0.74
No. of recordable work-related injuries	25	15
Rate of recordable work-related injuries	3.44	2.23
No. of fatalities as a result of work-related ill health	0	0
No. of cases of recordable work-related ill health	0	0
First Aid Cases	12	20

ACTIONS / MEASURES TAKEN

- Centralised Group Safety Governance Structure
- Factory-level accountability with site leadership ownership
- Digital OHS management system for monitoring incidents, risks, and actions
- Maintenance of legal and compliance registers
- Periodic internal and third-party audits
- Integration of OHS into Enterprise Risk Management (ERM)



Main types of injuries include (not limited to):

- Cuts, burns, slips, falls
- Chemical spills and exposure

Main types of ill-health include (not limited to):

- Respiratory conditions
- Skin conditions
- Heat exhaustion
- Asthma and related conditions

Assumptions and Methodology:

- Calculations based on OSHA methodology

Basis for Rate Calculation:

- Per 1,000,000 hours worked

Scope:

- Zero workers/employees were excluded from reporting

DPL Pulse: ESG Roadmap 2030 – Targets and Performance

DPL Target	Baseline Performance 2020/21	Performance in 2024/25	Performance in 2025/26	Expected Performance for 2026/27	Target for 2030/31	Status
TIFR – Total Injury Frequency Rate	8.4	5.2	5.23	4.13	0	On Track
DSCI – Safety Compliance Index	70%	66.5%	76%	80%	95%	On Track
Alignment with Safe Chemical Management Practices	80%	100%	100%	100%	100%	Achieved
Employees with Access to Mental Wellbeing Services	On Request Basis	85%	100%	100%	100%	Achieved

Risk Identification and Assessment Framework

Hazard Identification, Risk Assessment and Control (HIRAC)



Risk Management Implementation Across Operations

- Annual department-level risk assessments conducted across all locations
- Risk assessments cover:
  - » routine operations
  - » non-routine activities
  - » emergency scenarios
- All risks captured in a centralised digital risk register
- Regular review and updating of risk controls based on:
  - » operational changes
  - » incident learnings
  - » audit findings
- High-risk issues escalated to management and leadership
- Controls implemented based on the Hierarchy of Controls:
  - » elimination
  - » substitution
  - » engineering controls
  - » administrative controls
  - » personal protective equipment (PPE)
- Permit-to-work systems implemented for high-risk activities including confined space entry, hot work, electrical isolation (LOTO), and working at heights

Management of Change (MoC)

- **Formal process applied before introduction or change of**
  - » Machinery
  - » Process
  - » Chemicals
- **Ensures:**
  - » risks are identified and assessed prior to implementation
  - » appropriate controls are defined and implemented
- Post-implementation reviews conducted to validate effectiveness of controls

Employee Participation in Hazard Identification

- Employees actively involved in identifying hazards in their work areas
- Encouraged to report unsafe conditions and near misses
- Inputs integrated into risk assessments and control measures
- Supports a proactive and preventive safety approach

100% HIRAC reviews updated on time and hazard reporting rates are monitored to ensure proactive risk identification

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• **Rs. 30 Mn** invested in safety systems • **100%** ISO 45001-certified operational coverage • **100%** workforce covered under OHS management systems	• **72** HIRAC assessments conducted • **4** Management of Change (MoC) reviews completed	• **100%** of operational sites risk assessed • **62%** of high-risk hazards identified for mitigation	• **31%** of high-risk issues closed within the defined timeframe, strengthening risk control effectiveness	• **100%** reduction in high-risk incidents, enhancing workplace safety resilience

This framework demonstrates how our investments and actions translate into measurable results, deliver meaningful outcomes, and create long-term value for our stakeholders and environment.

Incident Management and Reporting

INCIDENT REPORTING, INVESTIGATION AND RESPONSE

DPL operates a structured incident management framework to ensure timely reporting, investigation, and resolution of workplace incidents, supported by transparency and continuous learning.

A digital system enables real-time reporting and tracking of:

- hazards
- near misses
- work-related incidents

Employees can report incidents through both direct and anonymous channels.

A standardised workflow covers:

- reporting and recording
- assessment and investigation
- root cause analysis
- corrective and preventive actions
- closure and communication

All incidents are investigated, with actions tracked to closure and learnings shared to prevent recurrence.

WORKER PARTICIPATION AND ENGAGEMENT IN SAFETY

Employees are actively involved in safety management through structured engagement platforms.

- Reporting of hazards and unsafe conditions is encouraged
- Worker inputs inform investigations and corrective actions
- Safety committees enable consultation and feedback
- Regular meetings review incidents and track actions

This strengthens accountability and ownership of safety.

During the 2025/26 reporting period, 23 near-miss incidents were reported. Corrective and preventive actions were implemented for all reported cases.

MONITORING, LEARNING AND CONTINUOUS IMPROVEMENT

- Incident data is analysed to identify trends and risks
- Corrective actions are monitored for effectiveness
- Learnings are integrated into training and procedures
- Performance is reviewed to drive continuous improvement
- Incident trends and reporting behaviours are analysed to strengthen a proactive reporting culture and early risk identification

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• **Rs. 11 Mn** invested in safety systems and programmes • HIRAC implemented across operations • Formal Management of Change (MoC) processes established • Permit-to-work systems maintained for high-risk tasks	• **2,313** Safety Observation Tours (SOTs) conducted • **2,610** workplace hazards reported • **60** incidents (including near misses) reported • **58** safety committee meetings conducted	• **100%** of incidents investigated • **100%** of corrective actions closed within agreed timelines	• **59%** improvement in proactive reporting culture through increased near-miss, hazard, and SOT reporting • Strengthened workforce participation in incident prevention	• **Zero** fatalities maintained

This framework demonstrates how our investments and actions translate into measurable results, deliver meaningful outcomes, and create long-term value for our stakeholders and environment.

Occupational Health, Exposure and Operational Safety

OCCUPATIONAL HEALTH AND EXPOSURE MANAGEMENT

DPL adopts a structured approach to identify, monitor, and manage workplace exposure risks, ensuring employee health and long-term wellbeing.

Annual and periodic medical surveillance programmes are conducted, particularly for employees in high-risk roles, supporting early detection and prevention of occupational illnesses.

Exposure monitoring is carried out for key hazards, including:

- chemicals
- dust
- noise
- heat stress

Specialised health assessments, such as lung function tests and clinical evaluations, are conducted where required.

Independent third-party assessments validate exposure levels and compliance, with findings used to implement targeted engineering and administrative controls.

Employee health data is managed confidentially and analysed to continuously improve workplace conditions.

MACHINERY AND PROCESS SAFETY

- Machine interlocks and safety guards
- Preventive maintenance programmes
- Ongoing monitoring of operational safety
- Regular equipment safety inspections and third-party audits conducted to ensure safe operation and compliance

SUPPLY CHAIN SAFETY INTEGRATION

- Safety requirements embedded into procurement processes
- Supplier compliance with chemical and safety standards
- Promotion of responsible sourcing practices

MONITORING AND CONTINUOUS IMPROVEMENT

- Exposure and health data are regularly reviewed to identify risks
- Corrective actions are tracked for effectiveness
- Learnings are integrated into procedures, training, and controls
- Performance is reviewed by management to drive continuous improvement

CHEMICAL SAFETY MANAGEMENT

- SDS documentation and accessibility
- GHS-compliant labelling
- Secure storage and segregation
- Controlled handling and monitoring processes

FIRE AND EMERGENCY RISK MANAGEMENT

- Fire detection and suppression systems
- Permit-to-work controls for high-risk activities
- Regular emergency preparedness drills

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• **Rs. 11 Mn** invested in occupational health and safety programmes • Structured incident reporting and corrective action mechanisms maintained • Real-time hazard and near-miss reporting channels established	• **04** medical check-ups conducted • Exposure monitoring assessments completed across **100%** of factories • **75** emergency drills conducted	• **100%** of employees in high-risk roles covered under health surveillance • **100%** compliance with chemical safety standards	• **Zero** work-related ill-health cases reported during the year • Effective occupational health risk prevention maintained	• **Zero** fatalities due to work-related ill health • **5%** reduction in exposure-related risks

This framework demonstrates how our investments and actions translate into measurable results, deliver meaningful outcomes, and create long-term value for our stakeholders and environment.

SAFETY CULTURE, AWARENESS AND BEHAVIOURAL PROGRAMMES

Safety culture at DPL is reinforced through continuous engagement, leadership involvement, and behaviour-based initiatives that promote accountability and proactive risk management across all operations.

Actions / Measures in FY 2025/26

- Regular Safety Observation Tours (SOTs) to identify and address unsafe conditions
- Leadership-led safety walks and engagement to reinforce safety ownership
- Promotion of a strong near-miss reporting culture to enable early risk identification
- Implementation of behaviour-based safety programmes to encourage safe practices
- Recognition and reward initiatives to reinforce positive safety behaviour and performance

Safety Week – Driving a Strong Safety Culture

During the year, DPL conducted its annual Safety Week across all manufacturing locations to reinforce safety awareness and strengthen safe working practices. The programme included targeted training sessions such as Personal Protective Equipment (PPE), Lockout-Tagout (LOTO), firefighting, and first aid, ensuring employees are equipped to manage workplace risks effectively.

The initiative also promoted strong employee engagement through interactive activities and team-based competitions, fostering a proactive and accountable safety culture across operations.

Safety Week Highlights

- PPE, LOTO, Firefighting and First Aid training conducted across all sites
- Active participation from employees across operational locations
- Engagement-driven competitions to reinforce safety awareness

Key Outcomes

- DPL Sports Glove Team – Winners, Safety Quiz Competition
- HRPL Team – Winners, Emergency Response Competition





1,161 employees trained during Safety Week

47% workforce participation in safety programmes

2,264 Training Hours on OHS

LEADERSHIP and CULTURE

Strong leadership involvement, including participation from senior management and site leadership teams, reinforced the importance of safety across all levels of the organisation. The continued support and engagement of management and employees contributed significantly to strengthening DPL's safety culture and commitment to a safe and healthy workplace.

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• Leadership-led safety engagement programmes maintained • **Rs. 2 Mn** invested in safety culture programmes • Employee participation mechanisms for proactive safety reporting sustained	• **2,313** Safety Observation Tours (SOTs) conducted • **23** near-misses reported • **1,161** employees trained during Safety Week • **2,264** OHS training hours delivered	• **47%** workforce participation in safety programmes • **93%** of reported hazards addressed through corrective actions	• **59%** improvement in hazard, SOT, and near-miss reporting culture • Employee safety perception score of almost **82%**, reflecting strengthened workforce awareness and engagement	• Demonstrating improved safety culture effectiveness

This framework demonstrates how our investments and actions translate into measurable results, deliver meaningful outcomes, and create long-term value for our stakeholders and environment.

ADVANCED EXPOSURE AND OCCUPATIONAL HEALTH PERFORMANCE

ACTIONS / MEASURES IN FY 2025/26

- Continuous exposure monitoring aligned with international standards (noise, dust, VOCs, heat stress)
- Independent third-party validation of exposure levels
- Medical surveillance linked to exposure risk categories
- Engineering improvements implemented for all identified exceedances
- Early detection programmes for occupational illnesses
- Digital tracking of exposure data and health trends

Specialised Medical Check ups arranged for employees in High exposure job roles such as those exposed to chemical, dust, dangerous machines or other potential hazard

Noise exposure is managed through regular monitoring, implementation of noise control measures, and provision of appropriate hearing protection

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• Occupational health surveillance programmes implemented • Exposure monitoring for high-risk areas and medical surveillance for applicable employees • Exposure assessments aligned with international standards	• **100%** operating locations monitored for exposure risks • **100%** employees in identified high-risk job roles covered under occupational health surveillance programmes	• **Zero** incidents of exposure levels exceeding permissible limits identified during monitoring assessments	• **Zero** Recordable work-related ill-health cases • **40%** Reduction in first aid cases	• **Zero** Occupational disease incidence rate • **Zero** Fatalities due to occupational ill-health

This framework demonstrates how our investments and actions translate into measurable results, deliver meaningful outcomes, and create long-term value for our stakeholders and environment.





ERGONOMICS AND FATIGUE RISK MANAGEMENT

ACTIONS / MEASURES IN FY 2025/26

- Ergonomic risks related to repetitive and manual handling tasks were addressed through the HIRAC process, with controls implemented across relevant areas
- Monitoring of working hours, overtime, and fatigue indicators, to manage fatigue related-risks
- Ergonomically adjustable chairs were provided at TSP workstations
- Fatigue management through structured shift planning and rest periods
- Awareness programmes on safe working practices and posture

Engineering controls such as ventilation systems, process enclosures, and job rotation are implemented to minimise exposure to hazardous substances





DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• Fatigue management controls maintained for applicable operations • Ergonomic risk management and workplace improvement mechanisms maintained • **Rs. 1.2 Mn** invested in occupational exposure control	• **72** exposure monitoring assessments conducted • **100%** of high-risk employees enrolled in health surveillance • Awareness programmes conducted on posture, manual handling, and safe work practices	• **80%** of exposure levels maintained within permissible limits • **55%** of identified exposure exceedances corrected within the defined timeframe	• **Zero** work-related ill-health cases reported • **9%** reduction in exposure exceedances, reflecting strengthened occupational health controls	• **Zero** occupational disease incidence rate maintained • **Zero** fatalities due to occupational ill healthill-health

This framework demonstrates how our investments and actions translate into measurable results, deliver meaningful outcomes, and create long-term value for our stakeholders and environment.

Employee Well-Being and Safe-Balanced Work Culture

SDG 3.4, 3.8

NON-OCCUPATIONAL MEDICAL AND HEALTH SERVICES

DPL provides comprehensive non-occupational health services to support early detection and management of health conditions.

- Regular health screening and medical check-ups at medical institutions and locations
- Access to on-site first aid and medical facilities
- Preventive health programmes including:
  - » breast cancer awareness
  - » drug and alcohol prevention
  - » HIV awareness
  - » Filaria Check-up
- Regular health check-ups in partnerships with public health authorities at operating locations
- Comprehensive medical care provided for employees and their dependents directly through health insurance and OPD reimbursements. 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.

KEY INVESTMENTS AND OUTCOMES

- Reporting of hazards and unsafe conditions is encouraged
- Safety committees enable consultation and feedback
- Worker inputs inform investigations and corrective actions
- Regular meetings review incidents and track actions

These initiatives have strengthened employee engagement, improved health outcomes, and contributed to a safer and more productive workplace.

Recreational initiatives offered by Hayleys Group;

- Sports / Swimming
- Zumba
- Yoga
- Gym
- Other fitness programmes

PERFORMANCE AND IMPACT OF WELL-BEING INITIATIVES

Wellbeing initiatives are continuously evaluated to assess their effectiveness and contribution to organisational performance.

In FY 2025/26:

- Increased participation in health and wellness programmes
- Improved employee engagement and workplace satisfaction
- Reduction in absenteeism linked to wellbeing initiatives
- Contribution to improved safety outcomes through fatigue management

EMOTIONAL WELL-BEING AND PSYCHOSOCIAL SUPPORT

Mental health is prioritised through structured support systems and awareness initiatives.

- DPL Careline – a confidential toll-free counselling service accessible to all Sri Lankan employees
- Professional counselling support for personal and work-related challenges
- These initiatives contribute to reducing psychosocial risks and promoting a supportive workplace culture.
- Awareness programmes such as "Talking Helps: Listening Heals" to build resilience and stress management capabilities
- Strict confidentiality protocols to ensure trust and accessibility

- 100% coverage of access to mental health and psychosocial support services
- 665 hours of awareness sessions conducted on mental health and wellbeing
- 3 Hrs of counselling service provided to DPL Employees through DPL Careline





Employee Voice, Social Dialogue and Industrial Relations

GRI 2-30 , 2-26, 402-1, 407-1 | SDG 16.7, 8.8

Social Dialogue and Worker Voice

Maintaining effective social dialogue and constructive employee relations is a cornerstone of our people strategy. Pur initiatives such as open communication, structured engagement, and collaborative mechanisms foster a stable industrial environment that supports employee wellbeing and operational continuity. We worked with 06 trade unions during the year.

Actions / Measures in FY 2025/26

- Maintained structured social dialogue mechanisms across all operations
- Engaged recognised trade unions and strengthened Employee Councils in non-unionised locations
- Ensured formally elected/appointed employee representatives participate in engagement processes
- Conducted regular employee–management meetings, awareness sessions, and dialogue forums
- Collaborated with the Labour Department to promote labour rights awareness
- Operated joint consultative committees to support structured engagement and decision-making
- Enabled transparent discussion of employee concerns and workplace improvements
- Documented outcomes through formal records and tracked follow-up actions
- Engagement outcomes were documented through formal records and tracked for follow-up actions

Building Trust, Alignment and Responsible Labour Practices

DPL's employee relations approach is grounded in transparency, shared value creation, and respect for internationally recognised labour rights.

- Performance-linked profit-sharing aligns employee and organisational performance
- Employee and union engagement support operational improvements and efficiencies
- Continuous dialogue fosters trust, collaboration, and accountability

NO Incidents reported on violation of right to freedom of association

100% employees with access to worker voice mechanisms

Collective Bargaining

Collective bargaining is central to DPL's engagement approach, supporting a collaborative "win–win" relationship.

- Agreements are negotiated on a structured three-year cycle and remain formal, signed, and actively implemented
- Scope extends beyond remuneration to cover occupational health and safety, working conditions, training and career development, and prevention of discrimination and harassment
- Employees are consulted on operational changes through structured dialogue, ensuring transparency and alignment

05 collective bargaining discussions held an average of 60 employees engaged in the discussions

Collective Bargaining Coverage

In FY 2025/26, 56% of employees were covered by collective agreements. DPL does not operate in locations where freedom of association is restricted. During the year, 02 collective bargaining agreements were concluded, with further negotiations planned for FY 2026/27. Agreements continue to expand in scope, with employees consulted through structured communication channels.

GRI 402-1

Industrial Relations Outcomes

In FY 2025/26, DPL maintained a stable industrial relations environment with:.

- No industrial actions reported
- Effective resolution of employee concerns through dialogue
- Ongoing engagement with employee representatives on workplace improvements

Employees are consulted on operational changes through structured dialogue channels, ensuring transparency and alignment.

Zero
formal disputes escalated

Zero
days lost due to industrial action

All informal matters resolved through dialogue

02
collective agreements was successfully concluded

ZERO
Industrial actions reported during the year

Minimum Notice Periods for Operational Changes

Minimum notice periods are defined through collective agreements, employment contracts, and statutory requirements.

DPL ensures timely communication of operational changes, with appropriate consultation and alignment to regulatory and organisational practices across all locations.

Minimum notice periods are defined through collective agreements, employment contracts, and statutory requirements. DPL ensures timely communication of operational changes, with appropriate consultation and alignment to regulatory and organisational practices across all locations. A minimum notice period of 03 months is uniformly applicable to all employees across Sri Lanka and overseas operations for both FY 2025/26 and FY 2024/25, regardless of employee category.

Grievance Escalation and handling Mechanism

Employee concerns are addressed through a structured, multi-layered dialogue framework.

- Issues are raised via supervisors or employee representatives and escalated through HR, unions (where applicable), and senior management
- Mechanisms are accessible to all employees, ensuring confidentiality and protection against retaliation
- Structured consultation supports resolution through engagement before formal escalation

Remediation ensures appropriate response, transparent communication, and monitoring of outcomes, promoting trust and accountability.



PLANTATIONS SECTOR

Industry-First Grievance Hotline – Giving Every Worker Voice a Way Through

At Horana Plantations PLC, ensuring that every stakeholder has a voice became a priority. As an industry-first initiative, the company introduced a dedicated grievance hotline system to address the challenges estate communities face in raising concerns—particularly on sensitive matters.



This platform enables employees, workers, and external stakeholders to report concerns directly, confidentially, and without fear, moving beyond traditional reporting channels to provide a safe, accessible, and transparent mechanism.

The initiative has strengthened trust and openness, enhanced accountability through structured tracking and resolution, and improved management responsiveness to ground-level issues.

More than a reporting tool, the hotline reflects a cultural shift—embedding ethical conduct, inclusivity, and respect for human rights at the core of operations.

By giving every voice a way through, Horana Plantations is building a more transparent and people-centric organisation.

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• **100%** of estates provided with grievance hotline access / coverage	• More than **31** awareness sessions conducted on the grievance hotline • **80%** of workforce trained on grievance reporting mechanisms	• **100%** of grievances investigated	• **100%** worker satisfaction with grievance handling process • Increased grievance reporting rate, indicating improved trust and speak-up culture	• Reduction in recurring grievances / systemic issues • Improvement in employee trust or engagement scores • Reduction in labour disputes / escalations

This framework demonstrates how our investments and actions translate into measurable results, deliver meaningful outcomes, and create long-term value for our stakeholders and environment.

GRI 2-26 SDG 5.1, 5.5, 10.2, 10.3

Diversity, Equity and Inclusion (DEI)

DPL's Diversity, Equity and Inclusion (DEI) approach is embedded within its people strategy, fostering a respectful, equitable, and inclusive workplace where diverse perspectives are valued and contribute to innovation, decision-making, and long-term organisational performance.

The Company is committed to ensuring fair treatment, equal opportunity, and a safe working environment for all employees, while promoting a culture of belonging across all operations.

Policies and Procedures Applicable;

- Diversity, Equity and Inclusion (DEI) Policy
- Human Rights Policy
- Equal Opportunity and Non-Discrimination Policy
- Anti-Sexual Harassment Policy
- Grievance Handling Policy
- Disciplinary Policy

DPL's DEI strategy is structured across four key focus areas:

Inclusive Culture and Fair Treatment	Gender Equity and Representation	Disability Inclusion	Prevention of Unconscious Bias and Discrimination
Promoting respect, equal opportunity, and inclusive behaviours across all levels of the organisation.	Advancing female participation and leadership representation, supported by fair remuneration, development opportunities and safe / supportive work environment.	Creating accessible and supportive workplaces, enabling persons with disabilities to participate meaningfully in the workforce	Ensuring a safe and respectful workplace through zero tolerance, structured reporting mechanisms, and effective remediation processes.

First-ever Sri Lankan DEI Champions Awards



Our commitment and efforts on advancing Diversity, Equity & Inclusion in the workplace and beyond was recognized with an award and certification.

This recognition reflects our actions to achieve the DPL Pulse: ESG Roadmap 2030 target of covering all employees with DEI training by 2030, where we aim to build an inclusive and equitable organisational culture through initiatives such as training, disability-friendly work environments, mentoring programmes for women, and ensuring equal opportunities for all.

GRI 405-1

DEI TRAINING

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.

Following the Hayleys Group's train-the-trainer programme and support from external experts, designated DPL trainers now conduct DEI awareness sessions across the workforce. DEI principles relating to equality, non-discrimination, respect for diversity, and harassment prevention are also integrated into employee orientation programmes for all new hires.

Approximately 55% of employees have completed the dedicated DEI training module to date, with continued rollout planned across operations. To enhance accessibility across six locations, DPL is also exploring scalable learning approaches, including e-learning modules and refresher awareness materials.

Key Focus Areas of the DEI Training:

- Identity
- Religious Diversity
- Gender Diversity
- Disability
- Unconscious Bias
- Discrimination
- Sexual Harassment

DPL Pulse: ESG Roadmap 2030 – Targets and Performance

DPL PULSE ESG Roadmap	Baseline Performance 2020/21	Performance in 2024/25	Performance for 2025/26	Expected Performance for 2026/27	Expected Performance for 2030/31	Status
DEI training covering all employees	0%	28%	55%	60%	100%	On Track

Forward Plan for DEI Trainings

Employee Category	FY 2024/25	FY 2025/26	FY 2026/27 Target	FY 2027/28 Target
DEI training coverage Executive Level and above	60%	84%	90%	95%
DEI training coverage Non-Executive Level	20%	50%	60%	75%

Broader Inclusion

Category	Indicator	Board Level (%)	Executive Level and Above (%)
Age Diversity	Under 30 years	7%	22%
Age Diversity	Between 30–50 years	14%	54%
Age Diversity	Above 50 years	78%	24%
Gender Diversity	Male (%)	87%	70%
Gender Diversity	Female (%)	13%	30%
Religious Diversity	Persons identified as belonging to religious minority communities	16%	Data Not Recorded
Disability	Persons with disabilities	0%	0.25%

DPL, together with the Hayleys Group, is committed to fostering an inclusive, respectful, and equitable workplace that promotes multicultural and inter-faith harmony across its operations. In line with its Equal Opportunity and Non-Discrimination principles, the Group does not require or consider religious or racial background information as part of recruitment and selection decisions, ensuring employment opportunities are based on merit, capability, qualifications, and job-related competencies while minimising the risk of bias or discrimination. Where applicable, such information may only be collected where legally required, voluntarily disclosed by employees, or necessary for specific statutory, administrative, or employee engagement purposes, and is not used to influence employment-related decisions. This commitment to inclusivity is further reflected through the celebration of cultural, religious, and national occasions across the organisation, promoting mutual respect, diversity, and social cohesion among employees from diverse backgrounds.

GRI 406-1

GENDER EQUITY AND REPRESENTATION

"Choose to Challenge" – DPL's Initiative to Promote Gender Equity & Empowerment of Women

We acknowledge the need for concrete actions and have set internal targets to actively increase female representation, retain talent, develop capabilities, develop careers 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

SATYN Magazine's Women Friendly Workplace Awards 2025





Prevention of Unconscious Bias and Discrimination

DPL promotes an inclusive and equitable workplace through structured policies, fair practices, and continuous awareness initiatives. Equal opportunity, non-discrimination, and respect for diversity are embedded across the employee lifecycle—from recruitment to career progression—ensuring all employees are treated fairly and can contribute meaningfully.

MEASURES IN FY 2025/26

- Inclusive Recruitment: Applied gender-neutral hiring practices ensuring equal opportunity for all candidates
- Fair Remuneration: Maintained equitable pay practices through regular internal reviews and audits
- Inclusive Development: Ensured equal access to training and development opportunities across all employee categories
- Non-Discriminatory Promotion: Strengthened fair and transparent promotion processes based on merit and performance
- Reporting and Protection: Enabled confidential reporting through grievance and whistleblower mechanisms
- Awareness and Training: Delivered structured DEI training and awareness programmes across the workforce

We are an Equal Opportunity Employer

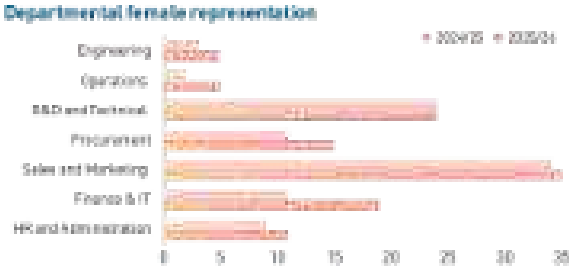
ZERO
Cases reported on discrimination

ZERO
Cases Investigated by Independent Committee safety impacts

ZERO
Cases Confirmed as Discrimination

INCREASING FEMALE WORKFORCE PARTICIPATION ACROSS DEPARTMENTAL / FUNCTIONAL ROLES

DPL strengthens female workforce participation through inclusive recruitment, equitable employment practices, and targeted outreach initiatives that support greater representation of women across operational, technical, engineering, finance, IT, commercial, and leadership functions. Particular focus is placed on increasing participation of women in traditionally male-dominated and Science, Technology, Engineering and Mathematics (STEM)-related roles by promoting fair recruitment, unbiased selection, technical capability-building, and equitable career development opportunities.



MEASURES TAKEN IN FY 2025/26

- Implemented gender-inclusive recruitment and diverse candidate shortlisting practices
- Conducted unconscious bias and inclusive recruitment training for hiring managers
- Applied structured and fair interview and selection processes
- Strengthened targeted outreach initiatives to attract female talent into traditionally male-dominated and STEM-related functions
- Promoted equitable access to training, technical capability-building, and career development opportunities for women
- Increased female participation across engineering, factory operations, finance, IT, procurement, and technical roles

Achieve 40% Female Workforce Representation and Increase Participation Of Women Across Departmental / Functional Roles By 2030

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• Gender-inclusive recruitment practices implemented across operations • Structured and fair selection processes established • Unconscious bias mitigation measures implemented for hiring • Female talent outreach initiatives conducted • Equal opportunity workforce participation mechanisms strengthened	• Promotion of vacancies as an "Equal Opportunity Employer" to attract more female candidates • Applied structured and fair interview and selection processes • Strengthened targeted outreach to attract female talent into STEM-related and operational roles • Promoted equal access to training and career opportunities for women	• **308** female hires (Nos.) • **44%** female hires out of total hires • Female-focused outreach initiatives conducted • **90%** hiring managers trained on inclusive recruitment	• **34%** female workforce representation • **95%** female interview-to-hire conversion rate • 100% female candidate offer acceptance rate • **100%** female hires confirmed after probation • **94%** female retention rate • Female representation increased across Finance and IT, Procurement, Operations / Factory Operations, and Engineering functions compared to FY 2024/25	• Maintained continuous increase in female workforce participation • Strengthened gender diversity across operational, technical, engineering, finance, IT, and leadership functions • Improved participation of women across STEM and traditionally male-dominated roles

This framework demonstrates how our investments and actions translate into measurable results, deliver meaningful outcomes, and create long-term value for our stakeholders and environment.

EXPANDING FEMALE REPRESENTATION IN LEADERSHIP AND DECISION-MAKING ROLES

DPL is committed to strengthening female representation in leadership by building a robust pipeline of women for supervisory, managerial, and strategic decision-making roles. This is achieved through targeted development, fair progression practices, and structured succession planning.



MEASURES TAKEN IN FY 2025/26

- Implemented leadership development programmes for high-potential women
- Integrated gender diversity into succession planning and talent reviews
- Promoted internal mobility and career progression opportunities
- Increased female participation in stretch assignments and leadership roles
- Provided mentoring and coaching to strengthen leadership readiness

Overall increase of 8% in female representation for leadership and decision making roles (Assistant Manager and Above levels) by 2030

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• Leadership development programmes for high-potential women implemented • Gender diversity integrated into succession planning and talent reviews • Internal mobility and career progression mechanisms strengthened • Mentoring and coaching initiatives established for women employees • Equal leadership development opportunities promoted across functions	• **24** leadership development programmes conducted for women • **906** female employees trained under leadership and capability development initiatives • Mentoring and coaching provided to strengthen leadership readiness • Gender diversity considerations integrated into talent and succession reviews	• **13%** Female representation at Board level • **22%** Assistant Manager and above female representation • **04** women supported through mentoring and coaching initiatives	• **04** female promotions to leadership roles • Improved female readiness for supervisory, managerial, and strategic roles • Strengthened internal pipeline of women leaders	• **4.7%** increase in overall female representation in leadership and decision-making roles

This framework demonstrates how our investments and actions translate into measurable results, deliver meaningful outcomes, and create long-term value for our stakeholders and environment.

GRI 405-2

MAINTAINING PAY EQUITY ACROSS ALL EMPLOYEE CATEGORIES

DPL ensures equal pay for equal work through fair, transparent, and gender-neutral remuneration practices across all employee categories. Compensation is aligned to role, performance, skills, and market benchmarks, supported by structured governance and periodic reviews.



MEASURES IN FY 2025/26

- Applied standardised remuneration frameworks across all employee categories
- Conducted periodic pay equity reviews across locations and job levels
- Identified and corrected potential pay gaps
- Aligned compensation with performance, role complexity, and market benchmarks
- Integrated pay equity into HR governance and decision-making processes

Maintain Equitable and Gender-Neutral Remuneration Practices Across All Employee Categories and All Locations

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• Standardised and gender-neutral remuneration frameworks implemented across employee categories • Compensation governance and review mechanisms established • Structured salary benchmarking processes maintained • Pay equity review processes integrated into HR governance • Role-based and performance-linked remuneration practices strengthened	• Pay equity reviews conducted across locations and job levels • All roles benchmarked against market standards • Periodic remuneration assessments conducted • Potential pay gaps identified and reviewed through governance processes • Compensation aligned to role complexity, performance, skills, and market benchmarks	• Assistant Manager & Above: Women-to-men pay ratio of 0.98:1 (basic salary) and 0.97:1 (total remuneration). • Executive & Junior Executive: Women-to-men pay ratio of 0.99:1 (basic salary) and 0.98:1 (total remuneration). • Non-Executive: Women-to-men pay ratio of 0.99:1 for both basic salary and total remuneration. • **100%** of compensation reviews completed.	• Gender pay parity remained consistently high across employee categories almost 99%. • **ZERO** substantiated complaints relating to pay inequity or discriminatory remuneration practices received • No substantiated grievances from female employees relating to discriminatory salary, benefits, or employment conditions reported during the year	• Sustained pay equity across all employee categories and locations • Strengthened fair and inclusive remuneration practices • Maintained equal pay for equal work across the organisation

This framework demonstrates how our investments and actions translate into measurable results, deliver meaningful outcomes, and create long-term value for our stakeholders and environment.

RETAINING FEMALE EMPLOYEES THROUGH EQUITABLE ACCESS TO TRAINING, SKILLS DEVELOPMENT AND CAREER GROWTH OPPORTUNITIES

DPL strengthened the retention and long-term development of female employees by promoting equitable access to training, technical capability-building, leadership exposure, and career growth opportunities across employee categories and functions. Through structured learning pathways and career progression mechanisms, the organisation supported increased participation and sustained representation of women across technical, operational, commercial, and leadership roles.



MEASURES TAKEN IN FY 2025/26

- Expanded female participation in technical, operational, leadership, and project-based learning programmes
- Strengthened equitable access to training and development opportunities
- Conducted leadership, technical, ESG, OHS, and compliance capability programmes
- Sponsored employees for specialised technical training and higher education
- Strengthened internal mobility and career progression pathways for women employees

Maintain a Female Employee Retention Rate above 90%



DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• **Rs. 8 Mn** Investment in employee training and development • Structured learning and career development pathways established • Equal access to training and capability-building opportunities promoted	• Female training hours increased from **21,376 Hrs.** to **56,191 Hrs**. • Expanded female participation across technical, operational, and leadership learning programmes • Strengthened internal mobility and career progression pathways for women employees	• Female employees accounted for **45.3%** of total training hours • **68** Average training hours per female employee • **40** Average training hours per male employee • Increased female participation in technical and leadership development programmes	• **94%** Female employee retention rate • Female workforce increased from **853** to **906** employees • **04** female employees promoted to leadership roles • Improved access to skills development and career progression opportunities for women • Increased participation of women across technical and operational learning programmes	• Increased and retained female representation across employee categories • Strengthened equitable career growth and development opportunities for women • Improved long-term female talent pipeline and workforce inclusion

This framework demonstrates how our investments and actions translate into measurable results, deliver meaningful outcomes, and create long-term value for our stakeholders and environment.

INCLUSIVE, SUPPORTIVE AND CARE-FRIENDLY WORKPLACE

DPL fosters an inclusive, gender-sensitive, and care-friendly workplace that supports employees across different life stages and caregiving responsibilities. Through maternity and paternity support, flexible work arrangements, childcare and wellbeing initiatives, psychosocial support services, and awareness programmes promoting shared caregiving responsibilities, the organisation strengthens employee wellbeing, retention, engagement, and long-term career continuity, particularly for women in leadership and critical roles.



MEASURES IN FY 2025/26

- Implemented maternity leave, paternity leave, and return-to-work support mechanisms
- Provided flexible work arrangements to support caregiving and family responsibilities
- Strengthened childcare support and family-friendly workplace initiatives
- Provided newborn care packages and employee wellbeing support
- Conducted Men's Day and Father's Day awareness programmes to promote shared caregiving responsibilities and awareness on paternity leave and family support
- Strengthened emotional wellbeing and psychosocial support services through DPL Careline and awareness initiatives
- Conducted awareness and training programmes on prevention of discrimination and inclusive workplace practices

Strengthen employee retention, Wellbeing and career continuity through Inclusive, gender-sensitive, family-friendly and caregiver support mechanisms

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• **Rs. 59 Mn** Investment in wellbeing, childcare, and employee support initiatives • Family-friendly workplace and flexible work support mechanisms established • Inclusive workplace, wellbeing, and psychosocial support mechanisms strengthened	• **13** Employees supported through flexible work arrangements and childcare support • Implemented maternity, paternity, and return-to-work support mechanisms • Conducted awareness programmes on shared caregiving responsibilities and inclusive workplace practices • Strengthened emotional wellbeing and psychosocial support initiatives through DPL Careline	• **60** Employees receiving newborn care packages • **19** Employees utilising maternity leave support • **43** Employees utilising paternity leave support • **100%** employee access to psychosocial support services • 665 awareness hours conducted on mental health and wellbeing	• **100%** retention rate of female employees who returned from maternity leave • **100%** return-to-work following paternity leave • Improved employee wellbeing, engagement, and work-life integration • Increased awareness on shared caregiving and family support responsibilities • Strengthened employee career continuity and workplace inclusion	• Sustained female participation across employee categories and leadership roles • Strengthened equitable workforce participation and career continuity • Improved inclusive, supportive, and care-friendly workplace culture • Enhanced employee wellbeing and long-term workforce engagement

This framework demonstrates how our investments and actions translate into measurable results, deliver meaningful outcomes, and create long-term value for our stakeholders and environment.

PROMOTING A SAFE AND RESPECTFUL WORKPLACE FREE FROM HARASSMENT, DISCRIMINATION AND UNCONSCIOUS BIAS

DPL fosters a safe, respectful, and inclusive workplace where employees can participate equitably and perform with dignity and trust. Through strong governance, awareness programmes, preventive controls, DEI training, and responsive grievance mechanisms, the organisation works to prevent harassment, discrimination, and unconscious bias while strengthening employee confidence, wellbeing, and workplace inclusion.



MEASURES IN FY 2025/26

- Conducted internal and external audits to assess workplace risks
- Strengthened communication of the Code of Conduct and consequences for violations
- Delivered training and awareness on prevention of sexual harassment, discrimination, unconscious bias, and DEI practices
- Strengthened safe workplace infrastructure and preventive controls
- Maintained structured grievance reporting and escalation mechanisms
- Implemented corrective and remediation actions where risks were identified

Sustain a Zero-Tolerance Workplace Culture Against Harassment, Discrimination and Unethical Workplace Behaviour

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• Workplace grievance and reporting mechanisms maintained • Safe workplace infrastructure and preventive controls strengthened	• **1100+** hrs of training on prevention of sexual harassment, discrimination, unconscious bias, and DEI practices • Conducted workplace risk assessments • Delivered awareness programmes on respectful workplace practices	• **55%** Employees covered by harassment prevention and DEI training • Employees aware of grievance and reporting mechanisms • Structured grievance reporting channels maintained across operations	• **ZERO** reported cases relating to workplace discrimination • **ZERO** cases confirmed as discrimination • Improved employee awareness on diversity, inclusion, and respectful workplace behaviour	• Sustained safe, respectful, and harassment-free workplace culture • Strengthened equitable workforce participation and workplace inclusion • Reinforced organisational culture of dignity, accountability, inclusion, and respect

This framework demonstrates how our investments and actions translate into mesurable results, deliver meaningful outcomes, and create long-term value for our stakeholders and environment.

COMMUNICATING OUR STORIES TO ADVOCATE FOR GENDER EQUITY BEYOND OUR BUSINESS

Women's Day – Meaningful Activity with Male Colleagues Writing A Note of Appreciation to Female Colleague



International Day of Women and Girls in Science



Men's Day – Fun-filled Activity Getting to Know Our Male Colleagues Better



Art Therapy Workshop for Female Employees



Father's Day Awareness Programme on Financial Wellbeing, Stress Management & Shared Caregiving



Disability Inclusion

We continue to strengthen the inclusion of persons with disabilities across our workforce, 5 employees with disabilities across the group. We have implemented a buddy system, pairing employees with disabilities with trained colleagues to support integration and day today adaptation. Continuous DEI training further enhances awareness and sensitivity, fostering an inclusive culture.

In addition, partnerships with organisations such as the Ceylon School for the Blind help us identify suitable roles and expand employment opportunities for this talent pool, reflecting our commitment to meaningful and sustainable inclusion.

Listen to our long-standing Employee with 25+ years of service who recently represented DPL at NCE Awards





EMPLOYEE ENGAGEMENT AND ORGANISATIONAL CULTURE

SDG 8.5, 16.7

DPL 50th Anniversary – Employee Engagement and Recognition



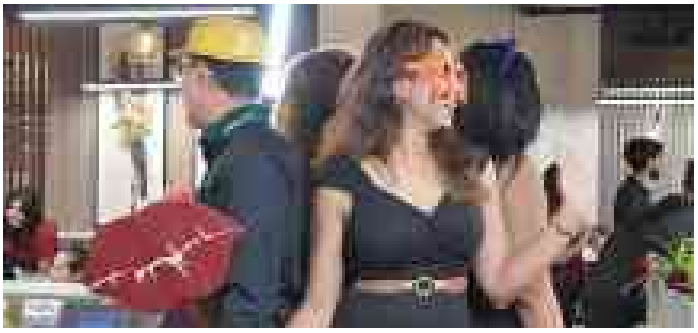






Special Days Celebration





DPL Pulse : ESG Roadmap 2030 – Targets and performance

DPL PULSE ESG Roadmap	Baseline Performance 2020/21	Performance in 2024/25	Performance for 2025/26	Expected Performance for 2026/27	Expected Performance for 2030/31	Status
Participation level in employee engagement activities	26%	83%	89%	90%	90%	On Track
Employee satisfaction rate	72%	N/A	Refer Page 286	Refer Page 286	80%	On Track

80% Employee Perception Score



Survey Scope, Methodology and Employee Participation

Launched as an online pilot to capture an initial pulse of employee sentiment, the survey's 30-day duration and 17-minute average completion time reflect thoughtful participation and strong response quality, with plans to scale into a comprehensive organization-wide assessment.

It comprised structured statements designed to capture employees' level of agreement and perceptions across key organizational areas, supported by open-ended questions to gather additional feedback and recommendations.

The survey achieved approximately 64% voluntary participation within the defined employee scope, providing a meaningful and credible basis for analysis. The assessment was limited to executive and above level employees, with non-executive employees not included.

Representation of Diverse Perspectives

Inclusive response options beyond the gender binary were provided, reflecting DPL's commitment to diversity and 34% of female participation levels aligned with overall workforce gender representation, supporting a balanced perspective.

The survey reflected intergenerational participation, with 51% of respondents from the 30–44 age group (Millennials), complemented by representation from younger (Gen Z) and more experienced (Gen X) workforce segments

The respondent base reflects a balanced mix of early-career and long-tenured employees, with the majority within 2–10 years of service, indicating strong representation from the core operational workforce

A balanced mix of participation across corporate and manufacturing locations, as well as key functional areas including Sales and Marketing, Operations and Process Excellence, Engineering and Projects, R&D and Technical, Procurement and Logistics, Finance / IT / ESG, and HR, ensured comprehensive and organization-wide employee insights.

Score Name	Score (%)	What does this score mean?	Recommendations from Employees
Strategy, Innovation and Future Readiness	84.6%	Employees have a strong clarity on strategy and future direction	Strengthen innovation platforms, increase employee involvement in strategic initiatives, and enhance communication on future plans
Values, Ethics and Policy Awareness	81.3%	Employees are awareness about company values and policies	Enhance role-based policy training, simplify communication, and reinforce through continuous awareness campaigns
Policy Communication and Governance Effectiveness	77.4%	The organization communicates and implements policies	Improve policy communication channels, ensure consistent implementation across functions, and strengthen feedback loops
Employer Brand, Perception and Pride	80.8%	Strong employee pride and promotes DPL to others	Expand employee engagement initiatives, strengthen internal storytelling, and enhance employer branding externally
Employee Satisfaction and Retention	78.7%	Employee satisfaction and intention to remain in the company	Address key experience gaps, strengthen engagement drivers, and enhance retention-focused initiatives
Leadership Trust, Effectiveness and Direction	80.5%	Employee trust in leadership and direction	Increase leadership visibility, improve communication transparency, and strengthen two-way dialogue
Ethics, Human Rights and Responsible Sourcing	83.1%	Employee confidence in ethical business practices	Continue strengthening supply chain transparency, reinforce training, and maintain strong governance controls
CSR, ESG and Societal Impact	83.8%	Employee alignment with company's contribution to activities beyond business	Increase employee involvement in ESG initiatives, communicate impact more effectively, and expand programmes
Occupational Health and Safety	81.6%	Company's safety culture and practices	Enhance behavioural safety programmes, improve awareness, and ensure consistency across all locations
Culture, Engagement and Recognition	79.8%	Employee engagement activities and employee recognitions	Expand recognition programmes, increase inclusivity of activities, and improve participation across teams
Working Conditions, Rewards and Benefits	77.4%	Employee compensation, benefits and working conditions	Enhance communication on benefits, review competitiveness, and improve consistency across roles/locations
Crisis Response, Support and Resilience	82.7%	Employee confidence in company's crisis response and support for affected employees	Continue strengthening preparedness, improve communication during crises, and expand employee support systems

GRI 403-2, 403-7 SDG 3.8, 11.5, 8.8

People-Serving Emergency Response and Future-Crisis Preparedness

DPL adopts a people-first approach to crisis preparedness, ensuring employees are protected, supported, and able to sustain livelihoods during disruptions. Structured emergency procedures, regular drills, and coordinated response systems enable timely, effective, and compassionate responses to crises.

Preparedness is continuously strengthened through lessons learned from drills and actual incidents, ensuring systems remain responsive to evolving risks.

Policies and Procedures Applicable;

- Policy on Emergency Response, Crisis Management and Business Continuity
- Business Continuity Plans (BCP)
- Occupational Health and Safety Policy
- Enterprise Risk Management (ERM) Framework
- Grievance Handling Policy and Communication Protocols

DPL's response to support employees affected by Crisis/Disasters/Pressures

Geo-Political Tensions and Impacts

With the tensions in the Middle-East region, supply of fuel became controlled leading to employees facing difficulties and organisation arranged special transport services for commuting.

Economic / Cost of Living Pressures

Amid rising living costs, we supported employees through fair pay, profit-sharing bonuses, continued benefits, and open communication to maintain financial stability and trust.

Natural Disasters /Climate and weather

Severe weather events, including flooding in certain regions, disrupted employee mobility, safety, and access to work. In response, DPL prioritised employee safety through emergency support, including transport, meals, dry rations, financial assistance, and mental health services alongside flexible attendance arrangements and strengthened site-level preparedness.

Rs. 5 Mn
Total Company Investment in Disaster Support

234
Employees supported through immediate emergency relief

302
Total employee support interventions mobilised during the disaster response

68
Employees supported through recovery and rebuilding assistance

Recovery & Rebuilding

- 2 employees supported for complete house destruction
- 7 employees supported for partial house damage
- 30 employees supported for flood-related household damage (furniture / appliances / essentials)
- 29 employees supported for deep cleaning and recovery
- 2 employees supported following family bereavement

EMERGENCY PREPAREDNESS AND RESPONSE EFFECTIVENESS

DPL maintains a robust emergency preparedness framework to ensure readiness for workplace and external crisis scenarios.

MEASURES IN FY 2025/26

- Conducted regular emergency drills across all locations (fire, chemical, machinery incidents)
- Implemented scenario-based simulations for high-risk events
- Coordinated with external emergency response authorities
- Strengthened communication and site-level emergency response systems
- Incorporated learnings from drills and incidents into updated procedures

KPI Type	Indicator	FY 2025/26
Activity	No. of emergency drills conducted	75
Output	Employees covered by emergency drills	100%
Output	Average evacuation time (minutes)	2.5
Outcome	Employees covered by emergency response plans	100%
Impact	Improvement in emergency response readiness	8% ↑

Social and Relationship Capital

THE BOND OF MUTUALISM

The clownfish does not just benefit from the anemone's shelter; it actively stands in defence of it. By protecting the anemone from predators such as butterflyfish that would otherwise feed on it, the clownfish protects the very relationship upon which both organisms depend. It is this active, reciprocal investment in one another that strengthens the bond and sustains the wider reef around them.

At DPL, our Social & Relationship Capital is built on this same principle of active investment. Through strong partnerships, stakeholder trust and shared value creation, we work to protect and strengthen every relationship we cultivate, ensuring each one contributes to a more resilient and sustainable future for all.



Customers

(Page 288 - 308)



Suppliers

(Page 309 - 344)



Community

(Page 345 - 376)

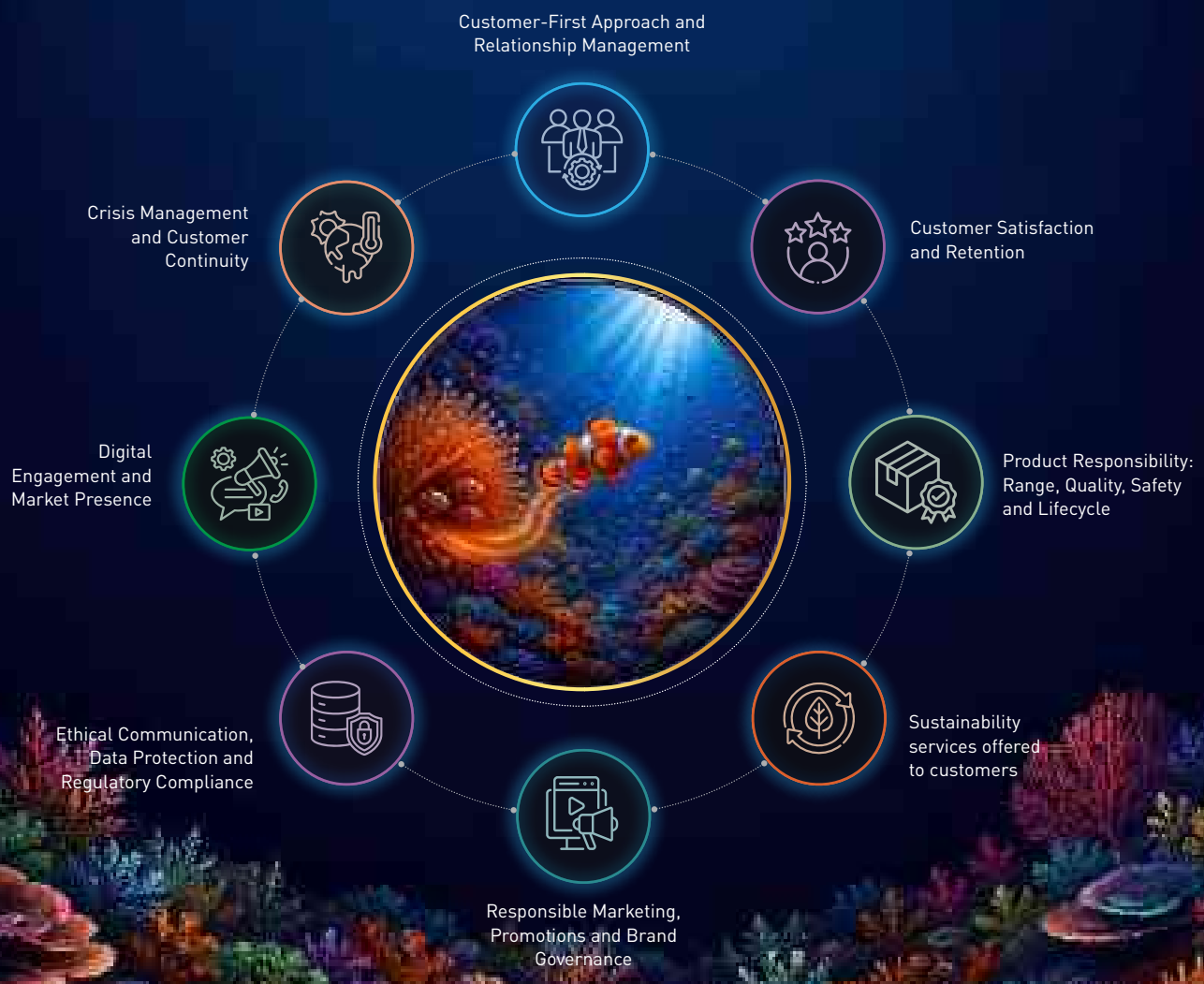
Customers



PROTECTED BY TRUST

The clownfish's reliance on the sea anemone for protection reflects how at DPL, we support and respond to our customers. Through attentive engagement, innovation, and service, we build trust and safeguard relationships, ensuring value flows continuously and sustainably across every interaction.

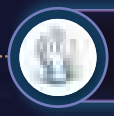
KEY PILLARS OF SOCIAL AND RELATIONSHIP CAPITAL



Value Creation

Social and Relationship Capital enables DPL's business model through trusted customer partnerships, stakeholder engagement and responsible business practices. This strengthens customer loyalty, enhances brand reputation and supports sustainable growth and long-term value creation.

GRI 3-3



HAND PROTECTION
Protecting hands, Enabling progress

PLANTATION
Nuturing nature, Sustaining Life



HAND PROTECTION		PLANTATION
• **Rs. 257 Mn** Investment in sales, customer engagement and trade fairs	**INPUTS** Resources invested	• **Rs. 1.1 Bn** invested in replanting and plantation renewal • **Rs. 33.2 Mn** invested in product and market diversification
• **179** Customer visits, audits and engagement sessions • **7** Participation in international trade fairs and exhibitions	**ACTIVITIES** What we do	• **4** customer feedback surveys conducted. • **2** product and market diversification initiatives implemented
• **47** New customers acquired • **70** countries served	**OUTPUTS** Direct deliverables	• **116** customers acquired/catered during the year • **5** new products introduced
• **81%** Customer satisfaction score • **92%** Customer retention rate	**OUTCOMES** Performance improvements	• **12.62%** growth in customer base. • **Rs. 157.93 Mn** revenue generated from diversified crops/products.
• **04** Market expansion (new regions / segments)	**IMPACT** Business value created	• Expanded market reach and strengthened commercial resilience. • Reduced dependency on traditional markets through greater revenue diversification.

TWO ECOSYSTEMS, ONE PURPOSE
Creating long-term value for people, planet and prosperity

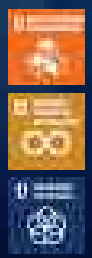
Material Topics

- **M1** Product Responsibility
- **M6** Customer Satisfaction
- **M10** Environmental & Social Issues Along Supply Chain
- **M19** Customer Requirements on Sustainability
- **M23** Human Rights Assessment
- **M24** Community & Livelihood Development

Impacted Stakeholders

- Customers
- Investors
- Employees

Impacted SDG



Alignment with Strategic Priorities

- Customer focus
- Innovation & Digitalisation
- Profitable Growth

Link with Key Risks and Opportunities/ SRROs/CRROs

- SRROs 01 and 02
- CRROs 01 and 02
- MR 01, 02 and 03

AWARDS AND RECOGNITION



Overall Winner at the National Business Excellence Awards (NBEA)

Recognised for achieving excellence across business performance, innovation, customer value creation, governance, sustainability, and long-term competitiveness.



Best Performing Exporter in Emerging Markets at the National Chamber of Exporters (NCE) Awards

Recognised for expanding market presence, strengthening customer partnerships, and delivering export excellence in emerging global markets.



Highest Net Foreign Exchange Earner at the National Chamber of Exporters (NCE) Awards

Recognised for its significant contribution to national export earnings through strong international market performance and value creation.

FUTURE FOCUS

Short Term

- Strengthen market presence in emerging markets such as India and Middle East.
- Innovation and value addition across product offerings and services.
- Optimise recent capacity enhancements.
- Customer base diversification
- Operationalise the newly implemented customised CRM system.

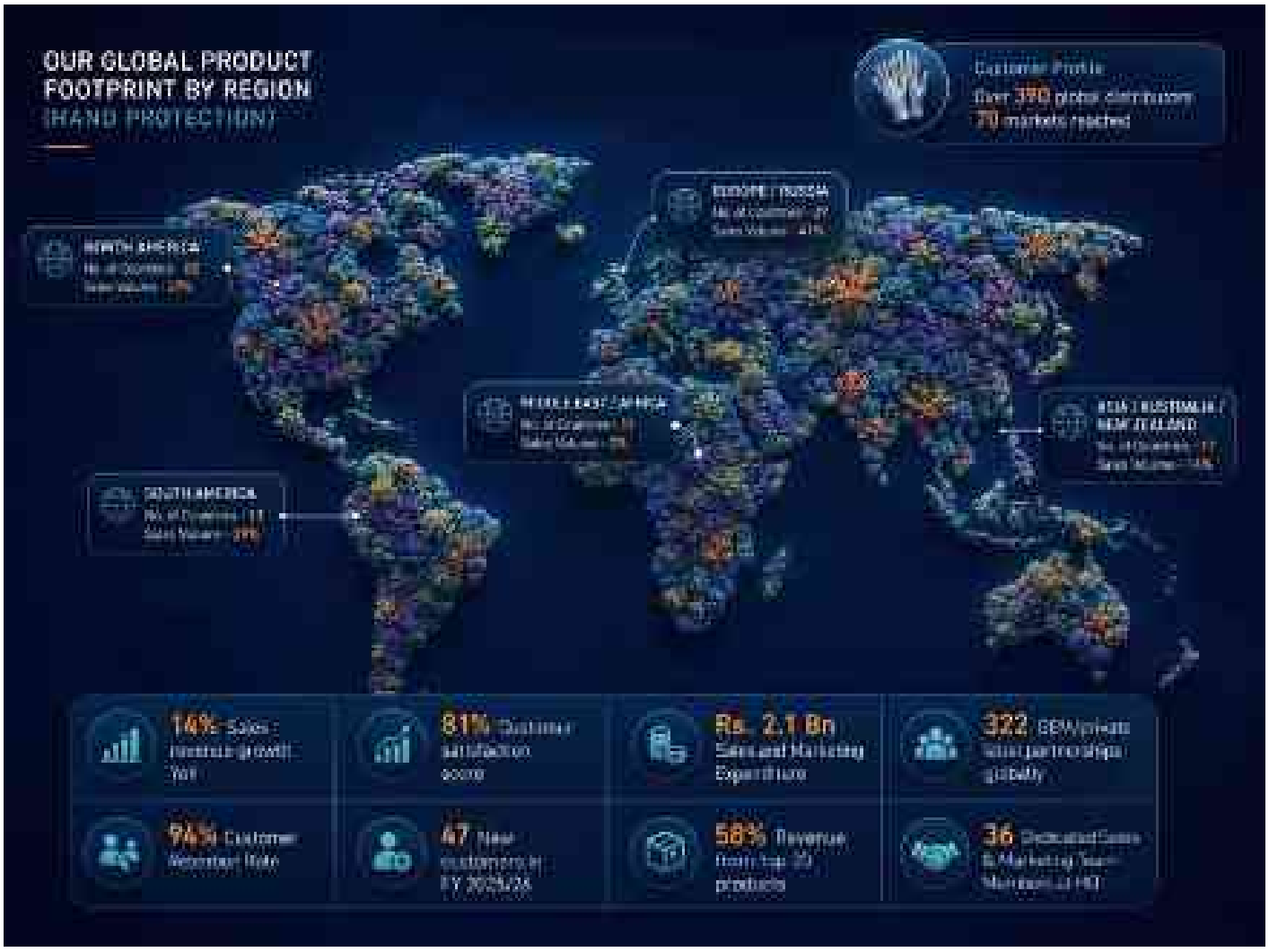
Long Term

- Establish DPL as a globally recognised branded manufacturer by increasing visibility of DPL owned brands for Chemical and Electrician gloves.
- Expand manufacturing flexibility.
- Broaden customer base to new markets.
- Become a preferred partner for ESG driven customers.

Social and Relationship Capital

Customers

SDG 8.2, 8.9, 9.4






800+
Inquiries from trade Shows and Exhibitions
7
Trade Shows and Exhibitions
DPL
DPL
SMART






DPL


DPL
DPL

Social and Relationship Capital

Customers

HIGHLIGHTS OF FY 2025/26



Market Diversification

During the year, we successfully expanded our global customer base by acquiring 47 new customers.

Strong global presence through established regional sales offices

- Sales and marketing offices in France, Italy, Poland, India and Middle East.

Customer-led innovation

Introduced a range of new products to meet evolving customer requirements, regulatory standards, and sustainability expectations.

- Six new products were introduced and enhanced the sustainable packaging solutions across selected product ranges.
- Focus on niche markets such as Sports gloves -highly specialised category manufactured for few renowned global brands.

Improve service reliability

- Commissioned a fully robotic household glove plant at Dipped Products -Kottawa.
- Increased manufacturing flexibility by converting disposable production line to reusable household production.

Product quality

Established a specialised electrician glove testing facility in Poland to expand sales in Europe by strengthening quality assurance, compliance, and customer support.

390	Rs 2.1 Bn	05
Total customers	Selling and distribution expenses	Regional sales offices

Deepen customer relationships

We prioritize long-term strategic partnerships over transactional growth by maintaining close proximity to our markets and customers

Implemented customised customer relationship management system to improve responsiveness and to manage customer feedback.

Balanced brand portfolio

Accelerated the shift towards a more balanced portfolio through the strategic expansion of our own brand, complementing private label business. During the year, we improved the visibility of our own brand by expanding its presence across selected markets and adding 12 new products to the existing range.

Strengthen distribution

Established a network of regional agents across key markets including North America, Australia, Russia and selected European Countries to strengthen direct market access and reduce dependence on third-party distributors. In addition, regional warehousing facilities were set up in the Middle East to shorten delivery lead times and minimise the impact of global shipping and logistics disruptions.



SDG 8.2, 9.4, 9.5, 12.6

OUR CUSTOMER-FIRST APPROACH

At DPL, our strategy is firmly anchored to a customer first philosophy, where long term partnerships, reliability, and value creation take precedence. We operate a structured, evolving system designed to deliver solutions that align with our customer needs.

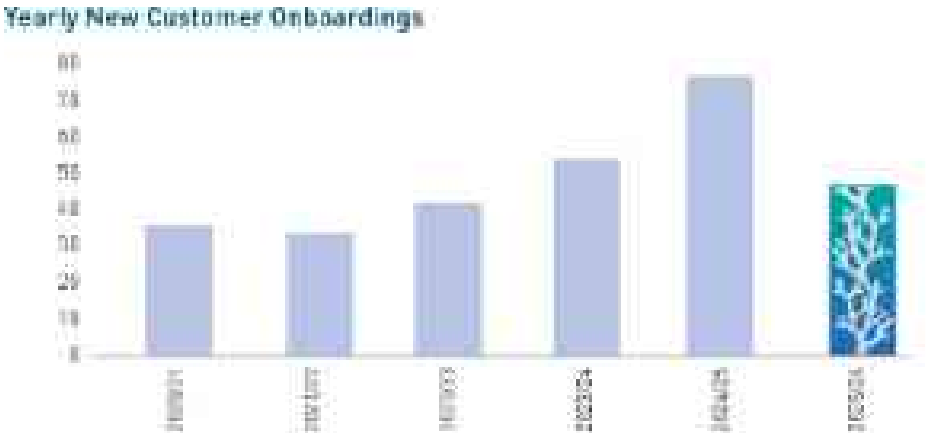
Our customer support ecosystem integrates regional teams, digital Customer Relationship Management system tracking, and structured governance mechanisms to ensure responsive and reliable customer engagement. We continue to engage through customer visits, digital channels, and trade fairs and monitor performance through Customer relationship management system dashboards, formal quality controls, and regular management reviews.

Global coverage

Our team includes 30+ professionals globally across the Americas, Europe, the Middle East, and Asia to ensure seamless communication and timely follow ups across various time zones. The global operations network is centrally coordinated and managed by the Head Quarters located in Colombo.

Customised Customer relationship management system implementation

During FY 25/26, we implemented a customised Customer relationship management system to centralise all customer interactions and strengthen follow up discipline across regions.



KEY HIGHLIGHTS

47
New customers from existing and new markets

36
Member Business Development and Marketing team in local office

322
Number of OEM customers

179
Customer visits and facility tours

Social and Relationship Capital

Customers

SDG 8.2, 16.6

Customer Relationship Management, Dialogue and Engagement

We engaged with customers through multiple channels including customer visits, digital platforms, and participation in trade fairs and exhibitions. Customer engagement performance is overseen through a multi tier governance structure that combines Board oversight, executive accountability, and data driven operational controls through the customer relationship management system (CRM). Ongoing dialogues with customers is institutionalised at DPL through a structured, system driven engagement framework to ensure customer feedback is consistently reviewed and acted upon.

Customer Relationship Management (CRM)

We use a customised Customer Relationship Management (CRM) system designed to centrally manage and monitor all customer interactions across regions providing full visibility to sales teams and management



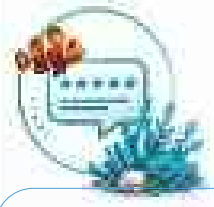
The system records customer interactions - customer inquiries, meetings, visits, orders, complaints, and follow-ups



Automated alerts and reminders track follow-ups at lead stage



Pricing- Centralised pricing module with systematic hierarchical approvals



Digital customer satisfaction surveys

During the reporting period, we demonstrated resilience in maintaining strong customer relationships despite global geopolitical and logistics disruptions. Through proactive production planning, strategic capacity expansion in Sri Lanka, and the effective utilisation of regional warehouses, we successfully minimized lead times, addressed delivery challenges, and improved order fulfilment capabilities across key product categories. These initiatives strengthened our supply chain responsiveness and enhanced our ability to consistently serve customers in a dynamic global operating environment.

500+

Virtual Meetings Conducted

179

Customer visits

Main Channels for Customer Engagement

Engagement Type	Channels Used
Physical engagement	• Customer visits, factory tours, technical consultations
Audits and reviews	• Customer audits, ESG questionnaires, product testing
Industry engagement	• Trade fairs, exhibitions, networking events
Digital engagement	• Website, social media, digital advertising, SEO
Structured management	• Customer relationship Management system, digital surveys, Digital Inventory Management Platform
Ongoing dialogue	• Virtual meetings, email, feedback mechanisms, direct calls

Customer satisfaction and feedback management

In FY 2025/26, DPL achieved an increase of customer engagement in the annual customer satisfaction survey, with a participation Customers representing 70% DPL capacity. With the achievement of an overall customer satisfaction score of 81%, DPL continues to reflect strong customer confidence, long-term relationships, and the Group's continued commitment to delivering high-quality products, dependable service, and responsive customer support. Customer feedback also identified several key areas as the strongest drivers of satisfaction, providing valuable insights to further enhance customer experience, strengthen operational excellence, and support continuous improvement across products, services, and customer engagement practices.

Scope of Customer Satisfaction Survey

17 Focus Areas of the Customer Satisfaction Survey

2024/25
Customers evaluate DPL performance on
16
focus areas

2025/26
Customers evaluate DPL performance on
17
focus areas



SDG 12.8, 16.6

No.	Focus Area
1	Ability to meet shipment lead times
2	Accuracy and clarity of information provided
3	Availability and quality of technical/product information
4	Compliance with manufacturing, environmental and social standards
5	Effectiveness of complaint resolution
6	ESG and sustainability initiatives
7	Pricing competitiveness and support
8	Product performance according to industry standards
9	Professionalism and attitude of staff

No.	Focus Area
10	Responsiveness to inquiries
11	Support with shipment documents and paperwork
12	Timeliness and completeness of deliveries
13	Variety of product range
14	Production Flexibility
15	Product improvement and innovation
16	Overall quality and durability of products
17	Overall quality of packaging

Customer Feedback Management

Customer feedback remains a central pillar of DPL's customer-first strategy, serving both as a key performance indicator and a strategic guide for continuous improvement. Through structured customer engagement, regular feedback collection, and relationship-focused interactions, the Group continuously evaluates customer expectations, service performance, product quality, and responsiveness across its operations.



Feedback Received | Acknowledged | Reviewed | Action Taken | Outcome

- Customer feedback on long lead times and supply continuity led to manufacturing capacity expansion and regional warehousing initiatives, improving delivery reliability and customer responsiveness across key markets.
- Customer expectations for faster communication and improved visibility resulted in enhancements to the Customer Relationship Management (CRM) system, strengthening query handling, follow-ups, and service coordination.
- Growing demand for sustainable products accelerated the introduction of sustainable packaging and eco-conscious product solutions, supporting responsible product stewardship and expanding the sustainable product portfolio.
- Evolving expectations relating to product performance and innovation drove continued investment in Research and Development (R&D), resulting in new product introductions and enhanced value-added glove solutions and advanced chemical guide for product selection.

Social and Relationship Capital

Customers

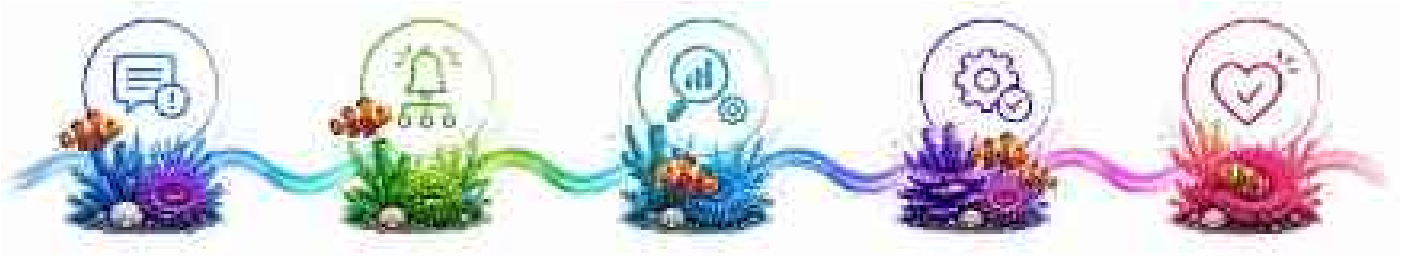
SDG 12.8, 16.6

Customer Complaint Management

DPL remains committed to actively listening to its customers and addressing concerns in a timely, transparent, and effective manner. The Group's strengthened complaint resolution framework ensures that all customer concerns are formally recorded, thoroughly investigated, and managed through the Quality Control function. In parallel, customer feedback and survey insights are systematically analysed to proactively identify service gaps, enhance responsiveness, and drive continuous improvement initiatives across the business.

During FY 2025/26, the Group successfully addressed all customer complaints received, achieving an average initial response time of 42 hours and an average detailed response time of 21 days. Complaint trends and customer survey findings are regularly reviewed by top management to strengthen customer satisfaction, improve service performance, and reinforce long-term customer relationships

Our Customer complaint handling and resolution mechanism



Complaint Logged

Sales executive enters complaints into the internal system

Internal Alert

Alerts trigger for further internal analysis to gather more details

Review and Analysis

Examination of the relevant products runs and conduct root cause analysis

Investigation and Response

If issues are found after Internal Investigation, a response report is shared with the customer detailing root causes and corrective action

CAPA and Closure

Once a complaint is finalised, a Corrective and Preventive Action (CAPA) meeting will be held to discuss process improvements (if any) or conduct training to prevent recurrence

Zero material or systemic quality failures were identified during the reporting period

Indicators	FY25/26
Avg resolution time (days)	21

100%

of complaints addressed of the received complaints



Customer Retention Rate

Strong and loyal customer base

DPL maintained a strong customer retention rate of 94%, reflecting the strength, continuity, and trust embedded within its long-standing customer relationships. The high retention level demonstrates customers' continued confidence in the Group's product quality, reliability, service responsiveness, and partnership-driven approach. It also reflects DPL's ability to consistently meet evolving customer expectations through ongoing engagement, operational excellence, technical support, and customer-focused improvements, supporting long-term business sustainability and market stability.

94%

Customer Retention Rate



SDG 3.9,8.2 9.5, 12.2, 12.6

Product Range, Quality, Safety and Lifecycle

Product Range

Focus on expanding depth of product portfolio and Innovation

We position ourselves as a trusted one stop partner offering an extensive product portfolio produced in over 160 variants. Our R&D and Operations teams work seamlessly together, driving continuous product and process innovation to enhance product performance and sustainably deliver greater value for our customers over time. Refer to the Intellectual Capital section on page 412 to 418 for further details.



KEY HIGHLIGHTS

215 Glove SKUs across multiple industries	**83%** Manufacturing Efficiency	**12** New product innovations launched
2 New Patented products in FY25/26	**12** Sustainable Product and Process Innovations (Read Page 412 to 418 for more details)	

Global Sporting Excellence Through Sri Lankan Craftsmanship

"Made in Sri Lanka. Trusted by the world's best."

A moment of pride when products crafted by skilled Sri Lankan hands at DPL's Sports Glove Facility in Biyagama became part of Most Renowned Global Winter Sporting Stage, trusted by internationally recognised sporting brands and engineered to perform at the highest levels of global competition.

Manufactured within our LEED Platinum-certified Sports Glove Facility in Biyagama, these products reflected advanced technical expertise, precision engineering, innovation, and rigorous quality standards required for high-performance sporting applications. Every stage of the manufacturing journey — from research and development, engineering, and advanced material handling to precision stitching, quality inspections, performance testing, and final production — showcased the dedication, craftsmanship, and technical expertise of our employees in delivering products engineered for world-class performance.

Through collaborations with globally recognised customer brands, our collective efforts to develop and manufacture world-class products contributed to a journey that began in Sri Lanka — shaped by the commitment, skill, and passion of employees whose work quietly supports excellence on the global sporting stage.



This milestone stands as a proud reflection of Sri Lanka's growing reputation as a trusted hub for innovation-driven, value-added, and globally competitive manufacturing excellence.

Social and Relationship Capital

Customers

GRI 416-1, 416-2 SDG 3.9, 12.2, 12.6

PRODUCT QUALITY

We are widely recognised as a manufacturer and exporter of high-quality hand protection solutions. Product quality, customer health, and safety considerations are integrated throughout the product life cycle, from product design and raw material sourcing to manufacturing, distribution, customer use, and post-market monitoring. Through structured governance, internationally aligned quality systems, and continuous improvement practices, we maintain high standards of product safety, regulatory compliance, reliability, and customer confidence across global markets.

KEY HIGHLIGHTS

100% of significant product categories assessed for health and safety impacts	**100%** compliance with applicable international product quality and safety standards	**ZERO** material incidents of non-compliance relating to customer health and safety impacts
ZERO product recalls relating to customer health and safety impacts	Structured customer feedback and recall preparedness mechanisms maintained	

CONSUMER HEALTH AND SAFETY

Our commitment to customer health and safety is embedded throughout the product life cycle, aligning with global regulatory requirements and international best practices applicable to hand protection products and export markets. We integrate customer health and safety considerations across product design, raw material management, manufacturing, packaging, distribution, customer communication, and post-market monitoring processes to support safe, reliable, and compliant products.

Consumer Health and Safety Performance

100% of significant product categories assessed for health and safety impacts throughout relevant stages of the product life cycle	**ZERO** material incidents of non-compliance concerning the health and safety impacts of products and services during the reporting period
ZERO incidents resulting in warnings, penalties, fines, or product recalls relating to customer health and safety impacts	Continuous product monitoring and post-market feedback mechanisms maintained across operations

Product Stewardship Across The Product Lifecycle

Lifecycle Stage	Key Focus Areas
Design and Development	• Product safety, ergonomics, comfort, durability, and compliance considerations integrated into product development
Raw Material Management	• Supplier verification, restricted substance management, material validation, and responsible chemical controls
Manufacturing and Production	• Quality inspections, laboratory testing, process monitoring, defect prevention, and product verification
Packaging and Distribution	• Packaging integrity, traceability, labelling, and export compliance requirements
Customer Use	• Safety Data Sheets (SDS), technical guidance, product specifications, and safe-use information accessibility
Post-Market Monitoring	• Customer feedback, complaint management, corrective actions, and recall preparedness mechanisms

SDG 3.9, 12.2, 12.6

ENSURING SAFETY THROUGHOUT THE PRODUCT LIFECYCLE

Our commitment to consumer health and safety is supported through structured systems, operational controls, product monitoring, and customer engagement mechanisms maintained across operations.

Focus Area	Measures Implemented
Safety-Driven Design and Innovation	• Product design and development processes integrate user safety, functionality, comfort, and applicable regulatory considerations.
Rigorous Raw Material and Chemical Management	• Supplier screening, material verification, restricted substance management, and responsible chemical handling practices are maintained across operations.
Product Quality Assurance	• Multi-stage quality inspections, laboratory testing, process controls, and product verification mechanisms are implemented throughout manufacturing operations.
Product Testing and Compliance Verification	• Products are tested and verified against applicable customer, market-specific, and international safety and quality requirements.
Product Risk Management	• Product-related risks are systematically identified, assessed, monitored, and managed through structured risk management and escalation processes.
Customer Feedback and Continuous Improvement	• Customer insights, complaint trends, audit findings, and operational learnings support continuous product and process improvement initiatives.
Clear and Compliant Packaging and Labelling	• Product packaging and labelling provide clear information relating to product specifications, materials, usage, and safety requirements.

Measures Taken to Maintain the Highest Standards in Consumer Health and Safety

Focus Area	Measures Taken
Transparency and Communication	• Customers are provided with technical documentation, Safety Data Sheets (SDS), and product-related information to support safe handling and product usage.
Information and Compliance Management	• Centralised systems support the maintenance of updated product quality, safety, regulatory, and customer-related information.
Complaint Handling and Response	• Structured mechanisms are maintained to capture, investigate, manage, and resolve customer complaints and product-related concerns.
Corrective and Preventive Actions	• Identified issues are evaluated to support timely corrective actions and long-term preventive improvements across operations.
Recall Preparedness and Response	• Formal escalation and product recall response procedures are maintained to support timely action where required.
Cross-Functional Product Stewardship	• Quality Assurance, Research and Development, Operations, Technical, and Commercial teams collaborate to support product stewardship across the product life cycle.

Social and Relationship Capital

Customers

SDG 12.6, 12.8, 13.3

SUSTAINABILITY SERVICES OFFERED TO CUSTOMERS

DPL collaborates closely with customers to support evolving sustainability expectations through transparent product sustainability disclosures, responsible sourcing practices, ESG engagement, and sustainability-focused customer services. Through initiatives such as Product Life Cycle Assessments (LCAs), Product Carbon Footprint (PCF) disclosures, ESG/customer sustainability questionnaires, sustainability newsletters, and technical customer engagements, we help customers better understand the environmental and social impacts associated with our products and operations while supporting informed and responsible purchasing decisions.

Sustainability Transparency and Product Information

Sustainability Transparency Services

Mid-Year Newsletter

SCAN ME

- Product Life Cycle Assessments (LCAs)
- Product Carbon Footprint (PCF) disclosures
- Sustainability-related customer disclosures and ESG questionnaires
- Sustainability / ESG Newsletter for customers
- Product-level sustainability information and responsible sourcing disclosures
- Uploading verified ESG framework data to key customer portals

Supporting Sustainable Product Choices

Year-End Newsletter

SCAN ME

- Forest Stewardship Council (FSC®) certified products
- Recycled-content product options
- Responsibly sourced raw materials
- Eco-conscious packaging initiatives

KPI	FY 2025/26
Revenue from sustainable products	Rs 875 Mn
Recyclable Packaging used in Products	97%

ESG Collaboration and Responsible Sourcing

Customer ESG Engagement and Support

- Completion of customer ESG and sustainability questionnaires
- In-person and virtual customer ESG meetings
- Technical discussions on sustainability disclosures and assurance requirements
- Support for customer sustainability and compliance expectations

Responsible and Sustainable Sourcing

- Sustainable sourcing mechanisms aligned with customer requirements
- Forest Stewardship Council (FSC®), Responsible Wool Standard (RWS), and other relevant sustainability certifications
- Responsible raw material sourcing and traceability initiatives
- Supplier sustainability and responsible sourcing verification processes

KPI	FY 2025/26
Investment in last 3 years LCA / PCF assessments	Rs. 7 Mn
Customer ESG questionnaires completed	10
Customer ESG meetings conducted	12

GRI 417-1, 417-2, 417-3 SDG 12.6, 16.6, 16.10

RESPONSIBLE MARKETING, PROMOTIONS AND BRAND GOVERNANCE

DPL adopts responsible marketing and brand governance practices to ensure all product labels, packaging, promotional materials, sustainability disclosures, and customer communications are accurate, transparent, verifiable, and aligned with applicable regulatory and customer requirements. Through structured review and approval processes, cross-functional oversight, and responsible communication practices, we promote ethical marketing while strengthening customer trust, transparency, and product stewardship.

MARKETING AND BRAND GOVERNANCE FRAMEWORK

- Cross-functional oversight maintained across Sales and Marketing, Sustainability, Compliance, Quality, and Senior Management
- Governance procedures established for labels, packaging, sustainability claims, and promotional communications
- Regulatory and ethical concerns managed through structured review and approval mechanisms
- Sustainability-related claims supported through certifications and verification processes

PRODUCT INFORMATION AND LABELLING COMPLIANCE

- Product labels and packaging reviewed for alignment with applicable regulations and customer requirements
- Product composition, sourcing certifications, sustainability attributes, and safe-use/disposal information disclosed where applicable
- Marketing communications and sustainability disclosures reviewed across physical and digital platforms to support factual and transparent communication

INCLUSIVE & RESPONSIBLE MARKETING COMMUNICATION PRACTICES

- Marketing communications reviewed to prevent gender stereotyping, discriminatory messaging, and biased representation
- Diversity, equity, inclusion, and respectful representation considerations integrated into advertising and promotional content
- Employees involved in communication and branding provided awareness on responsible and gender-sensitive communication practices supported through certifications and verification processes
- Digital and promotional campaigns focused on product safety, sustainability, innovation, and inclusive representation

All product labels, packaging, sustainability disclosures, and promotional materials are reviewed through established compliance and governance procedures to ensure alignment with applicable regulatory requirements, customer specifications, voluntary codes, and responsible communication standards.

Product Label Compliance

100%

of product labels and packaging materials reviewed and approved through documented compliance verification procedures prior to release.

Regulatory and Voluntary Compliance

Zero Incidents

reported or confirmed relating to non-compliance with product/service information, labelling, marketing communications, or voluntary marketing codes resulting in warnings, penalties, or fines.

Ethical Brand Governance

100%

of advertising and promotional materials subjected to internal governance and responsible marketing review procedures.

Social and Relationship Capital

Customers

GRI 418-1 SDG 16.6, 16.10

Compliance and Verification

- 100% of marketing and promotional materials reviewed through internal approval processes prior to publication.
- Product sustainability and sourcing disclosures supported through certification reviews and technical validations.

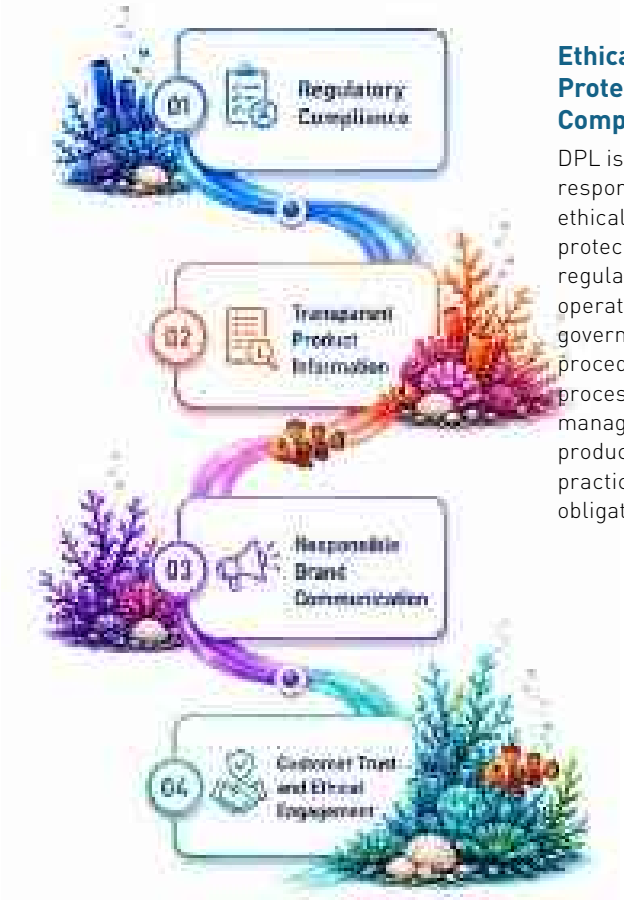
Responsible Brand Communication

- Distributors and agents aligned to DPL Brand and Marketing Guidelines.
- Employees trained on ethical marketing, responsible communication, and compliance expectations.

Ethical and Inclusive Communication

- DPL prohibits misleading, discriminatory, or irresponsible marketing practices.
- Communication content reviewed to support respectful, inclusive, and responsible representation.

DPL PULSE ESG Roadmap	Baseline Performance 2020/21	Performance in 2024/25	Performance in 2025/26	Expected Performance for 2026/27	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



Ethical Communication, Data Protection and Regulatory Compliance

DPL is committed to maintaining responsible business practices through ethical communication, robust data protection measures, and strong regulatory compliance systems across all operations and export markets. Structured governance mechanisms, internal review procedures, and compliance monitoring processes support the responsible management of customer information, product-related communication, marketing practices, and applicable regulatory obligations.

ZERO

complaints concerning breaches of customer privacy were received from external parties or regulatory bodies, and no identified leaks, thefts, or losses of customer data were recorded during FY 2025/26.

The Group maintains a proactive approach to safeguarding confidential information, ensuring transparent stakeholder communication, and complying with applicable product, export, customer, and market-specific requirements across global jurisdictions.

DATA PROTECTION & PRIVACY

Customer and business information managed through secure digital systems with controlled user access

Role-based and need-to-know access controls maintained for sensitive information

Information handling procedures govern data collection, storage, retention, use, and disposal practices

Confidentiality, integrity, and lawful processing principles embedded across operations

100%
Customer information managed through restricted access systems

ETHICAL COMMUNICATION & RESPONSIBLE MARKETING

Marketing and product communication practices guided by responsible communication principles

Product claims, certifications, sustainability-related communication, and promotional content reviewed prior to release

Internal review mechanisms support accuracy, transparency, and responsible representation of product information

Employee awareness initiatives support responsible communication and data privacy practices

100%
Employees Completing Privacy & Compliance Training

REGULATORY & EXPORT COMPLIANCE

Multi-level governance oversight supports regulatory compliance across global export markets

Products screened against applicable export market regulations and customer requirements prior to shipment

Structured incident investigation and Corrective and Preventive Action (CAPA) processes maintained

Compliance monitoring supports alignment with product safety, trade, customer, and market requirements

100%
Export Compliance Screening Coverage



Social and Relationship Capital

Customers

SDG 9.4, 16.10

RESPONSIBLE COMMUNICATION & COMPLIANCE APPROACH

DPL Digital Engagement Ecosystem



Digital Engagement and Market Presence

DPL continued to strengthen its digital engagement and market presence during FY 2025/26 through a digital-first communication strategy focused on enhancing global visibility, stakeholder engagement and inquiry generation across international export markets. Digital platforms continued to serve as key channels for engaging distributors, OEM partners, customers, procurement professionals, prospective buyers and other stakeholders across multiple regions.

Throughout the year, DPL leveraged its digital ecosystem to communicate product innovations, sustainability initiatives, certifications, responsible manufacturing practices and customer-focused solutions while strengthening engagement across global audiences. Strategic content initiatives included product-focused campaigns, awareness-building initiatives relating to DPL's global manufacturing capabilities and brand presence, educational and technical guidance content including glove selection awareness, sustainability storytelling, CSR communication and updates relating to operational and capacity enhancement initiatives across the Group.

The Group also expanded the use of short-form video content across digital platforms in response to evolving global content consumption trends, contributing to a 159% increase in Facebook Reel watch time during the year while further strengthening engagement, visibility and audience reach across multiple stakeholder segments. Continuous website optimisation, SEO enhancements and AI-driven discoverability initiatives further strengthened digital visibility, customer engagement and market responsiveness across evolving digital platforms and search environments, with DPL demonstrating strong visibility across relevant search and digital discovery pathways.

Key Digital Performance Highlights



Digital Engagement Initiatives During the Year

DPL continued to maintain responsible communication practices across its official digital platforms through structured governance, content review and communication oversight mechanisms designed to support ethical marketing, stakeholder trust and communication integrity.

DIGITAL ENGAGEMENT INITIATIVES DURING THE YEAR

- Enhanced digital storytelling relating to sustainability, innovation, and responsible manufacturing
- Expanded use of video-based and interactive digital content
- Improved customer responsiveness through digital communication channels
- Increased visibility of certifications, sustainable products, and technical capabilities
- Leveraged digital analytics to improve engagement effectiveness and communication strategies
- Strengthened global brand visibility through targeted digital engagement initiatives

MEASURES TAKEN TO DIGITAL COMMUNICATION GOVERNANCE

- Digital communications governed through internal review and approval mechanisms
- Product and sustainability-related content reviewed for accuracy and regulatory alignment
- Measures maintained to prevent misinformation, misleading claims, and reputational risks
- Monitoring maintained across digital engagement and stakeholder communication channels
- Compliance considerations integrated relating to data protection, intellectual property, and applicable communication regulations

Social Media and Digital Platform Engagement



Digital Governance and Responsible Communication Performance



Zero Confirmed Breaches Relating To Digital Communication Governance, Ethical Marketing Practices, Or Regulatory Non-Compliance Across Official Digital Platforms.

Zero Incidents Relating To Digital Misinformation, Misleading Communication, Or Unauthorised Digital Content Dissemination During FY 2025/26.

100% Official Digital Communication Channels Operated Under Internal Governance, Content Review, Monitoring, And Approval Procedures Throughout The Reporting Period.



Social and Relationship Capital

Customers

SDG 8.2, 9.1, 16.6

CRISIS MANAGEMENT AND CUSTOMER CONTINUITY

During FY 2025/26, DPL operated amid geopolitical instability, shipping disruptions, raw material volatility, supply chain constraints, and operational uncertainties across global markets.

Despite these challenges, the Group maintained operational resilience and continued fulfilling customer commitments through proactive crisis management, agile manufacturing coordination, diversified sourcing, regional warehousing, and responsive logistics planning.

Leveraging diversified manufacturing operations, flexible inventory allocation, alternative shipment arrangements, and close customer coordination, DPL minimised supply disruptions while reinforcing customer trust and service reliability across export markets.

Global Disruptions Navigated During the Year

External Challenges	Continuity Measures
Shipping and freight disruptions	Alternative logistics and shipment planning
Raw material price volatility	Supplier diversification and sourcing flexibility
Geopolitical instability	Diversified operational support
Supply chain disruptions	Inventory buffers and production prioritisation
Demand fluctuations	Agile manufacturing coordination
Utility and operational disruptions	Continuity planning and operational flexibility
Export and logistics constraints	Regional warehousing support

OPERATIONAL RESILIENCE & CUSTOMER CONTINUITY FRAMEWORK

- Crisis management and business continuity procedures maintained across operations
- Diversified manufacturing operations supported continuity during disruptions
- Flexible sourcing strategies maintained for critical raw materials
- Regional warehousing and inventory buffers strengthened supply responsiveness
- Alternative shipment coordination activated during logistics disruptions
- Cross-functional coordination enabled agile operational response
- Continuous customer communication maintained during disruptions
- Business continuity integrated into operational risk management processes

DPL's Customer Continuity Response Approach



Rapid Internal Escalation

- Trigger identification across operations and supply chain.
- Immediate escalation to Crisis Management Team (CMT).
- Activate crisis communication channels.

Operational Assessment & Response Activation

- Assess impact on operations, supply chain and customer orders.
- Prioritise critical customers and commitments.
- Activate response plan and assign actions.

Customer Communication& Delivery Coordination

- Proactively communicate with customers.
- Share impact, action plan and revised timelines (if any).
- Coordinate delivery priorities and requirements.

Alternative Supply & Logistics Activation

- Activate alternative suppliers and materials.
- Reroute shipments and explore alternate logistics options.
- Utilise regional warehouses and inventory buffers.

Ongoing Monitoring & Customer Updates

- Monitor operations, supply chain and logistics in real time.
- Provide regular status updates to customers.
- Adjust plans as needed to ensure continuity.

Recovery & Service Continuity Review

- Stabilise operations and fulfil commitments.
- Review response effectiveness and lessons learned.
- Strengthen processes for future resilience.

OUR COMMITMENT TO CUSTOMERS

- Reliable supply, even in challenging times
- Minimised disruption to customer operations
- Responsive solutions across global markets
- Long-term trust through resilience and transparency

Customer & Operational Value Created

Customer Value

- Maintained continuity of supply during disruptions
- Reduced risk of customer operational interruptions
- Strengthened reliability and responsiveness across markets
- Sustained long-term customer confidence and relationships

Operational Value

- Improved agility across supply chain operations
- Enhanced resilience through diversified manufacturing and logistics
- Strengthened operational coordination during disruptions
- Improved preparedness for future external risks and uncertainties

Social and Relationship Capital

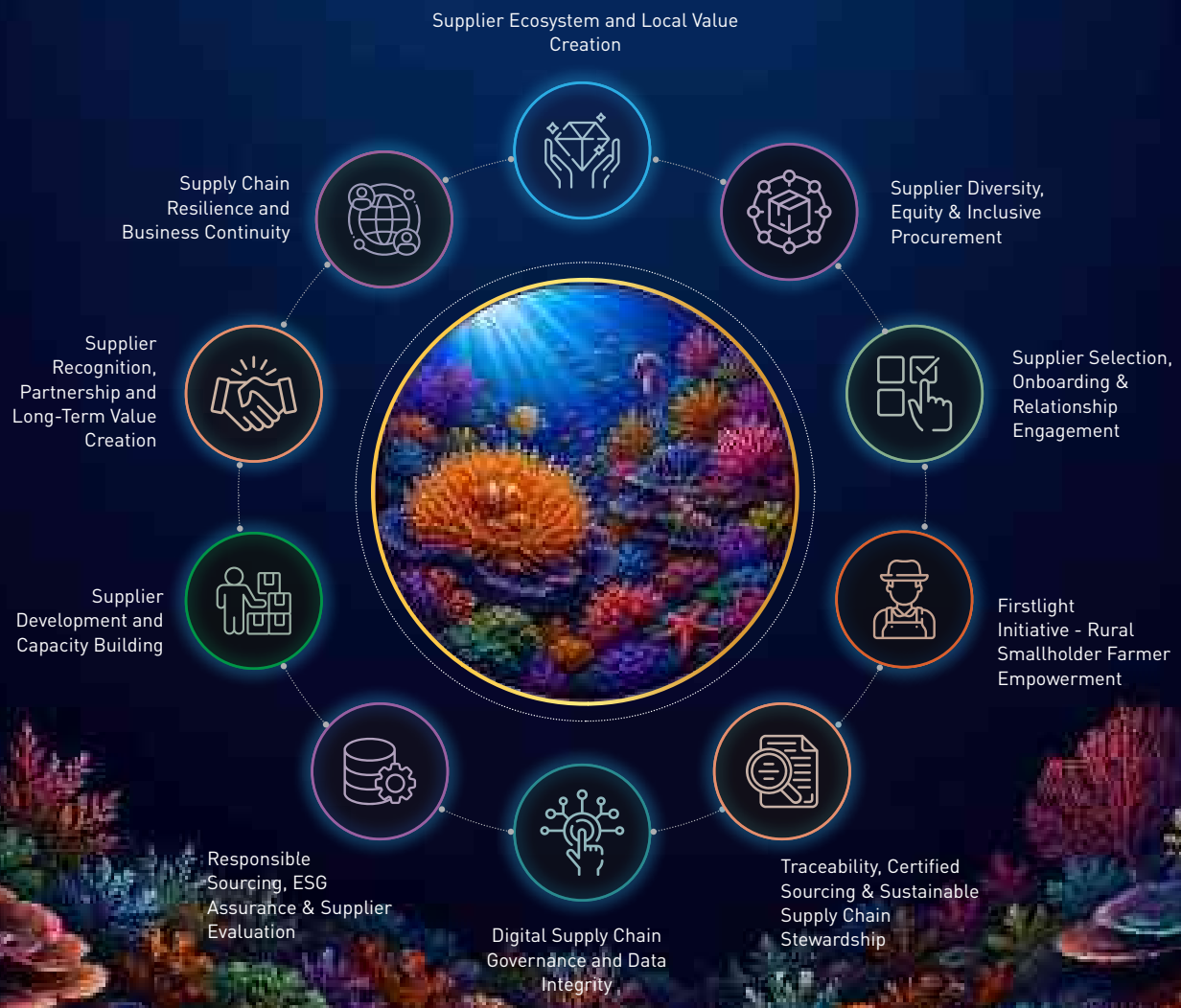
Suppliers



ANCHORED IN PARTNERSHIPS

The clownfish and sea anemone demonstrate how reciprocal relationships sustain mutual growth. The clownfish gains shelter while actively defending the anemone from predators, protecting the very relationship they depend on. Similarly, at DPL, we nurture our supplier partnerships through collaboration and shared purpose, ensuring each connection strengthens the broader supply ecosystem.

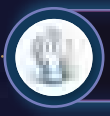
KEY PILLARS OF SOCIAL AND RELATIONSHIP CAPITAL



Value Creation

Social and Relationship Capital enables DPL's business model through trusted supplier relationships and responsible sourcing practices. This promotes supply chain sustainability, strengthens business continuity and creates long-term value for stakeholders.

GRI 3-3 | SASB FB-AG-430a.1



HAND PROTECTION
Protecting hands, Enabling progress

PLANTATION
Nuturing nature, Sustaining Life





INPUTS
Resources invested

- **Rs. 26 Bn** payments to suppliers; ESG governance frameworks; SAP-linked digital procurement systems
- **Rs. 3.5 Bn** payments made to suppliers and service providers across the plantations value chain



ACTIVITIES
What we do

- **100%** new suppliers screened; **66%** existing suppliers evaluated; **8** supplier development / engagement sessions
- **196** new suppliers onboarded through procurement, sourcing, contracting and supplier engagement processes



OUTPUTS
Direct deliverables

- **286** Strategic Business Based - Suppliers
- **6** joint innovation initiatives with Suppliers; **100**% SAP-linked supplier payments
- **2,883** active suppliers within the supplier ecosystem at year-end



OUTCOMES
Performance improvements

- Improved supply continuity; stronger compliance readiness; enhanced supplier innovation
- **22.7%** growth in supplier network, strengthening sourcing coverage, supplier diversity and procurement flexibility



IMPACT
Business value created

- Long-term resilient, responsible and innovation-enabled supplier ecosystem
- Enhanced supply continuity, procurement resilience and long-term value chain stability, supporting uninterrupted plantation operations and sustainable business growth

TWO ECOSYSTEMS, ONE PURPOSE
Creating long-term value for people, planet and prosperity

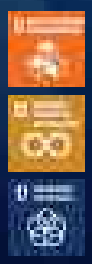
Material Topics

- M1 Product Responsibility
- M6 Customer Satisfaction
- M10 Environmental & Social Issues Along Supply Chain
- M19 Customer Requirements on Sustainability
- M23 Human Rights Assessment
- M24 Community & Livelihood Development

Impacted Stakeholders

- Suppliers
- Business partners
- Government and regulators

Impacted SDG



Alignment with Strategic Priorities

- Climate action
- Innovation & Digitalisation
- Value chain and Community development

Link with Key Risks and Opportunities/ SRROs/CRROs

- SRROs 01 and 02
- CRROs 01
- MR 01 and 03
- FR 01

AWARDS AND RECOGNITION



Best Exporter of the Year Award at the National Chamber of Exporters (NCE) Awards

Recognised for excellence in export performance, global market competitiveness, customer partnerships, and contributing to Sri Lanka's export growth.



National Supply Chain Excellence Awards

Recognised for strengthening supply chain resilience through responsible sourcing, supplier collaboration, operational excellence, and continuous improvement across the value chain.



CNCI Achievers Awards

Received recognition for manufacturing excellence, innovation, productivity, quality leadership, and sustainable business performance.

FUTURE FOCUS

Short Term

- Strengthen ESG integration into sourcing decisions
- Enhance supplier governance visibility
- Improve sourcing transparency through digital enablement
- Strengthen procurement capability and accountability

Long Term

- Build a future-ready supplier ecosystem
- Advance certified and traceable sourcing
- Strengthen strategic supplier partnerships
- Embed predictive supplier risk governance
- Position responsible sourcing as a competitive advantage

Social and Relationship Capital

Suppliers

Governance & Strategic Stewardship of Supplier Capital

GRI 2-6 | SASB FB-AG-430a.2

PROCUREMENT AND LOGISTICS GOVERNANCE

Supplier governance is anchored through cross-functional oversight integrating procurement, supply chain, sustainability, quality, finance and operations functions to ensure supplier decisions are commercially sound, ethically responsible and operationally resilient.

The governance framework establishes clear accountability for supplier onboarding, qualification, performance monitoring, risk management, escalation and strategic sourcing decisions. Enhanced governance applies to critical suppliers where continuity, compliance, quality or sustainability risks could materially impact operations or customer commitments.

Defined escalation and approval mechanisms support disciplined supplier management, including risk escalation pathways, sourcing approval thresholds and cross-functional intervention for high-risk or strategically important supplier matters.

POLICY & CONTROL FRAMEWORK

Supplier governance is reinforced through a structured policy framework that defines expectations for responsible business conduct, ethical sourcing and supplier accountability.

Core governance instruments include:

- Sustainable Procurement Policy
- Supplier Code of Conduct
- Good Governance and Business Ethics Policy
- Whistleblower Policy and Procedures
- Supplier Screening and Evaluations

This framework ensures supplier expectations are embedded from onboarding through ongoing relationship management, supporting strong governance practices and contributing to zero material non-conformances with suppliers during the financial year.

INTERNAL CAPABILITY & PROCUREMENT EXCELLENCE

Responsible supplier management depends on capable internal teams equipped to manage increasingly complex supply, compliance and sustainability expectations.

Our procurement and logistics teams continue strengthening commercial, operational and ESG competencies through targeted capability development, sustainable procurement awareness and performance accountability mechanisms.

Embedding ESG-related expectations into procurement roles helps align day-to-day sourcing decisions with broader business resilience and responsible sourcing objectives.

- Sustainable Procurement Capability Development & Skills Strengthening
- ESG-linked Performance Expectations

GOVERNANCE ARCHITECTURE



Indicator	FY 2025/26
Procurement roles with ESG-linked KPIs in performance appraisals	100%
Suppliers covered under Supplier Code of Conduct	100%
Critical suppliers under enhanced governance oversight	100%
Strategic sourcing decisions reviewed through cross-functional governance	100%
Procurement team capability development hours	321 hours

Social and Relationship Capital

Suppliers





SUPPLIER ECOSYSTEM & LOCAL VALUE CREATION

DPL's supplier ecosystem spans rural smallholder farmers, SMEs, large business-based suppliers, logistics partners, and global material partners who collectively support the Group's operational continuity, product quality, innovation, and market responsiveness. This diverse ecosystem enables DPL to balance local economic participation with access to specialised global inputs required for advanced hand protection manufacturing.



DPL's supplier base is structured across three key ecosystem layers: farmer-sourced raw materials, business-based material and intermediary suppliers, and logistics and distribution partners. This structure reflects the different roles suppliers play in supporting raw material continuity, specialised inputs, manufacturing readiness, and market delivery.

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.

4,893
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.

286
Active Global Business Based Suppliers

Sub-Categories & Examples

Direct Manufacturers and Processes	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)

21
Active Logistic & Distribution Partners

Social and Relationship Capital

Suppliers

GRI 204-1

As part of DPL's commitment to inclusive economic growth, the Group prioritises local supplier participation where operationally feasible, while maintaining access to specialised global suppliers required for product quality, innovation, and regulatory compliance. In FY 2025/26, 65% of procurement cost in Sri Lanka and 35% in Thailand was spent with local suppliers, directing Rs. 4 Bn of procurement value to suppliers operating within the countries in which DPL manufactures. The Group's sourcing activities contribute to rural economic participation, SME development, local employment generation, and supply continuity across both Sri Lanka and Thailand.

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• **Rs. 43 Bn** procurement spend directed through supplier partnerships and local sourcing strategies	• Latex Sourced from **4,893** rural Smallholder farmers, Packing material Sourced from 05 Small and medium Scale busines, and **654** local suppliers engaged through onboarding and participation initiatives	• **65%** local procurement participation and increased supplier ecosystem inclusion across Sri Lanka and Thailand	• Strengthened local economies, rural livelihoods, and supply resilience through **80%** local sourcing retention	• Long-term inclusive economic growth supported through a resilient supplier ecosystem spanning **5,179** supplier partners across local and global markets

This framework demonstrates how our investments and actions translate into mesurable results, deliver meaningful outcomes, and create long-term value for our stakeholders and environmenta.

Supplier Categories Relevant to Sri Lankan Context	Local Suppliers – Active No. (Registered No.)	% of Quantity Purchased	Global Suppliers – Active No. (Registered No.)	% of Quantity Purchased
Natural Latex Suppliers	4,893 (10,485)	80%	4 (5)	20%
Nitrile Latex Suppliers	N/A	N/A	7 (8)	100%
Chemical Suppliers	30 (52)	20%	89 (105)	80%
Liners and Yarn Suppliers	20 (25)	35%	38 (40)	65%
Packaging Materials Suppliers	65 (70)	98%	12 (15)	2%
Logistics and Distribution Partners	20 (25)	95%	1 (1)	5%



SUPPLIER DIVERSITY, EQUITY & INCLUSIVE PROCUREMENT

DPL's Supplier Diversity Programme is designed to promote inclusive procurement practices by creating equitable opportunities for diverse suppliers across the value chain. While rural smallholder inclusion remains a priority, DPL's inclusive procurement approach also encourages participation from SMEs, women-led enterprises, disadvantaged businesses, and suppliers representing underrepresented groups across the broader supply chain ecosystem, where commercially and operationally feasible.

The programme supports economic empowerment, inclusive participation, and long-term business growth by encouraging procurement from suppliers representing underrepresented and vulnerable groups within the communities in which DPL operates. The programme primarily focuses on strengthening participation among smallholder farmers and small-to-medium-scale suppliers while also encouraging business-based suppliers to enhance workforce diversity and inclusive business practices across the broader supply chain ecosystem.

DPL recognises the following supplier diversity categories:

- Female smallholder farmers and women-owned businesses
- Youth smallholder farmers and youth-owned businesses
- Smallholder farmers and businesses representing minority communities
- Smallholder farmers and businesses owned by persons with disabilities
- Economically disadvantaged smallholder farmers
- Small and disadvantaged businesses
- Businesses owned or led by individuals from underrepresented communities



Measures in FY 2025/26 to advance supplier inclusion

- Inclusive supplier identification practices
- Consideration of underrepresented supplier participation
- SME sourcing opportunities
- Targeted smallholder outreach
- Supplier diversity tracking and monitoring

Inclusive Procurement in Action

- Prioritising participation of small and emerging suppliers
- Supporting SME integration into formal supply chains
- Encouraging equitable sourcing opportunities
- Strengthening regional economic inclusion

Social and Relationship Capital

Suppliers

SUPPLIER SELECTION, ONBOARDING & RELATIONSHIP MANAGEMENT

DPL adopts a structured and responsible supplier onboarding approach designed to ensure that supplier relationships begin with clear expectations, strong governance and alignment with the Group's ethical, operational and sustainability standards.

OUR SUPPLIER JOURNEY



Prospective suppliers undergo a stepwise qualification process that includes legal and business verification, ESG and compliance due diligence, technical and commercial suitability assessment, and formal commitment to DPL's Supplier Code of Conduct and Sustainable Procurement expectations before onboarding.

Beyond supplier qualification, DPL maintains an active supplier relationship management approach centred on transparency, accessibility and continuous engagement. Suppliers are engaged through structured review discussions, field visits, supplier interactions, digital communication channels and direct engagement mechanisms that support operational alignment, issue resolution and stronger long-term partnerships.

Recognising suppliers as important long-term stakeholders, DPL also maintains feedback and grievance mechanisms that enable suppliers to raise concerns, communicate needs and contribute to continuous relationship improvement through responsible and responsive engagement practices.

Indicator	FY 2025/26
DPL visits to supplier facilities	27
Supplier visits to DPL facilities	48
Structured supplier review discussions completed	35
Major Supplier grievances raised	Zero
Major Supplier grievances resolved	Zero

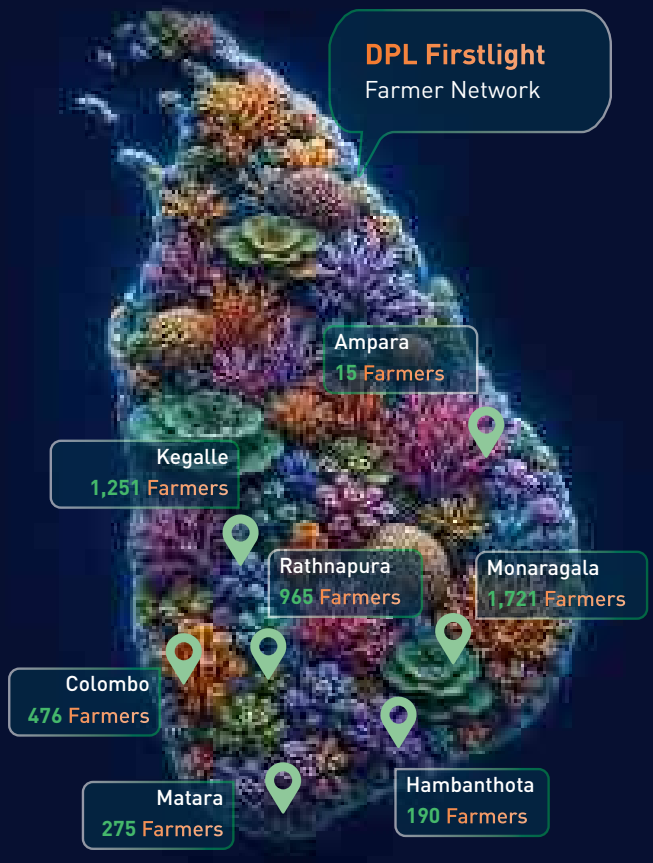


FIRSTLIGHT INITIATIVE - RURAL SMALLHOLDER FARMER EMPOWERMENT

The Firstlight Initiative is DPL's flagship inclusive sourcing model designed to strengthen rural smallholder livelihoods while building a resilient and responsible natural rubber supply ecosystem. Through direct sourcing relationships, fair pricing, inclusive purchasing mechanisms, reduced dependence on intermediaries, structured market access, and farmer-focused support, the initiative integrates participating smallholders directly into DPL's upstream value chain while strengthening income stability and long-term sourcing resilience.

Beyond procurement, Firstlight strengthens farmer resilience through technical guidance, productivity support, infrastructure, Personal Protective Equipment (PPE), safe working resources, sustainable cultivation support, and community-based institutional development. Transparent and progressively digitised payment mechanisms improve payment efficiency, trust, and financial inclusion, while direct engagement, issue resolution, and community dialogue strengthen supplier voice, dignified supplier relationships, and responsible sourcing practices across the rural sourcing network.

By combining livelihood development, supplier empowerment, safer working practices, and long-term sourcing partnerships, Firstlight contributes to stronger farmer resilience, more sustainable domestic natural rubber sourcing, and shared long-term value creation for both suppliers and DPL.



**The quantities purchased and cost is shared on page 316.*

	Location (District)	No. of farmers
1.	Kegalle	1,251
2.	Colombo	476
3.	Matara	275
4.	Ratnapura	965
5.	Hambanthota	190
6.	Moneragala	1,721
7.	Ampara (New)	15

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

Suppliers

SMALLHOLDER SUPPORT MECHANISMS

- PPE, safe working gear and farmer field equipment
- Tapping tools, storage barrels and handling resources
- Fertilisers, cultivation inputs and sustainable farming support
- Quality testing, sampling and latex verification support
- Direct collection access and collection centre infrastructure
- Monaragala laboratory / latex collection facility access
- Technical productivity guidance and sustainable tapping support
- Field-based Smallholder Agent support, farmer engagement and issue resolution
- Facilitation support for access to institutional / financial services
- DPL EasyPay - Digital Payment Infrastructure for rural latex supplier

Rural Economic Development and Farmer Livelihoods

A core achievement of Firstlight is the strengthening of rural livelihoods through fair pricing mechanisms, direct sourcing relationships, capability building, and structured market participation. By reducing dependency on intermediaries and supporting productivity improvements, the initiative contributes to stronger farmer income stability and long-term economic resilience.

Key Performance Indicators FY 2025/26	
Estimated Increase in Average Household Income	15%
Total Farmers Registered with the Initiative	10,485,
Farmers Attending Productivity Enhancement Training	605
Annual Payments to Smallholder Farmers	Rs. 3.51 Bn
Investment in Supplier Development and Support	Rs. 2.2 Mn

Rubber Industry Development and Local Economic Strengthening

Firstlight contributes to strengthening Sri Lanka's domestic rubber ecosystem by supporting local sourcing, improving supply consistency, encouraging sustainable cultivation, and expanding smallholder participation in the formal supply chain. The initiative strengthens long-term supply resilience for DPL while supporting broader rural economic participation and domestic industry development.

Industry Development Indicators FY 2025/26	
New Farmer Locations Integrated	637
Dry Rubber Latex Sourced via Firstlight	5.6 Mn kg
Government/Institutional Collaborations	02
Regional Farmer Networks Supported	07

Farmer Voice and Institutional Strengthening

Firstlight promotes participatory engagement through farmer associations, structured feedback mechanisms, community dialogue, and collaborative issue resolution, strengthening supplier voice within the sourcing ecosystem. The model supports responsible sourcing expectations through safe working practices, dignified supplier engagement, capability building, equitable commercial participation, and respectful supplier relationships.

The model supports responsible sourcing expectations through safe working practices, dignified supplier engagement, capability building, equitable commercial participation, and respectful supplier relationships.

Institutional Strengthening KPIs FY 2025/26	
Farmer Unions / Associations Established	06
Farmers Participating in Feedback/Satisfaction Surveys	987
Customers Supporting Firstlight Initiative	02

Strengthening Sri Lanka's Rural Rubber Value Chain with Innovation in Monaragala

Dipped Products PLC has inaugurated a state-of-the-art Latex Collection Centre and Laboratory in Monaragala, backed by an investment of over Rs. 50 million, marking a significant step in strengthening Sri Lanka's grassroots rubber supply chain.

Designed to empower smallholder rubber farmers, the facility brings scientific quality testing, faster access to Dry Rubber Content (DRC) analysis, transparent quality-based pricing, improved traceability, and enhanced market access directly to the region—eliminating longstanding barriers faced by rural producers.

Beyond infrastructure, the initiative supports fairer livelihoods, sustainable sourcing, stronger compliance with global standards, and greater resilience across Sri Lanka's natural rubber value chain, while creating new opportunities for rural economic development and youth participation in the sector.











Suppliers

SASB FB-AG-430a.3

TRACEABILITY, CERTIFIED SOURCING & SUSTAINABLE SUPPLY CHAIN STEWARDSHIP

DPL's responsible natural rubber sourcing approach is anchored in end-to-end traceability, certified sourcing, environmental stewardship, and evolving regulatory readiness. Through the Firstlight model, the Group applies supplier verification, QR-enabled traceability, polygon mapping, batch-level documentation, and farm-to-market traceability controls to strengthen supply chain transparency and responsible sourcing assurance.

The framework supports compliance with emerging requirements including the EU Deforestation Regulation (EUDR), while advancing FSC-certified sourcing, supplier environmental risk screening, climate-linked supplier engagement, and farmer capacity-building initiatives that promote sustainable agricultural practices, responsible land stewardship, and resilient sourcing ecosystems.

Indicator	FY 2025/26
Farmers assessed for EUDR readiness	90%
Polygon mapped sourcing areas	4 hectares
Investment in EUDR readiness initiatives	Rs. 1 Mn
Supplier traceability verification completed	92%
Farmers engaged through awareness programmes	05

TRACEABILITY & EUDR READINESS FRAMEWORK

- Supplier onboarding and identity verification
- QR-enabled supplier traceability
- Polygon mapping and geolocation verification
- Batch-level source documentation
- Traceability record validation
- Supplier responsible sourcing declarations
- Regulatory compliance documentation
- Deforestation-related sourcing verification
- Data collection and audit-ready documentation
- Alignment with evolving EUDR requirements





SUPPLY CHAIN ASSURANCE CONTROLS

- QR-enabled traceability systems
- Geolocation and polygon mapping verification
- Supplier registration and qualification controls
- Farm documentation validation
- Batch-level raw material traceability
- Transport and transfer documentation controls
- Digitally maintained supplier records
- Audit-ready sourcing documentation

SUPPLY CHAIN ASSURANCE CONTROLS

- Ecosystem protection
- Reduced land degradation
- Responsible cultivation practices
- Improved farmer resilience
- Sustainable livelihood development
- Enhanced traceability

Maturity Timeline



- Baseline data collection
- Farmer & plot registration
- Initial field assessments

- High-resolution polygon mapping
- Farmer verification & ground truthing
- Data accuracy & spatial validation

- End-to-end traceability
- Digital documentation & compliance
- Audit readiness & continuous improvement

Social and Relationship Capital

Suppliers

Advancing Certified and Deforestation-Free Natural Rubber Sourcing

DPL continues to strengthen responsible natural rubber sourcing through sustainable sourcing initiatives focused on traceability, environmental stewardship, ethical procurement practices, and farmer engagement. Through FSC-certified sourcing initiatives and ongoing supplier collaboration, the Group supports sustainable land stewardship, biodiversity protection, and improved rural livelihood resilience while aligning with evolving customer and regulatory expectations relating to deforestation-free sourcing and responsible supply chain management.

Indicator	FY 2025/26
FSC-certified farmer network / certified suppliers	150
Farmers supported toward certification readiness	150
Sustainable latex sourced under FSC-linked programmes	24,000 kg
Community Development Fund contribution	Rs 2.2 Mn
Farmer capacity-building programmes conducted	05

CERTIFIED SOURCING ASSURANCE

- FSC-certified sourcing pathways
- Chain of custody integrity controls
- Responsible sourcing documentation
- Supplier verification and compliance assurance
- Deforestation-free sourcing readiness



Integrating Climate Considerations Across the Supply Chain

Indicator	FY 2025/26
Suppliers screened for environmental and climate risks	68%
Supplier sustainability awareness programmes conducted	04
Climate-related sourcing risks assessed (Refer SLFRS Disclosure Page 148-207)	01

SUPPLIER CLIMATE & ENVIRONMENTAL ENGAGEMENT

- Supplier climate-risk awareness
- Scope 3 participation and emissions engagement
- Responsible raw material sourcing awareness
- Sustainable agriculture promotion
- Environmental risk screening
- Climate resilience engagement
- Responsible land-use stewardship





DIGITAL SUPPLY CHAIN GOVERNANCE & DATA INTEGRITY

DPL continues to strengthen supply chain governance, transparency, and operational control through the digitalisation of supplier onboarding, identity verification, transaction capture, approvals, payment administration, and reconciliation workflows. By integrating digital platforms with SAP and structured approval mechanisms, DPL enhances transaction traceability, strengthens oversight, reduces manual intervention, and improves operational efficiency. These controls support stronger fraud prevention, audit readiness, operational visibility, and more responsive issue resolution across selected supply chain processes.

DPL EasyPay: A Digitally Governed Rural Procurement Ecosystem



DPL's EasyPay platform has transformed rural latex procurement from fragmented manual transactions into a digitally governed, transparent, and quality-integrated supplier ecosystem. Designed for real field conditions, the platform enables biometric supplier verification, QR-authenticated collection, transaction capture at source, lab-linked quality validation, automated payment execution, SAP-integrated reconciliation, and digital supplier communication.

By embedding governance controls directly into procurement workflows, EasyPay strengthens transaction integrity, reduces fraud risk, improves auditability, accelerates payments, and enhances supplier trust across DPL's rural sourcing network.

First-time in Sri Lanka

Smallholder latex sourcing through secure digital onboarding, verified payments, and real-time procurement intelligence.



DIGITAL RURAL PROCUREMENT ECOSYSTEM

Transforming smallholder latex procurement through DPL EasyPay

A digitally governed, transparent and inclusive ecosystem connecting farmers, smallholder agents, laboratories, logistics and procurement teams, improving operational excellence and sustainability.

1 SUPPLIER AUTHENTICATION

- Farmer biometric registration & verification
- Identity validation
- Supplier authentication for farmer onboarding

Verified Identity
Trusted Participants

2 FIELD COLLECTION & TRANSACTION CAPTURE

- Latex collection at source
- Sample bottle barcode tagging / digital collection records
- Collection captured through instant digital records

Accurate Traceability
Real-time Visibility

3 QUALITY VALIDATION

- Sample transfer to laboratory
- DRC / TSC testing
- Quality validation for settlement

Quality Assured
Fair value determination

4 APPROVAL & GOVERNANCE CONTROLS

- Role-based approvals
- Segregation of duties
- Complete audit trail & visibility

Governed. Controlled. Auditable.

5 DIGITAL PAYMENT RECONCILIATION

- Instant advance payment (50% at collection)
- Automated reconciliation
- SAP-linked reconciliatio

Fast payment accuracy

6 SUPPLIER COMMUNICATION & TRANSPARENCY

- Farmer payment notifications
- SMS alerts
- Historical transaction records and feedback

Transparent communication

EMERGING MATERIAL INNOVATION PATHWAYS



KEY DIGITAL ENABLERS

- Secure digital identity verification
- Mobile-first farmer engagement
- Real-time dashboards & reporting
- Digitally enabled collection process
- Audit-ready governance controls

INNOVATION RECOGNITION

DPL EasyPay was shortlisted at Amazon Business Digital Impact Award at the World Procurement Awards 2026.

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI Type	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• Investment in EasyPay digital procurement platform and governance ecosystem • SAP-integrated payment and reconciliation infrastructure established • Digital onboarding, biometric verification and field collection technology deployed	• Digitally onboarded and authenticated rural latex suppliers • Enabled QR and biometric-based collection transactions • Executed automated payment processing and reconciliation through SAP • Provided real-time transaction notifications and supplier communications	• 4,500+ farmers digitally integrated into the procurement network • 50% instant payments enabled at collection point • 90% reduction in paper-based transactions • 6,200 monthly man-hours saved through process automation	• Payment cycle reduced from 21 days to ~2 days • 5% increase in collection volumes • Improved transaction visibility, traceability and audit readiness • Enhanced supplier participation and trust in procurement processes	• Strengthened procurement governance, transparency and supply chain resilience • Increased financial inclusion opportunities for smallholder farmers through access to formal banking and financial services • Improved supplier trust, traceability and responsible sourcing oversight • Established a digitally connected and future-ready rural sourcing ecosystem

Related UN SDGs



Social and Relationship Capital

Suppliers

Impact Beyond the Digitisation of Payments

Beyond operational efficiency, DPL EasyPay is contributing to broader rural economic empowerment through DPL's partnership with a leading Sri Lankan bank, extending the impact of digital procurement into financial inclusion. By replacing fragmented manual transactions with digitally verified payment records, the platform helps create credible financial histories for participating smallholder suppliers, improving their visibility within the formal financial ecosystem. This creates opportunities for farmers to access banking relationships, tailored financial solutions, and other value-added financial services that may have previously been less accessible within informal procurement environments. Through this partnership-driven ecosystem approach, DPL EasyPay strengthens not only procurement governance and supplier trust, but also long-term supplier resilience, financial inclusion, and rural economic development.

KPI	FY 2025/26
Farmers digitally integrated	4,500+
Instant payments at collection	50%
Payment cycle reduction	21 days → 2 days
Monthly man-hours saved	6,200
Paper reduction	90%
Collection volume increase	5%
Field operability	Offline-enabled
Supplier identity verification	Biometric-enabled
Fully operational	Capture now, sync later

Strengthening Business Supplier Payment Governance

DPL has also strengthened governance and operational efficiency across business-based supplier transactions through SAP-integrated digital payment administration and structured financial controls. Digital workflows improve transaction consistency, enable real-time validation, support faster reconciliation, and create system-generated audit trails that enhance accountability and oversight across procurement and finance processes. This digital control environment reduces administrative burden, minimises payment-related discrepancies, improves issue resolution, and supports a more reliable and efficient supplier payment experience.

KPI	FY 2025/26
SAP-linked supplier payment transactions	100%
Payment reconciliation	Automated for digital transactions
Audit trail visibility	System-generated and traceable
Supplier onboarding	Digitally administered
Payment issue resolution time	Improved
Manual transaction dependency	Reduced
Transaction verification controls	Embedded digital validation







Impact of Digitisation Efforts in Supply Chain

Strategic Benefits

- Stronger payment governance
- Improved fraud prevention
- Better financial control visibility
- Enhanced supplier confidence
- Scalable digital control environment

Operational Benefits

- Faster supplier payment cycles
- Reduced manual administration
- Lower transaction processing errors
- Improved reconciliation accuracy
- Faster issue resolution

Governance Controls Put In Place

☑ **Verified supplier identity**

- Biometric verification reduces impersonation and payment fraud risk

☑ **Audit trail & transaction integrity**

- Digital transaction records strengthen reviewability and control assurance

☑ **SAP-linked control environment**

- Consistent data governance across procurement and finance workflows

☑ **Reduced operational exceptions**

- Automation lowers manual intervention and transaction discrepancies

☑ **Improved financial reconciliation**

- Faster matching and issue resolution

☑ **Management oversight**

- Real-time visibility supports stronger governance decision-making intervention and stronger accountability.

Social and Relationship Capital

Suppliers

SASB FB-AG-430a.2 | GRI 308-1, 414-1

RESPONSIBLE SOURCING, ESG ASSURANCE & SUPPLIER EVALUATION

DPL applies a risk-based ESG assurance approach to supplier oversight, integrating environmental, social, human rights, ethical business conduct and regulatory compliance considerations into supplier due diligence, evaluation and ongoing monitoring processes. Supplier assurance mechanisms are designed to strengthen responsible sourcing performance, manage supply chain risks and support continuous supplier improvement.



Indicator	FY 2025/26
Communication of Sustainable Procurement Policy and Supplier Code of Conduct to suppliers	100%
Suppliers covered under Supplier Code of Conduct	100%
New suppliers screened on ESG requirements prior to onboarding	100%
Existing suppliers evaluated for ESG compliance	66%
Reported incidents or violations of Supplier Code of Conduct	Zero
Supplier-related grievances reported	Zero

Supplier relationships are guided through the Supplier Code of Conduct, Sustainable Procurement Policy, ESG clauses, labour and human rights expectations, anti-bribery requirements, and compliance monitoring mechanisms aligned with responsible business practices and customer expectations.



SUPPLIER EVALUATION PROCESS IN FY 2025/26

A structured, transparent and inclusive approach to evaluate, engage and continuously improve our supplier ecosystem.



01 Step 01 – Deciding the Scope of the EvaluationProcess

Requirements to fulfill, supplier base, material topics to assess the suppliers and mode of data collection and evaluation criteria.

Smallholder Farmers
Deciding the material topics for the rural smallholder farmer base.

Business Based Suppliers
Deciding the material topics for business based suppliers and evidences / supporting documents to be requested.

02 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.

03 Step 03 – Data Collection

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

Business Based Suppliers
Circulating the hardcopies to smallholder farmers through the Smallholder Agents.

04 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 and document validation to assess implementation and effectiveness of suppliers' alignment with our due diligence commitments and requirements.

05 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.

06 Step 06 – Supplier Acknowledgement & 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.

07 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.

GRI 308-2, 407-1, 408-1, 409-1,414-2

DPL SUPPLIER EVALUATION & ASSESSMENT FOCUS AREAS

Our supplier evaluations go beyond compliance to build responsible, resilient and future-ready supply chains.

Responsible Sourcing | Risk Mitigation & Compliance | Continuous Improvement | Stronger Partnerships | Sustainable Impact

OUR APPROACH

- Comprehensive assessment across ESG, governance, social and operational dimensions
- Risk-based evaluation and continuous monitoring
- Corrective action and improvement support
- Capacity building and supplier engagement
- Driving transparency, traceability and measurable ESG performance

1 SUPPLIER PROFILE, BUSINESS LEGITIMACY & GOVERNANCE

- Business registration and legal status
- Ownership structure and management accountability
- Supplier demographic profile
- Diversity (gender, age, minority / vulnerable groups)
- Legal ownership / right to operate (incl. land ownership where applicable)
- Organisational governance structures
- Leadership accountability
- Confirmation on accuracy of submitted information
- Business continuity and operational stability

2 ETHICAL BUSINESS CONDUCT & RESPONSIBLE GOVERNANCE

- Alignment with DPL Sustainable Procurement Policy
- Signed Supplier Code of Conduct
- Anti-bribery and anti-corruption controls
- Fraud prevention mechanisms
- Ethical pricing and fair business conduct
- Conflict of interest management
- Whistleblowing / grievance mechanisms
- Ethical procurement practices
- Compliance with contractual obligations

3 LEGAL, REGULATORY & MARKET COMPLIANCE

- Compliance with national laws and labour regulations
- Compliance with regional / export market regulations
- REACH compliance
- EUDR readiness / compliance
- Product-specific regulatory requirements
- Environmental legal compliance
- OHS compliance
- Chemical handling / hazardous materials compliance
- Trade / customs / export compliance
- Permits, licences and statutory registrations

4 HUMAN RIGHTS, LABOUR STANDARDS & SOCIAL COMPLIANCE

- Child labour prevention
- Forced labour prevention
- Human trafficking prevention
- Modern slavery prevention
- Freedom of association
- Collective bargaining
- Equal opportunity
- Fair remuneration
- Working hours compliance
- Employment terms
- Harassment prevention
- Vulnerable worker protection
- Migrant worker protection

5 OCCUPATIONAL HEALTH, SAFETY & WORKER WELL-BEING

- OHS management systems
- Workplace hazard identification and controls
- PPE availability and usage
- Emergency preparedness and response
- Incident reporting mechanisms
- Safe machinery / equipment practices
- Worker health surveillance
- First aid / medical preparedness
- Safe working environment
- Chemical exposure prevention
- Well-being programmers / worker welfare

6 QUALITY MANAGEMENT & PRODUCT RESPONSIBILITY

- Quality management systems
- Product quality assurance processes
- Process controls
- Inspection and testing mechanisms
- Defect prevention systems
- Corrective action processes
- Product traceability
- Documentation controls
- Customer complaint handling
- Continuous quality improvement

7 SAFE CHEMICAL & HAZARDOUS MATERIALS MANAGEMENT

- Chemical inventory controls
- Safe storage and handling practices
- Hazard communication systems
- Use of restricted substances controls
- Hazardous waste disposal
- Chemical training for workers
- Emergency response for chemical incidents
- Compliance with chemical regulations
- Responsible fertilizer / agrochemical use (for agriculture suppliers)

8 ENVIRONMENTAL MANAGEMENT & RESOURCE STEWARDSHIP

- Environmental management systems
- Waste management practices
- Effluent / wastewater management
- Air emissions management
- Energy management practices
- Renewable energy adoption
- Water use management
- Resource efficiency practices
- Pollution prevention measures
- Circularity / recycling initiatives
- Plastic / packaging reduction measures

9 SUSTAINABLE AGRICULTURE & LAND STEWARDSHIP (where relevant)

- Sustainable farming practices
- Soil management
- Biodiversity protection
- Deforestation-free sourcing
- Responsible fertilizer use
- Responsible pesticide use
- Water stewardship in agriculture
- Land use practices
- Conservation initiatives
- Ecosystem protection measures

10 CLIMATE CHANGE & SUSTAINABILITY PREPAREDNESS

- Climate risk awareness
- Climate adaptation preparedness
- GHG emissions awareness / measurement
- Energy transition readiness
- Sustainable sourcing commitments
- Traceability readiness
- Supplier climate action initiatives
- Decarbonizations awareness / participation
- Resilience planning

11 SUPPLY CHAIN TRACEABILITY & TRANSPARENCY

- Supplier traceability systems
- Origin verification
- Raw material source transparency
- Documentation verification
- Chain of custody practices
- Polygon mapping / geo-location readiness (where applicable)
- Traceability record maintenance
- Supplier disclosure transparency

12 ESG FRAMEWORKS, CERTIFICATIONS & COMMITMENTS

- ISO certifications
- FSC / Chain of Custody certifications
- Sustainability memberships
- ESG frameworks adopted
- Responsible sourcing commitments
- External certifications / audits
- Industry compliance programmers

13 SUPPLIER PERFORMANCE, BEST PRACTICES & IMPROVEMENT CULTURE

- Sustainability success stories
- Best practice sharing
- Innovation initiatives
- ESG improvement actions
- Operational improvement evidence
- Supplier-led sustainability initiatives
- Resource efficiency improvements
- Social impact initiatives

14 CORRECTIVE ACTIONS, RISK MANAGEMENT & FOLLOW-UP

- Identification of ESG gaps / non-conformities
- Risk severity assessment
- Corrective action plan development
- Timelines for closure
- Supplier accountability for remediation
- Follow-up verification
- Closure effectiveness checks
- Escalation mechanisms for critical issues
- Supplier performance improvement tracking

15 SUPPLIER ENGAGEMENT, CAPABILITY BUILDING & COLLABORATION

- Interest in ESG training / capacity building
- Participation in supplier development programmers
- Interest in receiving best practice guidance
- Quarterly newsletter / engagement participation
- Site visit participation
- Technical improvement support
- Collaborative improvement readiness
- Long-term partnership commitment

OUR COMMITMENT



Strengthen supplier performance and drive continuous improvement



Uphold responsible sourcing and ethical business conduct



Protect people, planet and communities



Build resilient, transparent and future-ready supply chains

- Together, we build a sustainable future.
- Responsible today. Resilient tomorrow.
- Better for people. Better for planet.

Social and Relationship Capital

Suppliers

GRI 308-2, 407-1, 408-1, 409-1,414-2

Smallholder Farmer Evaluation Results

Total No of Active Suppliers – **4,893**
Evaluation Completed No of Suppliers - **3,304**

68% Smallholder Farmers Evaluated

Simplified risk-proportionate evaluation pathway

Human Rights & Ethical Supplier Assurance Controls

NO CHILD LABOUR
Every child deserves a childhood and an education.

NO FORCED LABOUR
No one should be forced to work against their will.

FAIR LABOUR PRACTICES
Fair wages, reasonable hours and equal opportunities for all.

WORKER DIGNITY
We respect, value and uphold the dignity of every worker

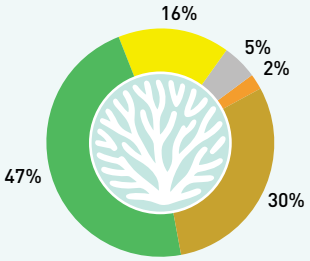
ANTI-BRIBERY
Zero tolerance for bribery, corruption and unethical conduct.

Enhanced ESG due diligence and verification pathway

Business based Supplier Evaluation Results

Total No of Active Suppliers – **286**
Evaluation Completed No of Suppliers - **94**

33% 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
2. Thailand
3. China
4. Malaysia
5. South Korea
6. Canada
7. Hong Kong
8. Taiwan
9. Germany
10. Singapore
11. Japan
12. Vietnam
13. Norway
14. India

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.	30%	Maintain partnerships & explore further collaboration
Green	70 – 84%	Fully compliant with international and local regulations and DPL standards.	47%	Maintain partnerships & explore further collaboration
Yellow	60 – 69%	Meets minimum DPL standards but requires monitoring.	16%	Monitor and provide feedback for improvement Provide Supplier Development Opportunities
Gray	50 – 59%	Limited scope supplier; authorised under special conditions.	5%	Engage in corrective actions and remediation plans Provide Supplier Development Opportunities
Orange	30 – 49%	Supplier has critical issues; remediation required for continued engagement.	2%	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

SUPPLIER DEVELOPMENT AND CAPACITY BUILDING

Our supplier development approach focuses on strengthening supplier capability, ESG maturity, operational performance, compliance readiness, and long-term improvement across both business suppliers and smallholder sourcing partners. Through structured training, technical coaching, corrective action support, documentation guidance, knowledge sharing, and best practice exchange, we support suppliers in strengthening responsible business practices, improving quality and operational performance, enhancing sustainability readiness, and driving continuous improvement across our supply ecosystem.

Development interventions are informed by supplier evaluations, audit findings, ESG due diligence outcomes, performance monitoring, and operational engagement, enabling targeted capability-building support where improvement opportunities are identified.

Measure Taken in FY 2025/26;

1. ESG Awareness & Compliance Readiness

Focus Areas

- Responsible sourcing expectations
- Human rights and labour standards awareness
- Environmental management and resource efficiency awareness
- Climate and Scope 3 emissions awareness
- Business ethics and anti-bribery awareness
- Compliance documentation readiness
- Customer and regulatory expectation awareness

Support Includes

- ESG awareness sessions
- Supplier guidance materials
- Sustainability expectation communication
- Documentation readiness coaching
- Climate and emissions awareness engagement

2. Business Supplier Capability Development

Focus Areas

- Quality improvement and operational capability strengthening
- Product and specification compliance readiness
- ESG maturity improvement
- Corrective action closure support
- Strategic supplier capability strengthening
- Supplier performance improvement

Support Includes

- Technical coaching
- Quality improvement guidance
- Process improvement support
- Performance review guidance
- Improvement planning support
- Corrective action follow-up

3. Knowledge Sharing & Best Practice Exchange

Engagement Includes

- Supplier learning forums
- DPL best practice sharing
- Operational improvement success stories
- ESG knowledge exchange
- Supplier newsletters and updates
- Continuous supplier communication touchpoints

Smallholder Technical Development

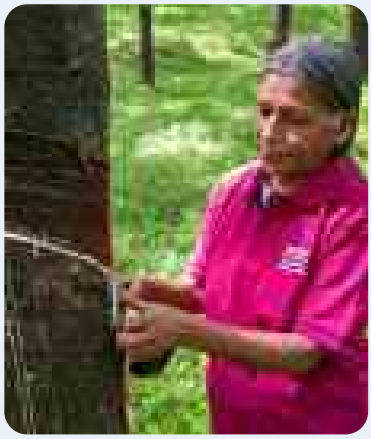
Through our smallholder sourcing initiatives, we continue to strengthen supplier capability through field coaching, practical demonstrations, and targeted technical development support focused on productivity, quality, safety, and sustainable sourcing practices.

Capability-building focus on:

- Sustainable agricultural practices
- Improved tapping techniques
- Safe chemical management
- Equipment maintenance guidance
- Product quality handling and storage
- Worker rights and social compliance awareness

4,500+

farmers digitally integrated



Strengthening Business Supplier Capability

Business-based suppliers identified through evaluations, audits, ESG due diligence, and performance monitoring are supported through targeted improvement interventions to strengthen quality, compliance readiness, ESG maturity, and operational performance.

Capability-building focus on:

- Corrective action coaching
- ESG awareness sharing
- Documentation readiness guidance
- Compliance improvement planning
- Best practice sharing
- Supplier performance follow-up

Impact Highlight:

02

virtual and in-person sessions with suppliers

Social and Relationship Capital

Suppliers

SUPPLIER RECOGNITION, COLLABORATIONS AND LONG-TERM VALUE CREATION

At DPL, we view suppliers not merely as vendors, but as long-term strategic partners in building a resilient, responsible, and future-ready supply ecosystem. Our partnership philosophy extends beyond transactional procurement to fostering trust, transparency, shared accountability, and collaborative value creation across our supplier ecosystem—from rural smallholder sourcing networks to strategic business partners.

As supplier relationships mature, DPL seeks to strengthen progression from approved suppliers to preferred suppliers, strategic partners, and collaborative innovation partners, enabling stronger continuity, mutual growth, operational resilience, and sustainability leadership. Our engagement model extends beyond transactional sourcing to include supplier co-development, innovation partnerships, strategic sourcing dialogue, operational improvement collaboration, regulatory readiness support, and long-term continuity planning that create measurable shared value for both DPL and our suppliers.

Recognition & Value Creation Mechanisms



OUR PARTNERSHIP PHILOSOPHY

Preferred Partner Relationships

We aim to build trusted supplier relationships founded on transparency, responsible business conduct, delivery excellence, ESG alignment, and long-term mutual value creation.

Collaborative Growth

We strengthen shared value through supplier co-development, innovation partnerships, operational improvement collaboration, continuity planning, sustainability engagement, and long-term commercial alignment.

Partnership Progression

Approved Supplier → Preferred Supplier → Strategic Partner → Innovation Partner

Relationship advancement is guided by performance, reliability, ESG alignment, business criticality, and collaborative value creation potential.

Indicator	FY 2025/26
Active rural smallholder farmers	4,893
Strategic business based suppliers	286
Suppliers formally recognised	268
Supplier appreciation / recognition events	05

Indicator	FY 2025/26
Joint innovation / supplier collaboration initiatives	02
Strategic suppliers engaged in continuity partnerships Discussions	33
Long-term / continuity partnership suppliers	88

Supplier Partnership Maturity Model



Social and Relationship Capital

Suppliers

SUPPLIER COLLABORATION IN ACTION

Raw Material Innovation

- Early supplier involvement in R&D
- Joint trials for environmentally responsible formulations.
- Performance, safety and quality validation.
- Pilot-to-scale innovation partnerships.

Packaging Collaboration

- Sustainable packaging co-development
- Recyclable / recycled material integration
- Packaging redesign for material efficiency
- Logistics optimisation for transport performance
- Scope 3 emissions improvement collaboration

Strategic Supply Partnerships

- Continuity planning with critical suppliers
- Strategic sourcing dialogue
- Customer and regulatory compliance readiness collaboration
- Quality and performance improvement partnerships
- Shared best practice exchange and supplier capability collaboration



SUPPLIER RECOGNITION & APPRECIATION

DPL recognises the importance of acknowledging supplier contributions in strengthening supply continuity, responsible sourcing, and long-term partnership value. Recognition mechanisms included:

- Supplier recognition and appreciation events
- Relationship strengthening engagements
- Preferred supplier designation
- ESG leadership recognition
- Innovation contribution acknowledgement
- Strategic partner engagement forums

For rural sourcing ecosystems, appreciation initiatives such as farmer recognition events help reinforce trust, strengthen engagement, and recognise the contribution of smallholder supply partners supporting responsible natural rubber sourcing.

Supplier Recognition and Award Ceremony in Monaragala



Co-Innovating Environmentally Responsible Raw Material Solutions

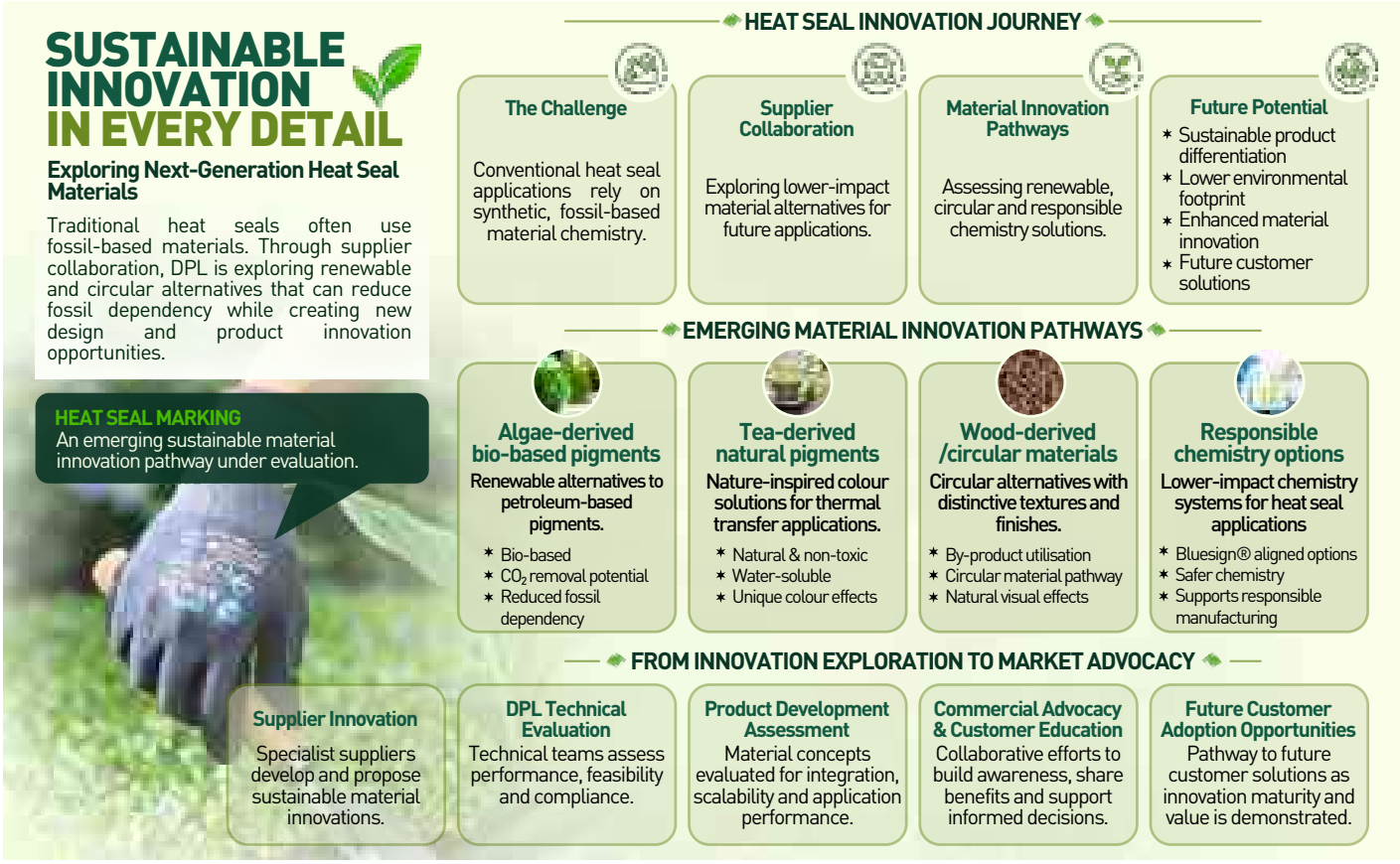
DPL works closely with strategically identified raw material suppliers to accelerate innovation through early supplier involvement in research and development, collaborative trials, and co-development partnerships focused on environmentally responsible material solutions. By bringing suppliers into the innovation process early, DPL strengthens technical collaboration on alternative formulations, material optimisation, and performance enhancement while ensuring that evolving customer expectations, sustainability ambitions, and commercial practicality are balanced effectively. These partnerships enable pilot-to-scale innovation pathways that improve environmental performance without compromising product safety, quality, reliability, or operational feasibility.

Strategic Benefits

- Early supplier involvement strengthens collaborative innovation and faster product development
- Joint trials support environmentally responsible raw material innovation
- Performance, safety, and quality standards maintained through co-validation processes
- Supplier-led innovation improves technical agility and responsiveness to evolving customer expectations
- Pilot innovations successfully translated into scalable commercial applications
- Stronger long-term supplier partnerships built around shared innovation and value creation

Reimagining Product Materials Through Supplier Innovation

At DPL, sustainable innovation extends to even the smallest product details. Working with specialist suppliers, we are exploring alternatives to conventional synthetic-based design inks and related material applications by introducing renewable and circular raw material inputs such as algae-based and wood-derived materials, including sawdust-based components. Beyond reducing dependence on fossil-based inputs, these innovations can also unlock differentiated aesthetic effects, textures, and unique colour finishes that enhance product design.



Social and Relationship Capital

Suppliers

Through close collaboration with suppliers, product teams, and customer-facing functions, these innovations are translated into market-ready sustainable product options, helping customers make more responsible material choices without compromising performance or design appeal.

Impact & Progress

- ☑ Reduced reliance on conventional synthetic material inputs
- ☑ Advanced circular and bio-based material innovation in product detailing
- ☑ Created differentiated design possibilities through sustainable material alternatives
- ☑ Strengthened supplier-led innovation and customer collaboration

Key Metrics

- **04** sustainable material alternatives explored
- **02** innovation supplier collaborations
- Multiple product applications under sustainable redesign

Sustainable Packaging Innovation Through Supplier Collaboration

As packaging sustainability expectations continue to evolve through stricter customer requirements, emerging regulatory developments, and increasing market expectations for lower-impact packaging solutions, DPL continues to collaborate with packaging suppliers to strengthen the sustainability performance of its packaging value chain.

Value Created Through Sustainable Packaging Collaboration;

- Reduced packaging-related environmental footprint
- Greater circular material integration across packaging supply chains
- Reduced dependence on virgin and conventional packaging materials
- Stronger supplier innovation partnerships and collaborative value creation
- Improved readiness for emerging packaging sustainability regulations
- Enhanced customer confidence in future-ready packaging solutions
- Commercially viable sustainability improvements without disproportionate cost escalation
- Long-term advancement of circular and responsible packaging value chains

1 Sustainable Sample Packaging Redesign - Redesigning Packaging Through Supplier Collaboration

Working closely with packaging suppliers, DPL collaborated to redesign unsupported glove sample packaging in response to increasing customer expectations and emerging sustainability requirements for lower-impact packaging solutions. Through joint innovation, conventional packaging formats were reviewed to identify opportunities to simplify material composition, improve recyclability, and reduce dependency on plastic-based components. This collaborative redesign resulted in the removal of polypropylene zip-lock closures and the introduction of more sustainable packaging alternatives that maintain product presentation, functionality, and commercial practicality.

Impact & Progress

- Reduced dependency on conventional plastic packaging components
- Improved recyclability through simplified packaging design
- Lower packaging-related environmental footprint
- Strengthened collaborative supplier innovation in sustainable packaging redesign

Key Metrics

- Approx. 15,000 PET-based laminated bags with a PP zip lock, replaced with mono layer LDPE bag made from Post-consumer recycled LDPE.



Unsupported Glove Range - Sample Bag Redesign with Sustainable Materials and Removal of PP-based (polypropylene) zip lock closure

2 FSC-Certified Paper Headers & rPET Material Integration - Advancing Responsible Packaging Through Joint Supplier Innovation

DPL worked collaboratively with packaging suppliers to strengthen the sustainability performance of supported glove packaging by identifying lower-impact alternatives to conventional packaging materials. Through this partnership-driven innovation process, FSC-certified paper headers were introduced to support responsible material sourcing, while recycled PET (rPET) tag pins replaced virgin plastic components to improve circular material integration. These collaborative packaging improvements helped align packaging solutions with evolving customer sustainability expectations while preserving packaging functionality and product integrity.

Impact & Progress

- Expanded use of responsibly sourced renewable packaging materials
- Reduced virgin plastic dependency through recycled material integration
- Strengthened supplier collaboration in sustainable packaging innovation
- Improved alignment with customer sustainability expectations

Key Metrics

- FSC-certified paper headers introduced across supported packaging
- Approx. 15 Mt virgin plastic packaging elements eliminated
- rPET components integrated into selected packaging formats



Supported Glove Range - Introduced FSC-certified paper-based header cards and R-PET plastic tag pins to replace traditional PET packaging components

3 FSC-Certified Paper Headers & rPET Material Integration - Advancing Responsible Packaging Through Joint Supplier Innovation

In collaboration with packaging suppliers, DPL continues to strengthen circular material use across secondary packaging by increasing the integration of recycled-content corrugated packaging solutions. Through joint supplier engagement, opportunities were identified to optimise packaging material specifications while maintaining durability, product protection, and commercial feasibility. This initiative supports circular economy objectives by reducing reliance on virgin paper fibre and strengthening the use of recovered materials within the packaging value chain

Impact & Progress

- Reduced dependence on virgin fibre in secondary packaging
- Increased integration of recycled materials
- Strengthened circular packaging material use
- Improved resource efficiency within packaging supply chains

Key Metrics

- 95% recycled content in corrugated boxes
- 96% recycled paper content in corrugated boxes helped reduce landfill waste and promote circular resource use.



Recycle paper for corrugated Boxes

4 Renewable Paper-Based Packaging Transition - Collaborating with Suppliers to Reduce Plastic Packaging Dependency

DPL continues working closely with packaging suppliers to identify and transition selected packaging formats toward renewable paper-based alternatives that reduce plastic dependency while maintaining product protection and commercial practicality. Through collaborative packaging innovation, paper bags, folding boxes, and paper belly bands have been progressively introduced as lower-impact alternatives. Supplier engagement also continues to explore next-generation biodegradable and lower-impact material opportunities in response to evolving packaging sustainability expectations.

Impact & Progress

- Reduced conventional plastic dependency across selected packaging formats
- Expanded renewable material integration
- Improved packaging recyclability and recovery potential
- Strengthened supplier-led sustainable packaging innovation

Key Metrics

- 87% of packaging portfolio contains paper-based packaging
- Expanded adoption of renewable packaging formats
- Ongoing supplier collaboration on biodegradable packaging innovation



Paper-based solutions made from renewable materials - paper bags, folding boxes and paper belly bands.

Social and Relationship Capital

Suppliers

Strategic Supply Continuity Through Collaborative Supplier Partnerships

DPL's procurement function plays a strategic role in strengthening long-term supply continuity through collaborative engagement with critical raw material suppliers, including customer-preferred supply partners where quality, specification, and performance requirements are tightly aligned with end-market expectations. Through strategic sourcing dialogue, transparent commercial negotiations, continuity planning, and collaborative problem-solving, DPL works closely with suppliers to secure reliable supply, align technical and commercial expectations, respond to evolving customer requirements, and support operational continuity in dynamic market conditions.

This partnership-led approach moves supplier relationships beyond transactional procurement by positioning suppliers as long-term collaborators in resilience, quality assurance, and customer responsiveness, while enabling procurement to create shared commercial and strategic value.



Indicator	FY 2025/26
Critical raw material suppliers under structured strategic engagement	15
Customer-preferred supplier collaborations supported	08
Strategic continuity planning discussions conducted	33
Long-term continuity partnerships maintained	88

Impact & Progress

- ☑ Strengthened continuity assurance across critical raw material supply categories
- ☑ Improved collaboration with customer-preferred suppliers to align technical, quality, and commercial expectations
- ☑ Enhanced responsiveness to evolving customer product and compliance requirements
- ☑ Reduced supply disruption risk through proactive continuity dialogue and strategic sourcing engagement
- ☑ Stronger procurement-led supplier relationships built on transparency, trust, and shared commercial objectives
- ☑ Improved supply reliability and long-term competitiveness through partnership-based sourcing models





SUPPLY CHAIN RESILIENCE AND BUSINESS CONTINUITY

In an increasingly volatile global operating environment, resilient supply chains have become a strategic business imperative. During the year, we navigated geopolitical uncertainty, freight and fuel cost volatility, raw material pricing pressures, evolving regulatory complexity, and climate-linked supply risks through agile sourcing, strategic logistics management, and proactive continuity planning—maintaining supply assurance and customer fulfilment.



Social and Relationship Capital

Suppliers

Resilience in Action

During periods of elevated global supply chain uncertainty, agile procurement and logistics coordination enabled continuity across sourcing and customer fulfilment operations.

Key interventions included:

- Alternative supplier identification
- Strategic sourcing diversification
- Freight coordination and route flexibility
- Consolidated shipment optimisation
- Inventory resilience measures
- Closer supplier engagement and continuity monitoring



Outcome:

- Maintained operational continuity and strengthened supply assurance amid a challenging external environment.

Our Resilience Responce Framework



Social and Relationship Capital

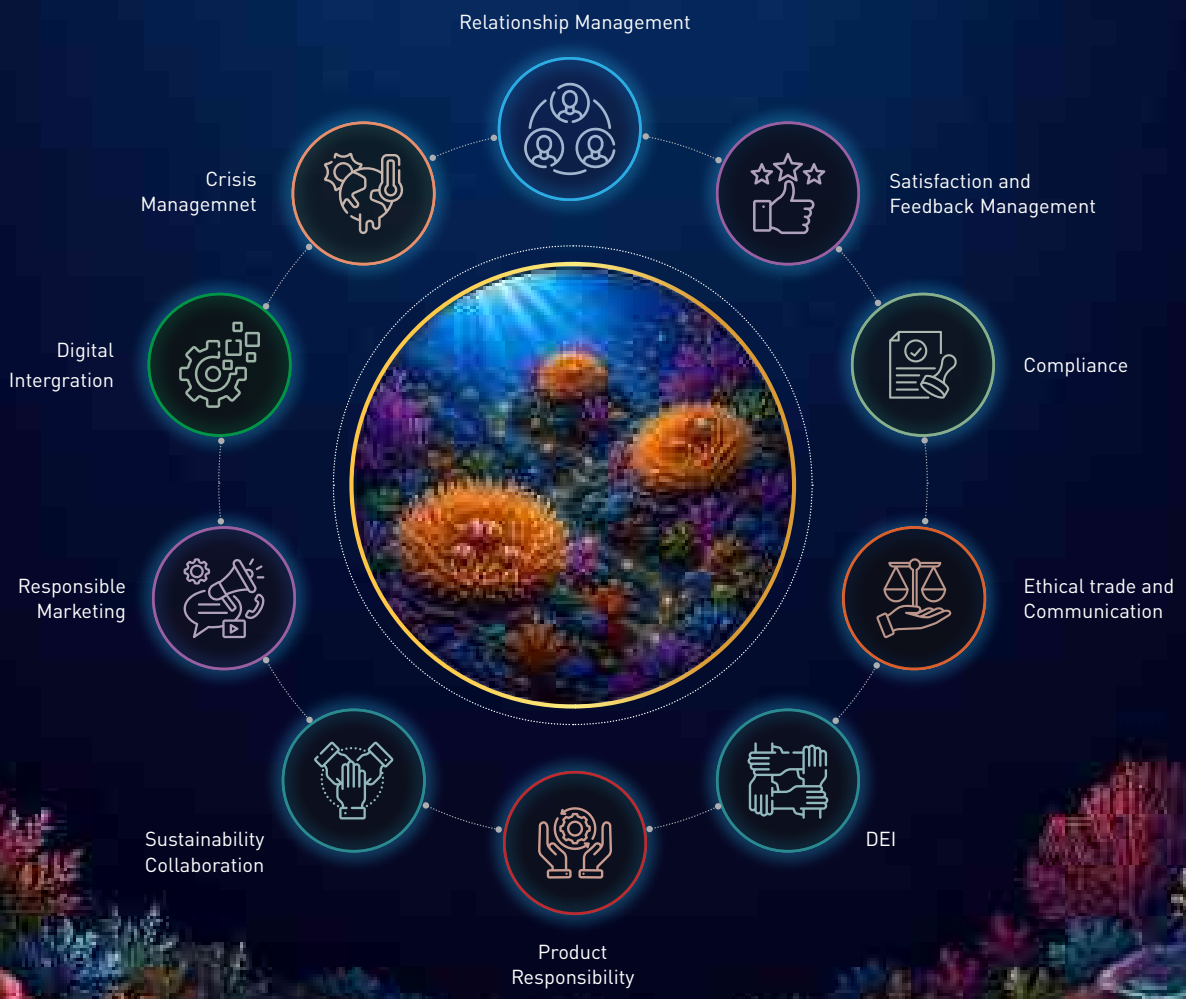
Communities



STRENGTHENED THROUGH COMMUNITY

Coral reefs provide habitat and structure for sea anemones, clownfish, and countless species, just as thriving communities underpin the resilience of the environments they inhabit. By investing in education, social initiatives, and sustainable practices, at DPL, we help communities flourish, creating interconnected ecosystems that benefit all stakeholders.

KEY PILLARS OF SOCIAL AND RELATIONSHIP CAPITAL



Value Creation

Social and Relationship Capital enables DPL's business model through community partnerships, social development initiatives and inclusive stakeholder engagement. This enhances community resilience, strengthens our social licence to operate and contributes to long-term sustainable value creation.

HAND PROTECTION Protecting hands, Enabling progress		PLANTATION Nurturing nature, Sustaining Life
• **Rs. 35 Mn+** investment in CSR • **5,500+** volunteer hours • **50+** partnerships	**INPUTS** Resources invested	• Farmer community investment (LKR) • Field engagement hours (No.)
• **70+** projects and interventions delivered	**ACTIVITIES** What we do	• Farmer community programmes delivered (No.) • Supplier / rural engagement initiatives conducted (No.)
• **30,000+** beneficiaries reached • **25+** communities & institutions reached	**OUTPUTS** Direct deliverables	• Farmer households / families reached (No.) • Rural support interventions delivered (No.)
• Increased access to education, healthcare, nutrition, disaster support and environmental stewardship programmes	**OUTCOMES** Performance improvements	• Improved farmer family wellbeing (%) • Supplier community satisfaction (%)
• Stronger community resilience, enhanced wellbeing, improved social licence to operate and sustainable shared value creation	**IMPACT** Business value created	• Farming communities positively impacted (No.) • Strengthened supplier resilience / supply continuity

TWO ECOSYSTEMS, ONE PURPOSE
Creating long-term value for people, planet and prosperity

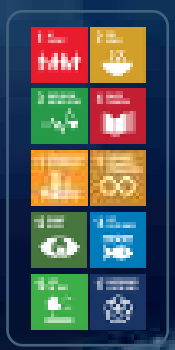
Material Topics

- **M01** Product Responsibility
- **M06** Customer Satisfaction
- **M10** Environmental & Social Issues Along Supply Chain
- **M19** Customer Requirements on Sustainability
- **M23** Human Rights Assessment
- **M24** Community & Livelihood Development

Impacted Stakeholders

- Suppliers
- Communities
- Government and regulators

Impacted SDG



Alignment with Strategic Priorities

- Climate action
- Inspired and dedicated team
- Value chain and Community development

Link with Key Risks and Opportunities/ SRROs/CRROs

- SRROs 01
- CRROs 01
- ITR 01

AWARDS AND RECOGNITION



Recognised among the Top 10 Best Corporate Citizens in Sri Lanka at the Best Corporate Citizen Sustainability Awards 2025

Recognised for creating sustainable social value through community development, stakeholder engagement, and inclusive growth initiatives.



Winner of the Women's Empowerment Beyond the Workplace to Rural Communities Category at the Women Friendly Workplace Awards 2025

Recognised for advancing gender equality and empowering women through education, wellbeing, livelihoods, leadership development, and community initiatives.



Winner of the Manufacturing Sector at the ACCA Sustainability Reporting Awards 2025

Received recognition for transparently reporting its sustainability performance and demonstrating measurable environmental, social, and governance impact across its operations and value chain.

FUTURE FOCUS

Short Term

- Strengthen community impact across healthcare, education, nutrition, and emergency response in communities surrounding operations.
- Expand employee volunteerism and stakeholder participation in community outreach initiatives.
- Enhance support for vulnerable groups through targeted wellbeing, welfare, and inclusion programmes.
- Strengthen supplier community engagement through recognition, family support, and digital accessibility initiatives.
- Improve beneficiary tracking, programme impact measurement, and stakeholder feedback mechanisms.

Long Term

- Build resilient, thriving communities across DPL's operating and sourcing regions through sustained partnerships and targeted interventions.
- Strengthen long-term supplier and rural community resilience through inclusive livelihood and family support initiatives.
- Expand nature-positive community stewardship through biodiversity, conservation, and environmental awareness programmes.
- Deepen employee-led purpose-driven community engagement across all operating locations.
- Establish DPL as a trusted corporate citizen recognised for creating measurable positive social and environmental impact.

Social and Relationship Capital

Community

GRI 203-2, 413-1, 413-2

COMMUNITY GOVERNANCE, STRATEGY & RESPONSIBLE STEWARDSHIP

At DPL, aligned with the Community Engagement Policy the community stewardship is approached as a strategic social sustainability commitment aligned with our purpose of Protecting You Always. Our community investments are designed to create meaningful, inclusive, and measurable social value by responding to national development priorities, local stakeholder expectations, operational context, and long-term sustainability commitments. In the Financial Year 2025/26, our operations haven't caused any negative impacts to the local community, hence we haven't received any complaints. Our Risk Assessment conduct this year haven't identified any significant potential negative impacts to the communities we operate in.

COMMUNITY RELATIONSHIP MANAGEMENT FRAMEWORK





COMMUNITY PROJRCT LIFECYCLE FRAMEWORK





COMMUNITY STRATEGIC PORTFOLIO & INVESTMENT MODEL

Investing in People. Empowering Communities. Protecting the Planet.

PROCUREMENT-LED

FIRSTLIGHT

Rural Community Development & Social Advancement



Inclusive Livelihood Development

Livelihood strengthening, economic resilience and rural inclusion for vulnerable and underprivileged community groups.



Capacity Building & Resilience Development

Strengthening long-term resilience and adaptive capability beyond latex sourcing.



Social Safeguarding & Support for Farmer Families

Promoting responsible rural community development and safeguarding vulnerable farming households.

ENGINEERING-LED

STEWARDSHIP FOR ENVIRONMENTAL SUSTAINABILITY & CLIMATE ACTION



Biodiversity Conservation

- Ecosystem protection
- Habitat conservation
- Species protection



Forest Restoration

- Reforestation
- Afforestation
- Habitat restoration



Wildlife Conservation

- Fauna protection
- Biodiversity awareness
- Species stewardship



Pollution Prevention

- Waste reduction
- Cleaner communities
- Air / water / soil protection



River, Ocean & Marine Conservation

- River clean-ups
- Aquatic ecosystem stewardship
- Plastic reduction



Environmental Advocacy & Partnerships

- Awareness campaigns
- Collaboration
- Environmental partnerships
- Community advocacy

DPL's community investment portfolio is structured around three strategic intervention pillars designed to strengthen rural livelihoods, support communities around operating locations, enhance social resilience, and advance environmental stewardship through targeted, inclusive and measurable interventions.

ENGINEERING-LED

ENGAGING COMMUNITIES AROUND OPERATING LOCATIONS & BEYOND

Education & Capacity Building

- School support
- Scholarships
- Learning resources
- Vocational skills

Health, Safety & Wellbeing

- Health camps
- Safety awareness
- Wellbeing interventions

Nutrition & Community Wellbeing

- Food support
- Vulnerable family support
- Nutrition programs

Culture, Harmony & Social Cohesion

- Religious / cultural harmony
- Sports
- Social integration

Community Welfare & Poverty Alleviation

- Poverty reduction
- Welfare support
- Livelihood support
- Community infrastructure

Emergency Response & Disaster Relief

- Floods
- Emergency support
- Rapid response
- Crisis assistance

OUR COMMUNITY INVESTMENT IMPACT (FY 2025/26)

Total Community Investment

Rs. 35 Mn+

Invested in community development

Total Beneficiaries

30,000+

Lives positively impacted

Projects Supported

70+

Community projects implemented

Employee Volunteer Hours

5,500+

Hours contributed to community impact

Strategic Partnerships

50+

Collaborations for greater impact

Locations Reached

25+

Villages, towns & communities

Social and Relationship Capital

Community

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

Strategic Pillar	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Firstlight – Rural Community Development & Social Advancement	**Rs. 2 Mn+** invested in rural livelihoods, education continuity, wellbeing and vulnerable household support	**10+** initiatives delivered covering livelihood empowerment, financial literacy, health & wellbeing, child safeguarding and disaster relief support	**526+** beneficiaries reached, including 404 schoolchildren supported and 22 vulnerable farming households assisted	**404+** youth participants engaged, improved livelihood resilience, strengthened financial literacy, enhanced access to education and social protection support	Stronger rural resilience, greater inclusion of underserved farming communities, improved wellbeing and more sustainable farming communities
Engaging Communities Around Operating Locations & Beyond	**Rs. 24 Mn+** invested, supported by 4,200+ employee volunteer hours and extensive stakeholder **partnerships**	**45+** projects and interventions delivered across education, healthcare, nutrition, wellbeing, disaster preparedness and community development	**28,500+** beneficiaries reached, with schools, hospitals, welfare organisations and community institutions supported across multiple locations	Improved access to education, healthcare and nutrition, enhanced community wellbeing, stronger disaster preparedness and increased community participation	More resilient and inclusive communities, improved quality of life, strengthened community trust and enhanced social licence to operate
Environmental Stewardship & Climate Action	**Rs. 9 Mn+** invested, supported by **800+** volunteer hours and environmental partnerships	**15+** environmental initiatives delivered covering clean-ups, circularity, recycling, mangrove restoration, biodiversity conservation and environmental	**1,000+** participants engaged through restoration, conservation and community environmental stewardship activities multiple locations	Increased environmental awareness, strengthened community stewardship, enhanced biodiversity conservation and ecosystem restoration outcomes	Stronger ecosystem resilience, improved environmental responsibility and long-term natural and community resilience
Overall CSR Footprint	**Rs. 35 Mn+** invested, supported by **5,500+** employee volunteer hours and 50+ strategic partnerships	**70+** projects and interventions delivered across livelihoods, education, health, nutrition, community wellbeing, disaster resilience and environmental stewardship	**30,000+** beneficiaries reached across **25+** communities and institutions in Sri Lanka, Thailand and India	Enhanced access to essential services, strengthened community resilience, improved wellbeing outcomes, increased environmental stewardship and deeper stakeholder engagement	Stronger, healthier and more resilient communities, enhanced social licence to operate, strengthened stakeholder trust and long-term shared value creation for people, communities and the environment

EMPLOYEE CONTRIBUTION & VOLUNTEERISM FOR COMMUNITY DEVELOPMENT

Employee Voluntary Engagements and Contributions:

- Actions aligned with the company's social and environmental commitments and multiplied the effect of financial contributions through direct, hands-on involvement.
- Promotes a socially responsible culture to stakeholders (customers, investors, communities) and builds empathy, understanding, and meaningful relationships between staff and local communities.
- Increased team spirit, unity, motivation, job satisfaction, and pride in the workplace and appeals to socially conscious employees.
- Opportunity for employees to be exposed to issues on the ground (outside of 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.

5,500+
Overall Employee Volunteer Hours
Contributed to Community Development Initiatives in FY 2025/26

Highlight of the Year! The Team Behind 50 Years With Purpose

Behind every initiative was a team of individuals united by one shared purpose — creating meaningful impact beyond our business. The organising Committee of DPL 50th Anniversary commemorative activities consisted of employees from all levels of the organisation and representing different functions / departments bringing diverse perspectives on how to make an impact from design to delivery of the project activities.



3,500+
Employee Volunteer Hours for DPL 50 Project Activities from Design to Delivery

150+
Project based Meetings Held by Organising Committee

50+
Projects Activities Delivered Across the Pillars of Purpose Statement

Social and Relationship Capital

Community

FIRSTLIGHT INITIATIVE – EMPOWERING RURAL COMMUNITIES

Inclusive Rural Communities & Social Advancement

Community Capability Building, Education & Wellbeing

Responsible Rural Development & Social Safeguarding

Inclusive Rural Livelihoods & Economic Resilience

Location	Activity
Monaragala, Sri Lanka	Women's Livelihood Empowerment and Household Economic Resilience Programme
Kalutara, Sri Lanka	Youth Economic Participation and Productive Rural Engagement Initiative
Rathnapura, Sri Lanka	Inclusive Support and Empowerment for Vulnerable Farming Households, Including Persons with Disabilities and Female-Headed Families
Monaragala, Sri Lanka	Household Financial Literacy, Financial Management and Resilience Building Awareness Sessions

550+
Total beneficiaries reached

30%
Women participation

200+
Youth participation

22
Vulnerable households supported

NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Rural farming households face income volatility, limited financial planning capacity, and exposure to climate and market-related shocks.
- Women, youth, female-headed households, persons with disabilities, and other vulnerable groups face barriers to equitable economic participation.
- Limited access to financial literacy and livelihood capability-building support constrain long-term household resilience and rural advancement.

PROJECT IMPACT ASSESSMENT & CONTRIBUTION TO DEVELOPMENT

- Strengthened household economic resilience and financial capability among rural farming communities.
- Enhanced inclusion and participation of women, youth, persons with disabilities, and vulnerable households.
- Supported productive engagement, livelihood capability development, and broader rural economic empowerment.
- Contributed to more inclusive, resilient, and economically empowered rural communities.

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• **Rs. 1.35 Mn** Community investment, partnerships, volunteer engagement, livelihood development resources	• Inclusion programmes, financial literacy awareness, livelihood capability building, empowerment initiatives, disaster relief	• **22** Vulnerable Households reached, beneficiaries engaged, awareness sessions delivered	• Improved inclusion, livelihood resilience, financial capability	• Stronger inclusive rural livelihoods and economic resilience

Related UN SDGs

Social Advancement, Health, Wellbeing & Community Resilience

Location	Activity
Monaragala, Sri Lanka	Lab Facilities and Community Learning Infrastructure Development along with facilities for farmers to access farming equipment easily
Rathnapura, Sri Lanka	Community blood donation drive in 2 locations encouraging farmers to contribute and promote
Monaragala, Sri Lanka	Mental Health Awareness and Psychosocial Wellbeing Support for Rural Farming Communities
Rathanpura, Sri Lanka	Community Health, Preventive Wellbeing and Social Welfare Outreach

300+
Beneficiaries reached

100+
Blood donors

03
Health / wellbeing interventions

250 hours
Training / awareness delivered



NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Rural farming communities face limited access to education, health awareness, wellbeing support, and community development opportunities.
- Livelihood uncertainty and social vulnerability create physical, emotional, and psychosocial pressures on farming households.
- Strengthening awareness, wellbeing, and community capability is essential to building resilient rural communities.

NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Improved access to education, awareness-building, and community development support.
- Strengthened community resilience, knowledge, and adaptive capability among rural households.
- Enhanced physical, mental, and social wellbeing through targeted health and welfare interventions.
- Contributed to broader rural social advancement and community empowerment.

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• Community investment, Lab Facility infrastructure, expertise, partnerships	• Education support, awareness programmes, wellbeing initiatives, capability building	• Rural farmers supported, beneficiaries/ patients reached, programmes delivered	• Improved knowledge, wellbeing and resilience	• Stronger community capability and social advancement

Related UN SDGs

Social and Relationship Capital

Community

Empowering Rural Communities, Education & Child Safeguarding

Location	Activity
Monaragala, Sri Lanka	Improving image of farmers and developing skills of youth farmers to address youth unemployment and job scarcity in the rural areas
Monaragala, Sri Lanka	Educational continuity support for children from vulnerable rural farming households with a school materials / educational resource support initiative
Kegalle, Sri Lanka	Child Safeguarding, Child Labour Prevention and Responsible Rural Family Awareness Programme

400+
Schoolchildren supported

22
Families reached

100+
Youth participants

02
Safeguarding interventions delivered



NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Rural farming communities face educational barriers, youth disengagement, and socioeconomic vulnerabilities affecting long-term resilience.
- These pressures increase risks relating to child labour, disrupted education, and weakened child protection outcomes.
- Strengthening education support, safeguarding awareness, and positive youth engagement is essential for sustainable rural development.

PROJECT IMPACT ASSESSMENT & CONTRIBUTION TO DEVELOPMENT

- Improved educational continuity and access to essential learning support for children.
- Strengthened child safeguarding awareness and responsible family livelihood practices.
- Supported positive youth engagement, leadership development, and future-readiness.
- Contributed to safer, more resilient, and future-ready rural communities.

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• **Rs. 0.7 Mn** Community investment, educational support, safeguarding resources +partnerships	• Education support, safeguarding awareness, youth engagement, family resilience initiatives	• **400+** Children supported, **22** families reached, safeguarding interventions delivered	• Improved child protection, education continuity, youth development	• Stronger responsible and future-ready rural communities

Related UN SDGs

COMMUNITY DEVELOPMENT AROUND OPERATING LOCATIONS AND BEYOND

Education and Capacity Building

- Provide Support and Resources to Educational Institutes and Students
- Deliver Educational Programmes and Capacity Building Sessions to Local Schools
- Develop Infrastructure / Facilities and Provide Necessary Resources to Local Schools

Inclusive Rural Empowering Rural Education For Over A Decade

Location	Activity
Prangiyawadiya, Sri Lanka	Annual Education Access Support Programme for Parangiyawadiya Primary Vidyalaya
Prangiyawadiya, Sri Lanka	Digital Learning and Library Resource Enhancement for Parangiyawadiya School Community

3,550+
Cumulative Beneficiaries Reached Over 10+ Years

540 Students
Direct Beneficiaries in FY 2025/26

NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Educational inequality in underserved rural communities limiting access to quality learning opportunities.
- Economic hardship among rural households affecting access to essential school and learning resources.
- Limited access to library and digital learning resources restricting broader educational development.
- Resource gaps in rural schools impacting the quality of the learning environment.

PROJECT IMPACT ASSESSMENT & CONTRIBUTION TO DEVELOPMENT

- Essential educational and learning resources improved access to schooling for children in an underserved rural community.
- Enhanced library and digital learning resources strengthened the learning environment, supporting broader educational engagement.
- Sustained community investment over the years has contributed to improved educational opportunity and student development in Parangiyawadiya.

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• **Rs. 1.61 Mn+** investment, **576** volunteer hours, 10+ year commitment	• Education access support, school supplies, books, library and digital learning enhancement	• **539** students reached in FY25/26	• Improved access to essential educational resources, better school participation, stronger learning environment	• Long-term educational empowerment and reduced inequality in an underserved rural community

Related UN SDGs

Social and Relationship Capital

Community

Provide Support and Resources to Educational Institutes and Students

Deliver Educational Programmes and Capacity Building Sessions to Local Schools

Develop Infrastructure / Facilities and Provide Necessary Resources to Local Schools













Deliver Educational Programmes and Capacity Building Sessions to Local School

Location	Activity
Songkhla, Thailand	Youth Learning and Child Development Engagement Programme
Colombo, Sri Lanka	Industry Exposure and Experiential Learning Programme for University Students
Biyagama, Sri Lanka	Early Childhood Learning Engagement and Community Education Support Programme
Biyagama, Sri Lanka	Preschool Learning Enrichment and Community Engagement Initiative



150+
Total Beneficiaries

04
Collaborations with Educational Institutions



NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Limited access to educational enrichment and experiential learning opportunities for children and youth in surrounding communities.
- Need for early childhood development and foundational learning support within underserved community settings.
- Limited industry exposure, career awareness, and practical learning opportunities for young people and students.
- Need for community-based educational engagement that supports holistic child development.



PROJECT IMPACT ASSESSMENT & CONTRIBUTION TO DEVELOPMENT

- Expanded access to educational engagement, experiential learning, and child development opportunities for children and youth.
- Strengthened foundational learning, confidence, and developmental exposure through early childhood and school-based programmes.
- Improved career awareness and practical industry exposure for students, supporting future readiness.
- Enhanced community educational development through targeted engagement initiatives across operating locations.

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• Educational support, safeguarding resources, partnerships	• Education support, safeguarding awareness, youth engagement, family resilience initiatives	• **150+** Children supported, families reached, safeguarding interventions delivered	• Improved child protection, education continuity, youth development	• Stronger responsible and future-ready rural communities

Related UN SDGs

Social and Relationship Capital

Community

Provide Support and Resources to Educational Institutes and Students

Location	Activity
Songkhla, Thailand	Student Scholarship Support Initiative
Mumbai, India	Education and Learning Support for Vulnerable Children
Monaragala, Sri Lanka	Educational Supplies Support for Children from Farming Communities
Biyagama, Sri Lanka)	Learning Resource Support for Underprivileged School Children in Surrounding Communities
Biyagama, Sri Lanka	Community Book and Learning Resource Support Initiative

400+
Total Beneficiaries

05
Multi-Stakeholder Collaborations



NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Educational inequality among underserved communities limiting access to quality learning opportunities for children.
- Economic hardship among vulnerable families affecting access to essential educational supplies and learning materials.
- Limited access to books, learning resources, and educational support restricting knowledge development and school participation.
- Resource gaps among community schools and vulnerable child groups impacting inclusive educational development.

PROJECT IMPACT ASSESSMENT & CONTRIBUTION TO DEVELOPMENT

- Provision of educational supplies and learning resources improved access to schooling and learning continuity for vulnerable children across communities.
- Scholarship and educational support initiatives helped reduce financial barriers to education for children from underserved backgrounds.
- Community-led education interventions contributed to stronger learning opportunities, educational inclusion, and child development outcomes.

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• **Rs. 0.5 Mn** investment, volunteer support, multi-location community partnerships	• Scholarships, school supply support, books, and educational resource initiatives across Sri Lanka, Thailand, and India	• **400+** children supported, **3** countries reached	• Improved access to educational resources, reduced barriers to school participation, stronger learning support	• Enhanced educational opportunity and inclusion for vulnerable children across communities

Related UN SDGs

Develop Infrastructure / Facilities and Provide Necessary Resources to Local Schools

Location	Activity
Songkhla, Thailand	School Learning Environment Enhancement through Educational Resource Support
Monaragala, Sri Lanka	School Infrastructure and Student Wellbeing Support Programme

150+
Total Beneficiaries

04
Educational Institutions Supported



NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Infrastructure and resource limitations in local schools affecting the quality of learning environments.
- Need for safe, supportive, and adequately equipped educational spaces for student learning and wellbeing.
- Gaps in access to essential educational resources and school facility improvements in underserved communities.
- Need for targeted investment to strengthen school readiness and student development outcomes.

PROJECT IMPACT ASSESSMENT & CONTRIBUTION TO DEVELOPMENT

- Improved school infrastructure and access to essential educational resources, enhancing the learning environment for students.
- Strengthened student wellbeing and school readiness through more supportive educational settings.
- Enhanced educational access and learning conditions for children in underserved communities.
- Contributed to longer-term community development through school-focused infrastructure investment.

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• **Rs. 0.2 Mn** Community investment, infrastructure support, employee/ community engagement	• School facility enhancement, educational resource provision, student wellbeing support	• Improved school infrastructure and learning resources	• Better learning conditions and stronger student wellbeing	• Enhanced educational access and long-term community development

Related UN SDGs

Social and Relationship Capital

Community

Health, Safety and Wellbeing

- Supporting Healthcare Infrastructure, Facilities & Medical Equipment
- Promoting Health Protection, Medical & Essential Care
- Community Health Outreach & Life-Saving Support

Healthcare Infrastructure, Facilities & Medical Equipment Support

Location	Activity
Monaragala, Sri Lanka	Community Healthcare Infrastructure and Rehabilitation Support Programme
Monaragala, Sri Lanka	Strategic Medical Equipment Support for Public Healthcare Institutions

9,100+
Patients / community beneficiaries reached

Rs. 2.9 Mn
Total community healthcare investment

288
Employee volunteer hours contributed

2
Healthcare support interventions delivered

NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Public healthcare institutions face infrastructure constraints, rehabilitation needs, and limited access to critical medical equipment.
- Resource limitations affect service delivery capacity, patient care q uality, and access to timely healthcare support.
- Strengthening healthcare infrastructure and equipment availability is essential to improve community wellbeing and healthcare resilience.

PROJECT IMPACT ASSESSMENT & CONTRIBUTION TO DEVELOPMENT

- Strengthened healthcare infrastructure and rehabilitation support within public healthcare institutions.
- Improved access to essential medical equipment and healthcare resources for underserved communities.
- Enhanced healthcare service delivery capacity and patient support outcomes.
- Contributed to stronger community health resilience and improved public healthcare access.



DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
• Performance Against Indicators FY 2025/26	• **Rs. 2.9 Mn** Community investment, employee volunteerism, partnerships, healthcare resources	• Healthcare infrastructure rehabilitation, equipment donations, institutional healthcare support	• Medical equipment provided, infrastructure upgraded, healthcare institutions supported	• Improved healthcare access, strengthened service delivery, enhanced patient care support	• Stronger community health resilience and improved public healthcare outcomes

Related UN SDGs

Medical Support, Health Protection & Essential Care

Location	Activity
Rattaphum, Thailand	Healthcare Support for Vulnerable Patients
Monaragala, Sri Lanka	Occupational Health Protection Support for Municipal Community Workers
Colombo, Sri Lanka	Public Healthcare Support for Medical Supplies

04+
Community healthcare initiatives delivered

1,000+
Healthcare / protective items distributed

3,460+
Beneficiaries reached through healthcare support

05
Community partnerships supporting public health

350+
Frontline workers protected through occupational health support

25
Employee volunteer

NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Vulnerable communities face limited access to essential healthcare support, medical assistance, and timely care
- Frontline municipal workers require stronger occupational health protection and access to essential protective resources
- Public healthcare institutions benefit from supplementary medical supplies and community partnership support to strengthen service delivery
- Preventive healthcare support and targeted interventions are important to improving community wellbeing and resilience



PROJECT IMPACT ASSESSMENT & CONTRIBUTION TO DEVELOPMENT

- Improved access to essential healthcare support and medical assistance for vulnerable communities
- Strengthened occupational health protection and safer working conditions for frontline municipal workers
- Enhanced public healthcare service capacity through the provision of essential medical supplies
- Contributed to improved community wellbeing, stronger health protection, and greater health resilience

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
• Performance Against Indicators FY 2025/26	• **Rs. 0.62 Mn** Community investment, employee volunteerism, partnerships, healthcare resources	• Healthcare support for vulnerable patients, occupational health protection initiatives, and public healthcare medical supply support	• **2,610+** Patients supported, **350+** frontline workers protected, and medical supplies provided to public healthcare institutions	• Improved healthcare access, strengthened occupational health protection, and enhanced public healthcare service delivery	• Stronger community health resilience and improved community wellbeing

Related UN SDGs

Social and Relationship Capital

Community

Community Health Outreach & Life-Saving Support

Location	Activity
Colombo, Sri Lanka	Community Medical and Eye Care Outreach Programme
Biyagama, Sri Lanka	Community Blood Donation and Healthcare Support Initiative
Songkhla, Thailand	Blood Donation and Patient Support Initiative

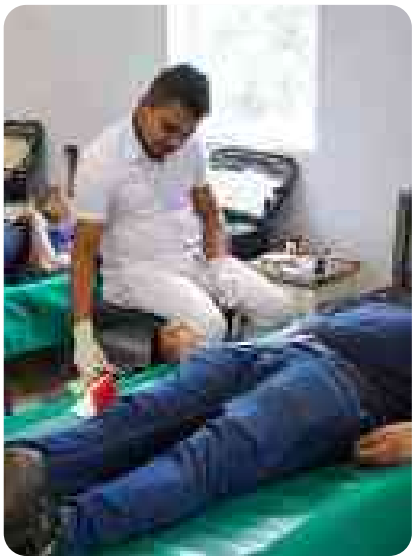
3
Community health outreach initiatives delivered

200+
Blood donors / life-saving healthcare contributors mobilized

490+
Community beneficiaries could potentially be reached through outreach and life-saving support

NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Vulnerable communities face limited access to preventive healthcare and timely medical support.
- Underserved populations have limited access to specialised outreach services, including eye care.
- Public healthcare systems rely on voluntary blood donor mobilisation to support critical patient care.
- Community health outreach and patient support strengthen preventive care access and resilience.



PROJECT IMPACT ASSESSMENT & CONTRIBUTION TO DEVELOPMENT

- Improved access to preventive healthcare outreach and community medical support.
- Strengthened early intervention through medical and eye care initiatives.
- Supported life-saving healthcare through blood donation and patient assistance.
- Enhanced community wellbeing and healthcare resilience through employee volunteerism.

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• **Rs. 0.17 Mn** Community investment, volunteerism, healthcare partnerships	• Medical outreach, eye care, blood donation, patient support	• **483+** beneficiaries supported, outreach initiatives delivered	• Improved healthcare access, preventive care support, emergency healthcare contribution	• Stronger community health resilience and improved wellbeing

Related UN SDGs

Nutrition and Community Wellbeing

- Provide access to a balnaced meal
- Promotion Of Proper Nourishment & Community Wellbeing

4 Years of "Sisu Divi Pahana" Mid Day Meal Programme for School Students of Underprivileged Communities

Location	Activity
Hanwella, Sri Lanka	School Nutrition and Mid-Day Meal Support Programme
Biyagama, Sri Lanka	School Nutrition and Mid-Day Meal Support Programme
Kottawa, Sri Lanka	School Nutrition and Mid-Day Meal Support Programme
Biyagama, Sri Lanka	School Nutrition and Mid-Day Meal Support Programme

2,118
Total beneficiaries reached in FY 25/26

8,600+
Cumulative meals provided in last 5 Years

Rs. 6.2 Mn
Investment in Mid Day Meal Programme

05
Schools institutions supported

NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Underserved children face limited access to nutritious meals, affecting health, growth, and wellbeing.
- Economic hardship impact school attendance, concentration, and learning continuity.
- Food insecurity affect child nourishment and broader household wellbeing.
- School and community meal programmes help reduce nutrition disparities for vulnerable groups.

PROJECT IMPACT ASSESSMENT & CONTRIBUTION TO DEVELOPMENT

- Improved access to balanced meals and nutrition support for children and vulnerable communities.
- Strengthened child wellbeing, school participation, and educational continuity.
- Reduced vulnerability linked to food insecurity.
- Supported healthier learning environments through nutrition-focused interventions.
- Contributed to stronger long-term community wellbeing and child development outcomes.

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
• Performance Against Indicators FY 2025/26	• **Rs 6.2 Mn** Community nutrition investment, partnerships, food resources, volunteer support	• School meal programmes, nutrition support initiatives, community food interventions	• Children and vulnerable beneficiaries supported through meal access	• Improved nourishment, school participation, and community wellbeing	• Stronger child development outcomes and enhanced long-term community resilience

Related UN SDGs

Social and Relationship Capital

Community

Promotion of Proper Nourishment & Community Wellbeing

Location	Activity
Hanwella, Sri Lanka	Meals for Dhamma School Students
Biyagama, Sri Lanka	Nutrition and Food Support for Elder Care Communities
Monaragala, Sri Lanka	Student Nourishment and Community Wellbeing Support Programme
Colombo, Sri Lanka	Vulnerable Household Food and Wellbeing Support Initiatives

600+
Community beneficiaries reached

Rs. 5 Mn
Total nourishment and wellbeing investment

05
Nutrition and wellbeing interventions delivered



NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Vulnerable households and underserved community groups face challenges in accessing adequate nutrition and food support.
- Children, elderly persons, and low-income households require targeted wellbeing support to strengthen resilience.
- Access to nutrition and essential wellbeing support contributes to healthier and more resilient communities.
- Targeted nourishment initiatives help improve wellbeing outcomes for vulnerable groups.



PROJECT IMPACT ASSESSMENT & CONTRIBUTION TO DEVELOPMENT

- Improved access to food, nourishment, and wellbeing support for vulnerable community groups.
- Strengthened child and elderly wellbeing through targeted nutrition-focused interventions.
- Enhanced community resilience through practical wellbeing and household support.
- Supported healthier living conditions and more equitable community wellbeing outcomes.
- Contributed to stronger social protection and inclusive community resilience.

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
• Performance Against Indicators FY 2025/26	• **Rs. 5 Mn** Community wellbeing investment, food support resources, volunteer engagement, partnerships	• Meal support, nutrition assistance, wellbeing interventions, household support	• Vulnerable community groups supported through nourishment and wellbeing initiatives	• Improved nutrition, wellbeing, and short-term resilience	• Stronger social protection, inclusive wellbeing, and resilient communities

Related UN SDGs

Culture, Harmony & Social Cohesion



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

Providing Resources to Preserve Local Traditions and Religious Sites

Location	Activity
Kottawa, Sri Lanka	Peace, Unity and Social Harmony through Religious and Spiritual Engagement
Hanwella, Sri Lanka	Community Cultural Festivals and Religious Celebration Support
Biyagama, Sri Lanka	Community Cultural Harmony and Social Cohesion Programmes
Kottawa, Sri Lanka	Religious Institution Support and Community Resource Provision
Hanwella, Sri Lanka	Preservation of Religious Heritage and Local Traditions

5
Community cultural and social cohesion intervention themes delivered

25+
Community / religious / cultural events and initiatives supported

7,000+
Community beneficiaries engaged through cultural and social cohesion initiatives

15+
Collaborations with community institutions and local organisations

NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Limited opportunities for cultural participation and shared community engagement weaken social cohesion and harmony.
- Local traditions, religious heritage, and cultural identity require continued support for preservation.
- Community institutions and shared cultural spaces benefit from resource support to strengthen participation and connectedness.
- Promoting peaceful coexistence and inclusive community engagement contributes to stronger social resilience.

PROJECT IMPACT ASSESSMENT & CONTRIBUTION TO DEVELOPMENT

- Strengthened social cohesion, harmony, and peaceful coexistence through shared cultural and religious engagement.
- Supported preservation of local traditions, cultural identity, and religious heritage.
- Enhanced community participation and social connectedness through festivals and collective celebrations.
- Strengthened community institutions through partnership-led cultural and resource support.
- Contributed to stronger social resilience, inclusion, and harmonious community relationships.

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
• Performance Against Indicators FY 2025/26	• **Rs. 2.8 Mn** Community investment, employee volunteerism, partnerships	• Cultural celebrations, religious engagement, heritage preservation, social cohesion programmes, community resource support	• Community events delivered, institutions supported, beneficiaries engaged	• Improved community participation, stronger social cohesion, preserved cultural identity	• Stronger social resilience, peaceful coexistence, inclusive and connected communities

Related UN SDGs

Social and Relationship Capital

Community

Community Welfare & Poverty Alleviation

Community Welfare Support through Social Partnerships & Inclusive Assistance

Support for Vulnerable Individuals, Children & Underprivileged Communities

Location	Activity
Monaragala, Sri Lanka	Support for Vulnerable Children and Residential Care Communities
Hanwella, Sri Lanka	Essential Support for Underprivileged Households and Vulnerable Individuals
Biyagama, Sri Lanka	Community Welfare Assistance through Social Partnerships

3
Community beneficiaries reached

50+
Vulnerable community beneficiaries supported



NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Vulnerable individuals and underserved households face barriers to accessing essential resources, basic wellbeing support, and social protection.
- Strengthening social inclusion and community care contributes to more resilient and equitable communities.
- Children, residential care communities, and marginalised groups require targeted assistance to strengthen wellbeing and resilience.
- Community-based partnerships help address local welfare needs and improve support for vulnerable populations.

PROJECT IMPACT ASSESSMENT & CONTRIBUTION TO DEVELOPMENT

- Improved access to essential support for vulnerable individuals and underserved communities.
- Strengthened wellbeing and resilience among children, residential care beneficiaries, and marginalised groups.
- Enhanced community welfare through partnership-led social support interventions.
- Supported greater social inclusion and equitable access to community care.
- Contributed to stronger community resilience and improved living standards.

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• **Rs. 0.11 Mn** Community welfare investment, volunteer support, social partnerships, essential resources	• Welfare support, vulnerable community assistance, residential care support, partnership-led social interventions	• Vulnerable individuals and community groups supported	• Improved wellbeing, social inclusion, and access to essential support	• Stronger community resilience, improved living standards, and more inclusive communities

Related UN SDGs

Emergency Response and Disaster Relief

Pre-disaster
Community Disaster Preparedness, Awareness & Emergency Response Education

During Disaster (Immediate Response)
Community Disaster Preparedness, Awareness & Emergency Response Education

Post-Disaster (Immediate Recovery)
Community Recovery, Clean-Up & Protective Disaster Response Support

Post-Disaster (Longer-Term Recovery / Rebuilding)
Post-Disaster Recovery, Rebuilding & Resource Restoration Support

Community Disaster Preparedness, Awareness & Emergency Response Education

Location	Activity
Rattaphum, Thailand	Community Earthquake Emergency Preparedness and Response Awareness Programme
Songkhla, Thailand	School Fire Emergency Observation, Evacuation and Safety Preparedness Programme
Kegalle & Monaragala, Sri Lanka	Rural Community Climate Risk Awareness, Flood Preparedness and Resilience Building Programme

03
Emergency preparedness and awareness interventions delivered

03+
Training / awareness sessions and drills conducted

194
Community beneficiaries / students reached through preparedness initiatives

02 Countries
Community disaster preparedness initiatives delivered

NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Vulnerable communities face limited preparedness for disasters, emergencies, and climate-related hazards.
- Schools and rural communities require stronger emergency response awareness and readiness.
- Increasing climate and disaster risks highlight the need for proactive resilience-building.
- Strengthening preparedness helps reduce community vulnerability during emergencies.

PROJECT IMPACT ASSESSMENT & CONTRIBUTION TO DEVELOPMENT

- Improved disaster awareness, preparedness, and response readiness among community beneficiaries.
- Strengthened school and rural community emergency response capacity. Enhanced resilience to climate-related and disaster risks.
- Supported safer communities through proactive preparedness interventions.
- Contributed to stronger long-term disaster resilience

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• Community investment, volunteer support, awareness resources, partnerships	• Emergency drills, preparedness education, awareness programmes, resilience-building initiatives	• Communities and students reached through preparedness interventions	• Improved wellbeing, social inclusion, and access to essential support	• Stronger community resilience and reduced

Related UN SDGs

Social and Relationship Capital

Community

Community-Centred Disaster Response, Recovery & Rebuilding Support

Location	Activity
Hat Yai, Thailand	Immediate Humanitarian Relief & Essential Emergency Support for Disaster-Affected Communities
Kegalle & Monaragala, Sri Lanka	Immediate Humanitarian Relief & Essential Emergency Support for Flood-Affected Rural Communities
Biyagama / Hanwella, Sri Lanka	Immediate Humanitarian Relief & Essential Emergency Support for Flood-Affected Communities Around Operating Locations
Hat Yai, Thailand	Community Recovery, Clean-Up & Protective Disaster Response Support
Biyagama, Sri Lanka	Post-Disaster Recovery, Rebuilding & Resource Restoration Support

NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Disaster-affected communities face urgent shortages of food, essential supplies, shelter, and recovery support.
- Floods and emergencies can disrupt livelihoods, damage homes, and affect access to essential services.
- Recovery require clean-up, protective resources, and rebuilding assistance to restore safe living conditions.
- Timely humanitarian response helps strengthen community resilience during crises.

PROJECT IMPACT ASSESSMENT & CONTRIBUTION TO DEVELOPMENT

- Provided timely humanitarian relief and essential support to disaster-affected communities.
- Strengthened recovery through clean-up, protective response, and post-disaster assistance.
- Supported restoration of damaged resources and living conditions.
- Enhanced resilience among vulnerable affected households and communities.
- Contributed to faster recovery, safer communities, and stronger disaster resilience.

Rs. 3 Mn+
Total disaster response, recovery and rebuilding support mobilised

390+
Community beneficiaries supported

05
Disaster response, recovery and rebuilding interventions delivered

90+
Disaster-affected rural communities directly supported

50,000+
Protective gloves donated

1,513
Emergency meals provided

234
Dry ration beneficiaries supported

120 Kg
New and usable clothing donated

39+
Recovery support for flood-affected homes

120 Kg
New and usable clothing donated

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• **Rs. 3 Mn** Community investment, humanitarian relief resources, volunteer mobilisation, partnerships	• Emergency relief, food support, clean-up response, protective assistance, rebuilding and recovery supportsupport	• Disaster-affected communities and households supported through relief and recovery interventions	• Improved immediate wellbeing, recovery support, and restoration of essential living conditions	• Stronger disaster resilience, faster recovery, and safer communities

Related UN SDGs

STEWARDSHIP FOR ENVIRONMENTAL SUSTAINABILITY AND CLIMATE ACTION

Impact Ares of Environmental Initiatives



Biodiversity Conservation
(Protecting ecosystems, species diversity, and natural habitats.)

Forest Restoration
(Preventing the clearing of forests, planting trees, and restoring forests, and combating habitat loss.)

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 Conservation
(Preserving aquatic ecosystems, reducing ocean plastic, and protecting marine species.)

Environmental Advocacy & Partnerships
(Collaborating with stakeholders to promote environmental awareness, policies, and joint action.)

Impact Area	Initiatives That Impacted Each Area
Biodiversity Conservation	4
Forest Restoration	3
Wildlife Conservation	1
Pollution Prevention	2
River, Ocean & Marine Conservation	3
Environmental Advocacy & Partnerships	6

11
Environmental initiatives

Rs. 9.2 Mn+
Invested

800+
volunteer hours

Refer Natural Capital to read about Project Based Interventions under EcoPulse Initiative

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Location	Activity	Biodiversity Conservation	Animal / Wildlife Conservation	River, Ocean & Marine Life Conservation	Deforestation/ Reforestation/ Afforestation	Pollution Prevention	Environment Advocacy & Partnerships
Multiple Locations (Sri Lanka & Thailand)	Community Clean-Up & Environmental Conservation Drives (Beach / Town / Coastal / Community Clean-Up Initiatives)	✓		✓		✓	✓
Songkhla, Thailand	Recyclable Waste Donation Project Promoting Waste Segregation & Recycling					✓	✓
Rattaphum / Songkhla, Thailand	DPTL Community Service Activities (Tree Trimming / Green Community Stewardship)				✓		✓
Songkhla, Thailand	Mangrove Restoration & Environmental Conservation Initiatives	✓		✓	✓		✓
Songkhla Lake, Thailand	Crab Release for Coastal Ecosystem Restoration (Approx. 2 Million Crabs)	✓	✓	✓			✓
Pak Bang Phumi Beach, Thailand	Project to Plant 'Lamphu' Trees for Green Space Restoration	✓			✓		✓

Social and Relationship Capital

Community

Collaboration with "Clean Up Sri Lanka" Initiative for Environmental Conservation Drives

Location	Activity
Kaduwela, Sri Lanka	Providing protective gear and employee engagement in the World Clean Up Day initiative organized by Clean Up Sri Lanka

DPL annually partners with the Central Environment Authority and Shraddha Media Network for the 'Clean Up Sri Lanka Project', contributing protective glove donations and mobilising employee volunteers to support nationwide clean-up efforts. Through this recurring initiative, DPL contributes to creating cleaner, healthier communities while strengthening collective environmental stewardship and public participation in responsible waste management.



5,000+
Gloves / protective items donated for clean-up efforts

200+ hours
Employee volunteer hours contributed

60+
Employees engaged in clean-up initiatives

Multiple locations
Public / community spaces supported



Community Environmental Stewardship, Clean-Up & Waste Management Initiatives

Location	Activity
Songkhla, Thailand	Recyclable Waste Donation Project Promoting Waste Segregation & Recycling
Rattaphum / Songkhla, Thailand	Community Green Stewardship Activities (Tree Trimming & Environmental Care)
Multiple Locations, Sri Lanka and Thailand	Community Clean-Up Drive & Environmental Conservation Drives

04
Environmental stewardship initiatives delivered

250+
Employee volunteer hours contributed

100+
Employees engaged in environmental initiatives

5,000+
Protective gloves / resources provided for clean-up efforts

01
Waste segregation / recycling initiative delivered

Multiple
Community clean-up / environmental conservation drives conducted

NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Communities face environmental degradation from waste accumulation, poor waste segregation, pollution, and inadequate green space stewardship.
- Improper waste disposal and limited environmental awareness negatively impact ecosystems, public spaces, and community wellbeing.
- Local environments require clean-up, restoration, and collective stewardship interventions to maintain cleaner, healthier, and more liveable surroundings.
- Strengthening community participation, responsible environmental practices, and stakeholder collaboration is important for long-term environmental sustainability.

PROJECT IMPACT ASSESSMENT & CONTRIBUTION TO DEVELOPMENT

- Improved environmental conditions through clean-up campaigns, waste segregation initiatives, recycling promotion, and community green stewardship activities.
- Strengthened pollution prevention, responsible waste management awareness, and environmental conservation practices within local communities.
- Mobilised employee volunteerism, stakeholder partnerships, and community participation to support collective environmental action.
- Contributed to cleaner communities, reduced environmental pollution, stronger ecosystem stewardship, and improved long-term environmental resilience.



DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• Community investment, employee volunteerism, stakeholder partnerships, environmental resources	• Clean-up campaigns, recycling promotion, waste segregation, green stewardship, and environmental conservation activities	• Environmental initiatives delivered, waste reduction actions completed, public spaces supported, communities engaged	• Improved environmental awareness, cleaner surroundings, and stronger community participation	• Cleaner communities, reduced pollution, and strengthened environmental stewardship

Related UN SDGs

Social and Relationship Capital

Community

Mangrove & Coastal Ecosystem Restoration Initiatives in Thailand

DPTL annually delivers mangrove restoration and coastal ecosystem conservation initiatives in Thailand in collaboration with government agencies, local stakeholders, and community partners to support long-term environmental stewardship. These recurring initiatives focus on restoring degraded coastal ecosystems through mangrove planting and strengthening marine biodiversity through large-scale crab release efforts at Songkhla Lake. Through this annual conservation commitment, DPTL contributes to habitat restoration, coastal resilience, biodiversity protection, and stronger community participation in environmental conservation.

Location	Activity
Songkhla, Thailand	Mangrove Restoration & Environmental Conservation Initiatives
Songkhla Lake, Thailand	Crab Release for Coastal Ecosystem Restoration

1
Annual coastal ecosystem restoration initiative

15,000+
Mangroves planted / restored

Approx. 2 Million
Crabs released to support marine biodiversity

25+
Employee / stakeholder volunteers engaged

3rd Consecutive Year
Annual mangrove and crab release conservation programme delivered

Multi-Stakeholder
Government, community, and partner collaborations mobilised

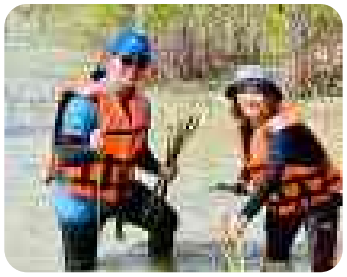
NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Coastal ecosystems face degradation, habitat loss, erosion, and declining biodiversity due to environmental pressures and human activity.
- Reduced mangrove coverage weaken coastal resilience, marine habitats, and ecosystem services.
- Marine ecosystem restoration and collaborative conservation action are important to strengthen long-term biodiversity protection.



PROJECT IMPACT ASSESSMENT & CONTRIBUTION TO DEVELOPMENT

- Strengthened coastal ecosystem restoration through annual mangrove planting and marine biodiversity conservation initiatives.
- Supported habitat regeneration, improved ecological resilience, and enhanced protection of marine ecosystems.
- Increased environmental awareness, stakeholder collaboration, and participation in long-term conservation action.
- Contributed to stronger biodiversity protection, healthier coastal ecosystems, and long-term environmental sustainability.



DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• Community investment, employee volunteerism, environmental partnerships	• Mangrove restoration, crab release, and coastal ecosystem conservation activities	• Coastal restoration initiatives delivered, habitats restored, biodiversity conservation actions completed, stakeholders engaged	• Improved ecosystem awareness, stronger habitat protection, and enhanced conservation stewardship	• Stronger coastal resilience, improved biodiversity protection, and long-term environmental sustainability

Related UN SDGs

Community Green Space Restoration & Environmental Stewardship

Location	Activity
Pak Bang Phumi Beach, Thailand	Lamphu Tree Green Space Restoration Initiative

NEEDS ASSESSMENT / KEY ISSUES ADDRESSED

- Community green spaces face environmental degradation, habitat loss, and reduced ecological value.
- Tree restoration and community environmental stewardship are important to strengthen biodiversity and healthier local surroundings.
- Collaborative conservation action support long-term environmental resilience and public awareness.

PROJECT IMPACT ASSESSMENT & CONTRIBUTION TO DEVELOPMENT

- Strengthened local green space restoration through community-led tree planting and environmental stewardship.
- Supported habitat enhancement, biodiversity protection, and healthier community surroundings.
- Increased stakeholder participation and awareness in local environmental conservation.
- Contributed to stronger ecosystem resilience and long-term environmental sustainability.

01
Green space restoration initiative delivered

30+
Mangroves planted / restored

60+ Hours
Volunteer hours contributed

01
Tree restoration / habitat enhancement initiative delivered

Community Beneficiaries
Local community environment



DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• Community investment + employee volunteerism + environmental partnerships	• Tree planting, green space restoration, and community environmental stewardship activities	• Green restoration initiative delivered, habitats enhanced, stakeholders engaged	• Improved environmental awareness, stronger green space stewardship, and enhanced habitat protection	• Healthier community ecosystems, improved biodiversity resilience, and long-term environmental sustainability

Related UN SDGs

Social and Relationship Capital

Community

PLANTATION SECTOR

From Tea Gardens to Thriving Communities: Tackling Period Poverty Through She-Essentia Project

Horana Plantations PLC (HPL) is addressing period poverty in Sri Lanka's up-country plantation communities through She-Essentia, a community-led social innovation that improves menstrual health access, dignity, education continuity, and women's economic empowerment. By establishing estate-based production units, the initiative creates livelihood opportunities for unemployed women while manufacturing sustainable reusable sanitary pads designed to last up to one year. Distributed free of charge as structured "Dignity Packs" on a six-month cycle, the programme expands equitable access to menstrual hygiene solutions for underserved women and girls. Delivered in partnership with specialist organisations, the initiative combines product innovation, community education, stigma reduction, and women-led social enterprise to create lasting social, economic, and environmental impact.





Stage	Approach	Impact
Community Production	On-estate production units established to manufacture reusable sanitary pads	Created dignified liveli-hood opportunities for unemployed estate women / youth
Product Inno-vation	Sustainable reusable sanitary napkins designed for durabil-ity (up to one year)	Reduced recurring cost burden and lowered dis-posable menstrual waste
Dignity Distri-bution	Free "Dignity Packs" distrib-uted through estate communi-ties on a structured six-month cycle	Improved equitable men-strual hygiene access for underserved women and girls
Strategic Part-nerships	Collaboration with specialist organisations for product design and menstrual health awareness	Strengthened programme effectiveness through ex-pert-led community educa-tion
Behaviour & Social Change	Community engagement to challenge stigma and improve menstrual health literacy	Improved dignity, confi-dence, inclusion, and wellbeing

5,000+
Women and girls targeted across estate communities

1,800+
Reusable sanitary pads distributed

250+
Women and girls reached through awareness

2x annually
Structured dignity pack distribution cycle

Up to 1 year
Reusable product lifespan

3-way partnership model
Corporate + NGO + community collaboration



DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• Community investment, estate production infrastructure, women's livelihoods, NGO partnerships, menstrual health education	• Establish on-estate production units; train women to manufacture reusable sanitary pads; distribute free "Dignity Packs"	• **5,000+** women and girls targeted; 2 distribution cycles annually; reusable sanitary pads with up to 1-year lifespan	• Improved menstrual hygiene access, dignity, confidence, and health awareness; reduced stigma and school absenteeism; strengthened women's livelihoods	• Reduced period poverty, strengthened gender equity and women's empowerment, improved education continuity

Related UN SDGs

Manufactured Capital



THE FORTIFIED FOUNDATION

The sea anemone's physical form serves as the foundational infrastructure upon which the clownfish's entire existence depends. Its layered, anchored structure creates a stable and protective environment, enabling the clownfish to move, feed and thrive safely amid the reef's dynamic conditions.

Manufactured Capital enables DPL's business model through efficient manufacturing facilities, advanced technologies and resilient operational infrastructure. This enhances productivity, supports product quality and drives sustainable value creation across our global operations.

KEY PILLARS OF MANUFACTURED CAPITAL



Value Creation

Manufactured Capital provides the physical foundation that supports efficient production and long-term growth. By investing in advanced technologies, resilient infrastructure and operational excellence, we strengthen competitiveness and create sustainable value across our business ecosystem.

GRI 3-3

HAND PROTECTION Protecting hands, Enabling progress		PLANTATION Nurturing Nature, Sustaining Life
• **15 Mn** Pairs increase in Yearly total local manufacturing capacity • **Rs. 5.8 Bn** Capital investment in Property plant & Equipment	**INPUTS** Resources invested	• **Rs. 36.3 Bn** Total asset base • **Rs. 2 Bn** Capital expenditure / investment in CAPEX
• **2.2 Mn** Increase in Local Manufacturing Capacity through Process Optimization • 04 Major Automation and digital initiatives	**ACTIVITIES** What we do	• **12** Factory / infrastructure modernisation initiatives implemented • **14** Digital / automation systems implemented
• **7** Manufacturing Facilities	**OUTPUTS** Direct deliverables	• **43** Tea factories / processing facilities in operation • **12,078 Mt** Processed tea volume and **3,154 Mt** Processed rubber volume
• **3%** Productivity/OEE improvement • **0.5%** Defect and waste reduction	**OUTCOMES** Performance improvements	• Strengthened operational resilience and supply continuity • Enhanced long-term productivity and commercial competitiveness
• Efficiency-driven revenue growth • Cost optimisation	**IMPACT** Business value created	• Enhanced production capacity, asset utilisation and supply reliability • Increased resilience through modernised infrastructure and digitalisation initiatives

TWO ECOSYSTEMS, ONE PURPOSE
Creating long-term value for people, planet and prosperity

Material Topics

- **M01** Product Responsibility
- **M02** Product Quality
- **M08** Regulations & Compliance
- **M15** Impacts of Infrastructure & Project Development
- **M22** Operational Efficiency & Productivity

Impacted Stakeholders

- Customers
- Employees
- Business partners
- Government and regulators
- Investors

Impacted SDG



Alignment with Strategic Priorities

- Profitable Growth
- Innovation and digitalization
- Customer focus

Link with Key Risks and Opportunities/ SRROs/CRROs

- SRROs 01
- CRROs 02
- MR 01
- FR 01

AWARDS AND RECOGNITION



Gold Award Winner – Extra Large Category at the National Chamber of Exporters (NCE) Awards

Recognised for excellence in export performance, manufacturing capability, global competitiveness, and contribution to Sri Lanka's export sector.



Winner of the Sustainable Construction in Manufacturing Category at the Sri Lankan Sustainability Awards

Recognised for leadership in sustainable facility design, resource-efficient construction, green building practices, and environmental stewardship in manufacturing operations.



Gold Award – Manufacturing (Other Sector) at the National Business Excellence Awards (NBEA)

Received recognition for excellence in manufacturing performance, operational efficiency, innovation, quality, and sustainable business growth.

FUTURE FOCUS

Short Term

- Modernise manufacturing infrastructure and machinery
- Strengthen automation, digital systems and process reliability
- Improve operational efficiency, yield and cost performance
- Enhance quality systems and compliance readiness
- Optimise energy, water and resource efficiency

Long Term

- Build smart, Industry 4.0-enabled manufacturing ecosystems
- Scale low-carbon, resource-efficient production infrastructure
- Develop resilient, future-ready factories across geographies
- Integrate advanced automation, AI and predictive systems
- Enable sustainable, high-performance product manufacturing

Manufactured Capital

SDG 8.2, 9.1, 9.4

SASB FB-AG-000.A, FB-AG-000.B, FB-AG-000.C, CG-HP-000.B

OUR MANUFACTURING FOOTPRINT

Underpinned by five decades of strategic capital investments, our manufactured capital has evolved into a resilient and scalable infrastructure that supports product innovation, efficiency, and long-term value creation

Hand Protection

05
Manufacturing facilities in Sri Lanka

02
Manufacturing facilities in Thailand

Rs. 7,187 Mn
Cost of natural rubber latex sourced externally

Plantation

43
Tea factories / processing facilities in operation

14,738 (Ha)
Total land area under active production

Production by principal crop for the period

12,108 Mt
Tea Production

3,200 Mt
Rubber Production



Total local glove production percentage by product category

Unsupported Gloves
96.6%

Supported Gloves
3.4%

Total foreign glove production percentage by product category

Disposable gloves
100%

Rs. 7.8 Bn
Total Capex

Rs. 82 Bn
Total Revenue from sale of products

SDG 9.1, 9.4, 12.6

Our Management Approach

Our manufacturing assets are a key strategic advantage, continually enhanced through prudent investments that deliver increased revenue, improved service levels, higher productivity, and reduced environmental impact across our Hand Protection and Plantation operations. Sustainability is central to our expansion strategy, enabling cost efficiencies and improved environmental outcomes. This is demonstrated through sustainable practices and high-performance facilities, including our Sports Glove Complex, which achieved LEED Platinum Certification from the US Green Building Council—becoming the first glove manufacturing facility in South Asia to receive this distinction.



Hand Protection Sector

Factory	Location	Land Area Owned / Occupied	Product
Dipped Products PLC	Kottawa	11.2 acres	Unsupported/supported household, industrial and electrical gloves
Hanwella Rubber Products Ltd	Hanwella	10.2 acres	Unsupported household gloves
DPL Biyagama Facility	EPZ block B, Biyagama	5.4 acres	Unsupported household 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	Songkhla (Thailand)	13 acres	Disposable and unsupported household gloves
Hi-Care Thai Gloves Co. Ltd	Songkhla (Thailand)	6.4 acres	Disposable gloves

Plantations Sector

Factory	Location	Land Area Owned / Occupied	Product
Kelani Valley Plantations PLC	Island wide	32,623 acres	Tea and Rubber
Talawakelle Tea Estates PLC	Island wide	16,039 acres	Tea and Rubber
Horana Plantations PLC	Island wide	16,109 acres	Tea and Rubber

GRI 203-1 SDG 9.1, 9.4, 8.2

PRODUCTION INFRASTRUCTURE, FACILITIES AND CAPACITY EXPANSIONS

All engineering and capital expenditure decisions during the year were aligned with the Group's long-term ESG framework, recognising that sustainability is integral to business continuity—particularly for manufacturing operations within sensitive environments. During the year under review, the Group undertook one of its most significant capital investment projects, with total capital expenditure of Rs. 7.8 Bn. Investments were primarily directed towards strengthening production infrastructure, expanding capacity, and enhancing facility readiness through new production lines, energy-efficient equipment and effluent treatment systems. Several major projects were commissioned or progressed to advanced stages, with the commencement of the construction of a greenfield manufacturing facility with advanced utilities, process automation, and sustainable infrastructure features at the Katunayake Export Processing Zone (KEPZ) marking a key milestone in expanding DPL's future-ready manufacturing footprint.

Capacity expansion

Value-added manufacturing

Sustainability improvements

Dipped Products PLC, Kottawa

SDG 9.1, 9.4, 8.2

Kottawa continues to serve as a key manufacturing hub for high-value and specialised glove segments, supported by targeted infrastructure expansion and capacity upgrades during the year.

Core Infrastructure Upgrades



- Installation of 12-ton steam boilers enhanced steam generation efficiency supporting increased production demand.
- Expansion of Effluent Treatment Plant (ETP) capacity to accommodate higher operational volumes
- Strengthening of supporting utilities and infrastructure to enhance production readiness and operational reliability

Capacity Enhancements



- Introduced a plant to manufacture blended natural rubber gloves with higher thickness and enhanced value propositions
- Expanded a plant to increase electrical insulation glove range, doubling existing production capacity
- Increased production capacity for industrial gloves to meet growing market demand
- Expansion of chlorination capacity and enhancement of packing facilities to support higher output volumes

Hanwella Rubber Products Ltd

SDG 9.1, 9.4

The facility strengthened its role in natural rubber glove manufacturing through targeted infrastructure upgrades and commissioning of new production capacity to meet growing global demand.

Core Infrastructure Upgrades



- Commissioned new production infrastructure under a new facility along with new Thermic heater and wetland.
- Integration of supporting utilities and infrastructure to enable continuous operations

Capacity Enhancements



- New natural rubber glove production line with capacity to support increased demand in healthcare and industrial segments

DPL Manufacturing Facility, Biyagama

SDG 9.4, 8.2

Advanced its facility infrastructure to support product transition and improved production and post-production capabilities.

Core Infrastructure Upgrades



- Repurposing of production buildings to enhance post-production storage and working environments

Capacity Enhancements



- Increased chlorination capacity by 25%
- Enhancement of Solvent Storage Capacity

DPL Universal Gloves Ltd, Biyagama

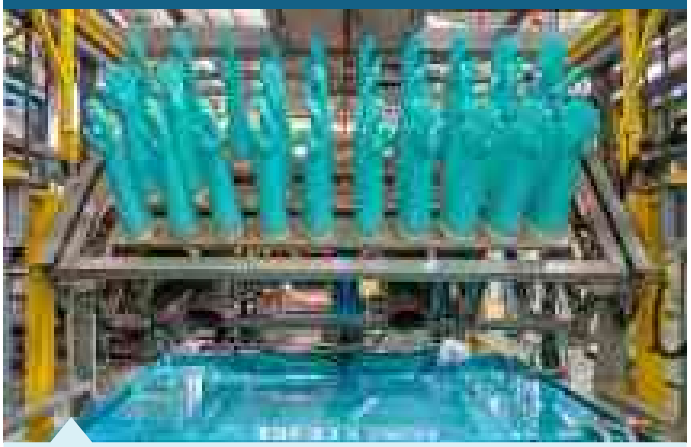
DPL Universal Gloves continued to maintain stable production infrastructure supporting supported glove manufacturing, ensuring consistent operational readiness.

Core Infrastructure Upgrades



- Ongoing maintenance and strengthening of core production infrastructure to ensure reliability
- Installed Automated crotch printing plant

Capacity Enhancements



- Capacity expansion of industrial plant by 7%

Manufactured Capital

DPL Sports Glove Facility, Biyagama

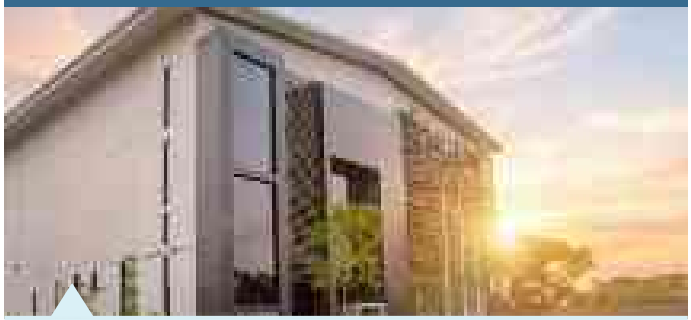
SDG 7.3, 9.4, 12.2, 13.2

"From South Asia's first LEED Platinum glove facility to a future-ready manufacturing"

DPL Sports Glove Facility continues to operate as a flagship, LEED Platinum-certified manufacturing site, supporting sustainable and high-performance glove production.

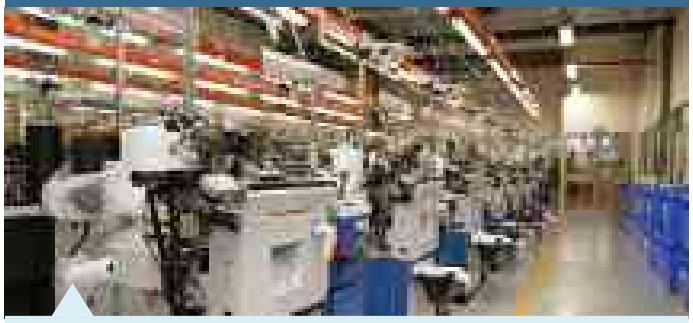
- Now operating as a high-performance production facility, supporting specialised sports glove manufacturing
- Delivering measurable gains in energy efficiency, water management and environmental compliance
- Lower operating costs driven by resource-efficient infrastructure
- Optimised resource utilisation across energy, water and materials
- Enhanced workplace conditions through improved indoor environmental quality
- Serving as a benchmark for future-ready manufacturing infrastructure
- Design and operational learnings replicated in new projects, including the Katunayake facility
- Demonstrates how ESG-led capital investments translate into long-term business value

Core Infrastructure Upgrades



- Integration of high-performance facility design supporting efficient production environments

Capacity Enhancements



- Established specialised manufacturing capacity for sports gloves
- Continued optimisation of facility to support high-value product segments



DPL Katunayake Facility – Construction In Progress

SDG 9.1, 9.4, 13.2

Building the next phase of DPL's manufacturing with the construction of a greenfield manufacturing facility with advanced utilities, process automation, and sustainable infrastructure features

DPL 50th Anniversary Year Milestone Project

The Group commenced development of a new greenfield manufacturing facility at the Katunayake Export Processing Zone (KEPZ), marking a key step in expanding future capacity. The facility will feature two production lines with an expectation to increase the production to cater the demand.

Designed with purpose-built infrastructure, including production, utilities and support facilities, it is expected to enhance manufacturing scale, strengthen resilience and support long-term growth upon completion.





- Development of a new purpose-built production building
- Installation of two-chain production lines
- Installation of a 6 Mn kCal/hr thermal fluid heater system
- Deployment of advanced plant drying technology
- Establishment of Effluent Treatment Plant (ETP) facilities
- Development of water storage sump infrastructure
- Purpose-designed employee welfare and worker amenities
- Modern administration and operational coordination facilities
- Centrally integrated RMS and FGS infrastructure
- Specialised engineering and maintenance workshop facilities
- Advanced laboratory and product testing capabilities
- Comprehensive fire safety and emergency protection systems



Manufactured Capital

Dipped Products (Thailand) Ltd (DPTL) - Songkhla, Thailand

SDG 9.1, 9.4, 8.2

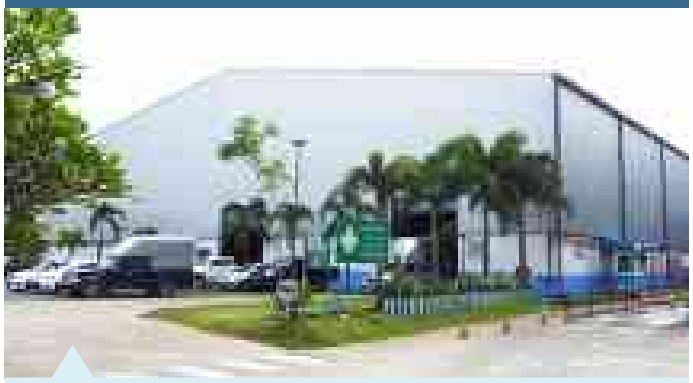
DPTL progressed targeted infrastructure upgrades to enhance production capabilities while supporting improved efficiency and product quality.

Core Infrastructure Upgrades



- Conversion of an existing plant to facilitate double dipping for high-end product manufacturing
- Upgrade of temperature management systems to improve working conditions and production stability

Capacity Enhancements



- Strengthened capability to support high-value glove production through enhanced processing infrastructure
- Improved overall production efficiency, contributing to increased output and reduced unit energy costs

Hi-Care Thai Gloves Co. Ltd – Songkhla, Thailand

SDG 9.1, 8.2

Hi-Care expanded DPL's international manufacturing footprint through the acquisition of a new facility in Thailand, strengthening production capacity and market presence.

Core Infrastructure Upgrades



- A fully operational manufacturing facility with integrated production and support infrastructure
- Facility equipped with production, administrative and worker support systems to enable immediate operational readiness

Capacity Enhancements



- Strengthened regional production capability to support growing global demand

PLANTATIONS SECTOR

Sri Lanka's First Green-Certified Tea Factory

Talawakelle Tea Estates PLC (TTE) transformed the Kiruwanaganga Tea Factory into Sri Lanka's first GREENSL® certified plantation sector green building, setting a new benchmark for sustainable plantation manufacturing. Originally established in the 1950s, the facility was redeveloped as part of TTE's long-term sustainability and operational modernisation journey.

The upgraded factory was designed to improve resource efficiency, strengthen operational resilience, and support environmentally responsible tea manufacturing. The redevelopment incorporated energy-efficient systems, water-efficient infrastructure, natural ventilation, and environmentally conscious design features to minimise operational impacts while enhancing productivity and long-term value creation.

Area	Quantitative Figure
Certification Achievement	Sri Lanka's first GREENSL® certified plantation sector green building
Investment Value	Approximately **Rs. 714 Mn** investment
Building Design	Redesigned from a **4-storey** layout to a **2-storey** facility
Carbon Performance	Embedded carbon intensity of **432 kg CO_2e per square metre**
Solar Capacity	**220 kWp** rooftop solar photovoltaic system
Certification Level	Achieved **Gold rating** under GREENSL® framework
Industry Heritage Reference	Sri Lanka producing tea for **more than a century**

The project demonstrates how sustainability principles can be integrated into traditional plantation operations while preserving the heritage of Sri Lanka's tea industry. By revitalising an underutilised facility into a nationally recognised green-certified factory, TTE reinforced its commitment to climate-conscious operations, responsible resource management, and sustainable infrastructure development within the plantation sector.



Key Sustainability Features

- GREENSL® certification awarded by the Green Building Council of Sri Lanka
- Designed as a low-carbon, resource-efficient tea manufacturing facility
- Energy-efficient operational systems and optimised factory layout
- Water-efficient infrastructure supporting responsible resource management
- Natural ventilation and daylight integration to reduce energy demand
- Environmentally conscious construction materials and design practices
- Enhanced operational resilience and improved long-term productivity

SDG 7.2, 7.3, 13.2

"GO GREEN ENERGY" PROJECT EXPANDING RENEWABLE ENERGY CAPACITY ACROSS PLANTATION OPERATIONS

Horana Plantations PLC expanded renewable energy integration across estate operations during the year through the development of rooftop solar initiatives and related clean energy infrastructure. The initiative was undertaken to strengthen energy resilience, improve operational efficiency, and support the transition towards more sustainable plantation operations.

Renewable energy systems were implemented across operational and estate-related facilities, including selected processing and supporting infrastructure locations, enabling greater utilisation of cleaner energy sources within day-to-day operations. The initiative also supported improved energy reliability across geographically dispersed estates and operational sites.

The expansion of renewable energy capacity contributes towards strengthening long-term environmental performance while reinforcing the company's commitment towards climate-conscious estate management and sustainable value creation.

Strategic Purpose	Strengthen energy resilience and support the transition towards sustainable plantation operations.
Key Initiatives Implemented	Implemented rooftop solar and renewable energy solutions across estate and operational facilities to enhance clean energy utilisation.
Operational Importance	Enhanced operational reliability and improved energy efficiency across dispersed plantation locations.
Sustainability & Climate Impact	Supported lower-carbon operations through increased use of renewable energy sources.
Broader Value Created	Reinforced long-term sustainable estate management and responsible operational practices.









SDG 9.4, 9.5, 8.2, 12.2

MANUFACTURING PROCESS, MACHINERY, TECHNOLOGY AND AUTOMATION

During the year under review, DPL strengthened its manufacturing capabilities through targeted investments in advanced machinery, process optimisation and automation technologies across its operations. These initiatives focused on enhancing production precision, improving consistency, reducing material wastage and accelerating the transition towards Industry 4.0-enabled manufacturing.

Key developments included the deployment of robotic dipping systems, upgrades to energy-efficient machinery, and the integration of advanced industrial automation and real-time monitoring systems, enabling enhanced operational visibility and improved process control across manufacturing facilities. These investments collectively strengthened production efficiency, reduced operational costs, and enhanced manufacturing precision across DPL's operations.



In FY 2025/26, key actions and measures taken;

New Advanced Technology In Manufacturing

- Commissioned advanced glove manufacturing lines incorporating innovative dipping technologies
- Introduced robotic production lines, transitioning from manual to fully automated processes
- Enhanced production precision and consistency across specialised product categories
- Improved overall production efficiency by 3%
- Reduced energy costs on consumption of electricity and firewood
- Process re-engineering initiatives increased production output by 5% at optimal resource utilisation
- Achieved material efficiencies through reduced flock consumption and improved material yield.
- Improved curing efficiency and reduced energy consumption per unit

Automation and Robotics

- Deployment of robotic dipping systems across key production lines
- Replacement of manual and hydraulic processes with automated systems
- Introduction of automated biomass feeding systems to reduce labour intensity
- Improved product consistency and reduced raw material wastage
- Reduced manual handling risks and enhanced operator safety through automation

Outcome / Impact

- Improved production precision and consistency
- Reduced material wastage and energy consumption
- Enhanced operational visibility and data-driven decision-making
- Strengthened reliability and reduced downtime
- Improved cost efficiency and productivity across operations

Manufactured Capital















SDG 8.2, 9.4, 12.2

OPERATIONAL EFFICIENCY AND PRODUCTIVITY

During the year under review, DPL strengthened operational efficiency and productivity through process optimisation, lean manufacturing practices and targeted operational improvements. These initiatives focused on enhancing machine efficiency, increasing production output, reducing material wastage and improving cost performance across operations.

Performance gains were driven through process re-engineering, improved material handling practices and enhanced production planning, enabling higher throughput while maintaining optimal resource utilisation.

Process Optimisation and Productivity Improvements

- Labour Productivity Optimisation through Process Improvement
- Reduced material wastage and improved cost efficiencies
- Single-Minute Exchange of Dies (SMED)-based changeover improvement projects across selected manufacturing plants
- Variation Reduction Projects for Quality Improvement
- Enhanced liner quality and overall production efficiency through improved processing technologies

Key Achievements

- **792** employees trained in Lean, Six Sigma and Kaizen methodologies
- **25** improvement projects completed across manufacturing facilities
- **Rs. 81 Mn** cost savings achieved through efficiency initiatives



SDG 8.2, 9.5, 12.2

CONTINUOUS IMPROVEMENT (LEAN, KAIZEN, SIX SIGMA, FOCUS IMPROVEMENT PROJECTS)

DPL continued to strengthen its culture of continuous improvement through structured Lean, Kaizen, Six Sigma and Focus Improvement Projects, enabling improved production stability, reduced downtime and enhanced operational performance.

In the FY 25/26, we drove projects through the below approaches;

Lean Manufacturing		
KPI	Description	Value
No. of Lean projects	Waste elimination initiatives	6 Initiatives
Yellow Belt trained	Internal capability building	20 Employees
Cost savings from Quality Circle	Savings	Rs 13 Mn

Six Sigma		
KPI	Description	Value
Projects completed	Define, Measure, Analyse, Improve and Control (DMAIC)	19 Projects
Green belts trained	Internal certification	43 Trained
Cost savings generated	Savings	Rs 55 Mn

Kaizen		
KPI	Description	Value
Suggestions submitted	Employee-driven improvements	411 improvements
Implementation Rate	Rate	55%
White Belt trained	Internal capability building	729 Employees
Cost savings from Kaizen	Savings	Rs 13 Mn
Recognitions awarded	Best Kaizens Reward & Recognition - Monthly	201 Employees

Focus Improvement Projects		
KPI	Description	Value
Productivity	Operational Efficiency Projects	6 Projects
Capacity	Throughput Improvement Projects	5 Projects
Quality	Quality Improvement Projects	5 Projects
Material	Material Optimisation Projects	3 Projects



Employee Engagement In Productivity Improvement

DPL Pulse: ESG Roadmap 2030 - Targets and Performance

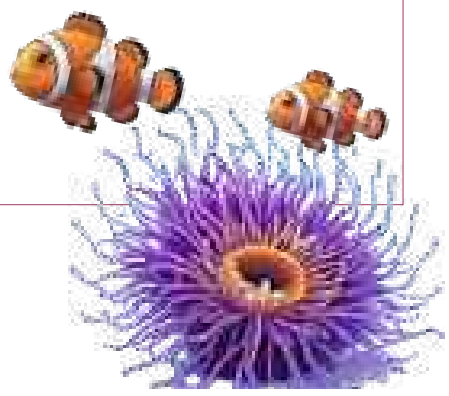
DPL Target	Baseline Performance 2020/21	Performance in 2024/25	Performance for 2025/26	Expected Performance for 2026/27	Expected Performance for 2030/31	Status
Permanent Employees engaged productivity improvement efforts	8%	20%	40%	65%	85%	On Track
Junior Executive & above employees involved in Improvement projects	80%	84%	84%	85%	90%	On Track
Manual employees participation in lean white belt Program	10%	12%	50%	90%	100%	On Track

ESG / SUSTAINABILITY FOCUSED ACHIEVEMENTS

Region	Reduction in defects	Material efficiency	Energy savings	Cycle time reduction	Labour productivity
Sri Lanka	Knitting department first pass yield improvement by 30%	Reduce weight variance of Plant B	Water intensity reduction Reduce factory Electricity consumption Reduction of chipped wood consumption	Reduced cycle time across manufacturing facilities	Standard Labour carder optimization through eliminating over processes at UG
Thailand	Improve AQL 1.5 NR- from 90% to 95% NBR -from 95% to 97% Total scrap 1.3% to <1%	Maintained stringent process controls for high-risk products, achieving a per-piece weight tolerance below 0.5g while ensuring compliance with required thickness specifications	Initiatives begun in FY 2025/26 are still in progress	Increase line speed in all products by 10% and sustain	Successfully improved labour productivity through LEAN/TPM and KAIZEN initiatives with the operations team

Impact

- Improved production efficiency and throughput across manufacturing operations
- Reduced material wastage and optimised resource utilisation
- Lower operational costs and improved profitability
- Enhanced production stability and reduced downtime
- Strengthened continuous improvement culture across the Group



Manufactured Capital

SDG 9.4, 9.5, 12.2

PLANTATIONS SECTOR

Driving Plantation Modernisation Through Automation and Productivity Enhancement

Kelani Valley Plantations PLC strengthened plantation modernisation efforts during the year through investments in automation and productivity enhancement initiatives, including drone-based fertiliser application across selected estate operations.

The adoption of drone technology supported more efficient and precise fertiliser application, improved operational productivity, reduced manual intervention, and enhanced effectiveness across challenging plantation terrain. The initiative reflects the company's continued focus on integrating modern agricultural technologies to strengthen operational efficiency, sustainability, and future-ready plantation management

Rs. 13.5 Mn
Investment in plantation automation initiatives

2,100 ha
Area covered through drone-based fertilizer application

Piloting a process improvement project for fertilizer application efficiency

Strategic Purpose	Strengthen plantation productivity, operational efficiency, and sustainable estate management through modern automation and smart agricultural technologies.
Key Initiative Implemented	Introduced drone-based fertiliser application and other productivity enhancement initiatives across plantation operations.
Operational Benefits	Improved fertiliser application efficiency and consistency, enhanced productivity, reduced manual intervention, and strengthened operational effectiveness across challenging terrain.
Sustainability Contribution	Supported optimised resource utilisation, reduced operational inefficiencies, improved worker safety, and promoted modern sustainable plantation practices.
Long-Term Value Created	Enhanced operational resilience, technology adoption, plantation modernisation, and future-ready estate management capabilities.







SDG 9.4, 12.2

PRODUCT PERFORMANCE AND QUALITY EXECUTION

DPL ensures consistent product performance and quality through robust execution systems embedded across its manufacturing operations. During the year under review, enhanced process controls, automation-driven inspection systems and real-time monitoring enabled improved production accuracy, reduced defects and stable operating conditions, supporting higher throughput while maintaining stringent quality standards.

Measures Taken: Production Performance and Quality Outcomes

- Maintained consistent product quality across increased production volumes
- Improved first-pass yield and overall production throughput
- Strengthened process control measures across critical manufacturing stages
- Improved thermal and operational stability supporting reliable production conditions
- Sustained reliable performance for specialised and high-risk applications, including electrical insulation gloves

Measures Taken: Automation-Driven Quality Execution

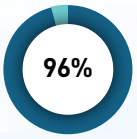
- Automated inspection systems deployed across critical production stages
- Robotics-enabled precision in dipping and curing processes
- Reduced dependency on manual inspection in selected operations
- Improved repeatability, dimensional consistency and process accuracy
- Strengthened process reliability supporting uniform manufacturing execution

Measures Taken: In-Process Quality Control and Monitoring

- Material checks, in-process inspections and final verification embedded across production stages
- Real-time quality monitoring through MES and digital dashboards
- Enhanced visibility of process deviations and quality variations
- Faster escalation, root cause identification and corrective action implementation
- Continuous monitoring of critical quality and process parameters

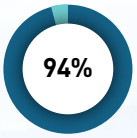
Impact

- Reduced defects, rejects and rework across manufacturing operations
- Lowered quality-related production losses and process variability
- Improved production efficiency and operational reliability
- Strengthened customer confidence through dependable product quality
- Enhanced scalability while maintaining stringent quality standards
- Supported long-term product consistency across diverse applications



Overall Quality Level Across DPL Operations

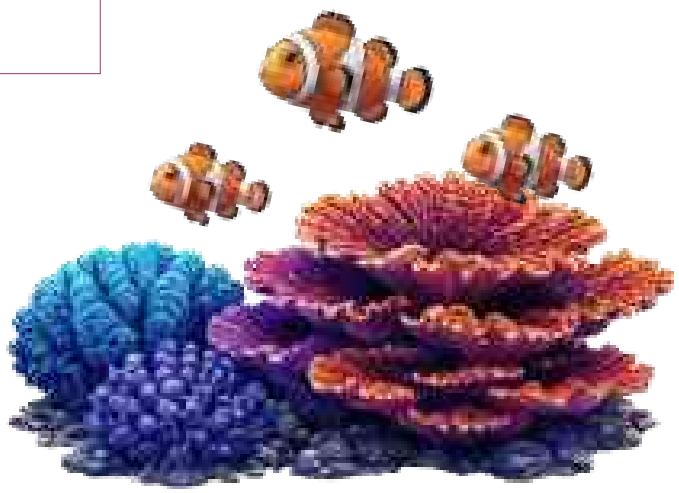
Reflecting the percentage of products passing quality inspections without rework, demonstrating the effectiveness of embedded quality assurance systems, process discipline and operational controls across manufacturing facilities.



first-pass yield / no-rework rate, reflecting strong right-first-time production

331
Quality Assurance-Driven Improvement Projects

664
Quality Assurance-related SOPs / standards updated to strengthen process control and standardisation



Manufactured Capital

SDG 7.3, 12.2, 12.5, 13.2

RESOURCE EFFICIENCY IN MANUFACTURING

DPL continued to enhance resource efficiency across manufacturing operations by optimising utility systems and process performance. These initiatives focused on reducing energy and water intensity while maintaining production output, supporting cost efficiency and contributing to broader decarbonisation and resource optimisation objectives.

KPI	FY 2025/26	FY 2024/25	YoY Change
Energy consumption per 1,000 gloves (kWh)	1,957	2,128	-8%
Water consumption per 1,000 gloves (litres)	6,101	6,089	0.2%
% improvement in energy intensity	7.05	7.66	-8%
% improvement in water efficiency	6.10	6.09	0.2%

Impact

- Lower energy and water consumption per unit of production
- Reduced operational costs through improved resource utilisation
- Enhanced process efficiency and stability
- Supported transition towards lower-carbon manufacturing

In FY 2025/26, Resource Efficiency Improvements

- Improved energy efficiency across production processes through optimised utility performance
- Increased water reuse through enhanced treatment and recycling systems
- Reduced resource intensity per unit of production through process optimisation
- Improved heat transfer and curing efficiency, reducing energy consumption per unit
- Enabled production growth while maintaining optimised resource utilisation

FACTORY ENVIRONMENT AND REGULATORY COMPLIANCE

SDG 12.4, 12.6, 13.2

DPL ensures factory environments and infrastructure operate in line with applicable environmental, safety and engineering standards. During the year, upgrades to utility systems and treatment infrastructure strengthened compliance performance, maintaining operations within regulatory limits across all facilities.

KPI	FY 2025/26
Environmental non-compliance incidents in operations	Zero Incidents
Significant fines or penalties	Zero fines paid
% facilities compliant with environmental regulations	100%
Operational Compliance audits conducted (No.)	All site audits conducted to obtain Environmental Protection License (EPL) enforced by the Central Environmental Authority (CEA) under the National Environment Act

Monitoring and Assurance

- Continuous monitoring of key environmental parameters
- Regular internal and external compliance audits
- Consistent adherence to statutory environmental requirements across sites

Infrastructure and Compliance Enhancements

- Upgraded effluent treatment and chemical handling systems to ensure compliant discharge levels
- Enhanced emission control systems across boilers and heaters
- Strengthened utility controls to reduce environmental and operational risks
- Engineering improvements to support compliance in critical operations

Impact

- Ensured regulatory compliance across operations
- Reduced environmental risk through infrastructure controls
- Strengthened operational reliability and audit readiness
- Maintained zero significant non-compliance incidents

SDG 8.2, 9.1, 9.4

PRODUCTION PLANING AND EXPORT INFRASTRUCTURE

DPL's production planning, demand forecasting, logistics and warehousing infrastructure are closely integrated with manufacturing operations to support efficient material flow, optimised inventory and storage management, responsive production scheduling, and timely export dispatch. Improvements during the year enhanced end-to-end coordination from customer demand to order fulfilment, reduced lead times, strengthened delivery performance across export markets, and improved operational agility in responding to changing customer requirements..

In FY 2025/26, key actions and measures taken;

Warehousing and Logistics Infrastructure

- Expanded warehouse capacity and optimised storage layouts to improve space utilisation and material flow
- Strengthened loading, dispatch and handling systems to enhance throughput
- Improved coordination across production and logistics operations

Logistics and Export Performance

- Streamlined handling and dispatch processes, reducing lead times
- Enhanced inventory accuracy and dispatch reliability
- Strengthened export operations through improved planning and coordination
- Improved shipment handling capacity and responsiveness to customer demand

Production Planning & Scheduling Optimisation

- Advanced production planning and scheduling (APS) implementation
- Master production schedule (MPS) optimisation
- Finite capacity planning across production lines
- Dynamic production rescheduling based on demand changes
- Production load balancing across factories / plants
- Bottleneck identification and throughput optimisation
- Campaign planning to reduce product changeovers
- Constraint-based production planning



SDG 9.4, 9.5, 8.2

DIGITALISATION AND FUTURE READINESS

DPL strengthened digital manufacturing systems to enhance real-time visibility, process control and operational integration. These systems supported improved production monitoring, equipment reliability and data-driven decision-making.

In FY 2025/26, key actions and measures taken;

Integrated Manufacturing Systems

- ERP and MES support production, planning and quality functions
- Real-time monitoring of production, utilities and equipment
- Centralised dashboards improving visibility and coordination across factories

Digital Monitoring and Control

- Advanced industrial automation and process control systems enable real-time tracking of utilities and equipment performance
- Early identification of process deviations supports faster corrective action
- Improved control over critical production processes

Automation and Smart Manufacturing

- Increased use of digitally controlled systems across operations
- Improved process stability and consistency through data-driven control
- Progression towards Industry 4.0-enabled manufacturing

Predictive Maintenance and Reliability

- Continuous monitoring of critical equipment
- Automated alerts enable early fault detection
- Improved maintenance planning and reduced downtime



Industry 4.0 Progression

DPL's digital transformation is progressing through a phased roadmap:

Phase	Focus
Phase 1 – Digitisation	• Rollout of advanced industrial automation and process control systems across manufacturing facilities • Deployment of energy dashboards and utility monitoring systems • Real-time monitoring of electricity, thermal energy, water and equipment performance
Phase 2 – Integration	• Cloud connectivity and centralised data capture across factories • Integration of production, utility and equipment data • Centralised dashboards enabling cross-facility visibility and decision-making
Phase 3 – Optimisation	• Data-driven optimisation of energy systems and process parameters • Use of analytics to improve operational control and efficiency • Strengthened predictive maintenance through real-time monitoring
Phase 4 – Intelligent Manufacturing	• Predictive analytics, automation and real-time decision-making • Advanced predictive maintenance improving equipment reliability • Reduced unplanned downtime and enhanced operational performance

Impact

- Improved real-time visibility and operational control across factories
- Reduced unplanned downtime and enhanced equipment reliability
- Strengthened data-driven decision-making and responsiveness
- Improved process stability and production consistency
- Enabled scalable, digitally integrated manufacturing operations

DPL'S INPUT TO IMPACT RESULTS FRAMEWORK

KPI TYPE	INPUT Resources invested	ACTIVITY What we do	OUTPUT What we deliver	OUTCOME Change achieved	IMPACT Value we create
Performance Against Indicators FY 2025/26	• **Rs. 80 Mn** Investment in digital manufacturing and automation systems	• **04** Major Digital transformation initiatives implemented	• Interconnection of all factories to improve centralized visibility • System integrations implemented to enhance accessibility and reduce manual errors • Improved availability of centralized operational data • Enhanced system reliability and user accessibility	• **15-20%** Reduction in unplanned system and operational downtime • **25 – 30%** Improved maintenance efficiency • Faster information sharing and reporting • Increased process efficiency through automation • Improved user productivity and response times	• Improved operational visibility and organizational control • Strengthened data-driven decision-making capabilities • Enhanced business continuity and scalability • Improved overall operational efficiency across factories • Increased organizational readiness for future digital transformation initiatives

This framework demonstrates how our investments and actions translate into measurable results, deliver meaningful outcomes, and create long-term value for our stakeholders and environment.

SDG 9.4, 9.5

PLANTATIONS SECTOR

Strengthening Transparency Through Advanced Digital Weighing Technology

Kelani Valley Plantations PLC strengthened plantation operational efficiency during the year through the introduction of advanced digital weighing technology across selected estate operations.



The technology-enabled system enhanced the accuracy, efficiency, and transparency of weighing processes while supporting improved operational monitoring and streamlined estate management practices. The initiative also contributed to reducing manual processing inefficiencies, strengthening data reliability, and improving workflow efficiency across plantation operations.

By integrating modern digital technologies into operational processes, KVPL continues to advance plantation modernisation efforts while supporting more efficient, transparent, and data-driven estate operations.

Strategic Purpose	Strengthen operational efficiency and transparency through digital plantation technologies.
Key Initiative	Introduced advanced digital weighing technology across estate operations.
Key Benefits	Improved weighing accuracy, operational efficiency, workflow management, and data reliability.
Long-Term Value	Supported plantation modernisation and more transparent, technology-enabled operations.

SDG 9.4, 9.5, 13.1

Strengthening Data-Driven and Future-Ready Plantation Operations

Talawakelle Tea Estates PLC (TTE) continued to modernise plantation operations through the adoption of advanced digital technologies designed to improve operational visibility, efficiency, and decision-making across estate operations.

During the year, the company strengthened digital integration through cloud-based Management Information Systems (MIS), enabling improved access to operational data, enhanced coordination, and faster reporting across plantations. Digital weighing systems were also introduced to improve transparency, operational accuracy, and monitoring of estate activities.

Digital System Coverage Across Estates

Productivity Improvements from Digital Initiatives

TTE further enhanced estate management capabilities through AI-supported decision-making tools and weather-based planning systems to support agricultural optimisation. These tools enabled more informed planning related to harvesting, field operations, and resource management, helping improve operational responsiveness and plantation productivity.

The initiative reflects TTE's ongoing commitment to building smarter, more resilient, and future-ready plantation operations through technology-driven solutions and data-enabled management practices.

Operational Value	Sustainability & Future-Readiness Value
Improved operational visibility and coordination	Strengthened digital transformation across plantation operations
Enhanced accuracy and transparency in estate processes	Improved climate-responsive agricultural planning
Faster access to operational data and reporting	Enabled smarter and more informed decision-making
Improved responsiveness and productivity	Supported long-term operational resilience and efficiency

Key Initiatives Implemented in FY 2025/26

- Introduced cloud-based MIS platforms across operations
- Implemented digital weighing systems to improve transparency and accuracy
- Enabled AI-supported decision-making tools for estate management
- Adopted weather-based planning tools for agricultural optimisation
- Strengthened data-driven operational monitoring and reporting

Intellectual Capital



THE EVOLUTION OF KNOWLEDGE

The clownfish does not just benefit from the anemone's shelter; it actively stands in defence of it. By protecting the anemone from predators such as butterflyfish that would otherwise feed on it, the clownfish protects the very relationship upon which both organisms depend. It is this active, reciprocal investment in one another that strengthens the bond and sustains the wider reef around them.

Intellectual Capital enables DPL's business model through knowledge, innovation and continuous improvement. This drives product development, strengthens competitiveness and supports long-term business resilience and growth.

KEY PILLARS OF INTELLECTUAL CAPITAL



Value Creation

Through innovation, technical excellence and digital transformation, we continuously improve products, processes and customer solutions. This enhances operational efficiency, strengthens competitive advantage and supports sustainable value creation across our business ecosystem.

GRI 3-3



HAND PROTECTION
Protecting hands, Enabling progress

PLANTATION
Nurturing nature, Sustaining Life



INPUTS
Resources invested

- Investment in R&D **Rs. 570 Mn**
- **Rs. 183 Mn** IT operational expenditure
- **10,073** technical training hours delivered

- **Rs. 8 Mn** invested in digitalisation and automation
- **43** certifications maintained

ACTIVITIES
What we do

- **12** sustainable product and process innovation initiatives
- Product development, testing, certification, and patent development activities

- **20** management systems implemented
- **6** digital / automation systems implemented

OUTPUTS
Direct deliverables

- **12** new products launched
- **2** new patents secured in FY 2025/26

- **5** estates equipped with digital scales
- **5** new products developed

OUTCOMES
Performance improvements

- **21%** reduction in raw material carbon footprint
- **15–25%** reduction in energy consumption
- **Rs. 870+ Mn** revenue from renewable/ recycled product solutions

- Improved operational accuracy, traceability and data availability
- **12.6%** growth in customer base

IMPACT
Business value created

- Improved customer trust through Thai FDA Quality Award recognition
- Strengthened competitive differentiation through patented technologies

- Enhanced data-driven decision-making and operational efficiency
- Enhanced innovation-led commercial resilience and long-term value creation

TWO ECOSYSTEMS, ONE PURPOSE
Creating long-term value for people, planet and prosperity

Material Topics

- **M03** Product & Packaging Lifecycle
- **M08** Regulations & Compliance
- **M18** Technology & Product Innovations
- **M19** Customer Requirements on Sustainability

Impacted Stakeholders

- Customers
- employees
- Business partners

Impacted SDG

Alignment with Strategic Priorities

- Inspired dedicated Team
- Innovation and digitalization
- Climate action
- Customer focus

Link with Key Risks and Opportunities/ SRROs/CRROs

- SRROs 01 and 02
- CRROs 01 and 02
- MR 02
- RCR 01

AWARDS AND RECOGNITION



Gold Award Winner – Extra Large Category at the National Business Excellence Awards (NBEA)

Recognised for excellence in innovation, operational performance, governance, sustainability, and business leadership.



First-Ever Thai FDA Quality Award Received by DPL Thailand

Recognised for excellence in product quality, quality management systems, regulatory compliance, and customer trust, becoming the only glove manufacturer to receive this recognition during the year.



Winner of the Hand Protection Category at the Hayleys Chairman's Awards 2025

Recognised for innovation and product excellence through the development of Laurel Lite & Therm, chemical and thermal protective gauntlet gloves featuring novel dipping technology that delivers enhanced protection, performance, and customer value.

FUTURE FOCUS

Short Term

- Accelerate sustainable product innovation
- Strengthen quality systems and certifications
- Expand digitalisation across operations
- Enhance traceability and regulatory readiness
- Improve speed-to-market

Long Term

- Build advanced R&D in next-gen materials
- Strengthen IP and proprietary technologies
- Scale digital transformation (AI and automation)
- Develop circular, low-impact products to cater demand created by customer preference change
- Enhance data-driven decisions and cyber resilience

Research infrastructure

State of the art Research and Innovation centre

Themed "DPL Innovation - Makes the Difference," the centre serves as a hub for exploring and developing revolutionary safety gloves across a wide range of industries and applications.



Laboratories

We operate 10 laboratories for testing, primarily located at our manufacturing sites in Sri Lanka and Thailand focusing on chemical, mechanical and electrical protection. Both raw materials and finished goods are tested at these laboratories.



Accredited laboratories - testing

We operate 04 accredited laboratories for raw material and finished goods testing of protective gloves. These laboratories ensure compliance with international quality and technical standards through accurate testing and continuous monitoring. Their operations support product safety, reliability, regulatory compliance, and customer satisfaction while maintaining the required performance and quality standards.



Quality Assurance labs

We operate 05 Quality assurance labs.





INNOVATION AND PRODUCT DEVELOPMENT

SDG 9.4, 9.5, 12.2

During FY 2025/26, innovation focused on differentiating the glove performance and functionality moving decisively away from generic designs toward more customer and application specific solutions. Product safety, quality and regulatory compliance were embedded at the design and development stage, supported by mandatory alignment with global standards and accredited testing. Customer feedback was systematically analysed through digitized platforms ensuring innovation initiatives met customer needs.

New products launched

- 04 Unsupported
- 05 Supported
- 03 Disposable

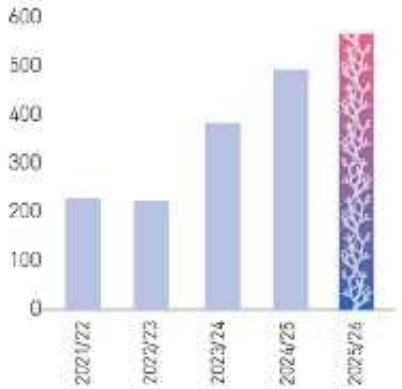
12
New Products Launched

New Products in pipeline

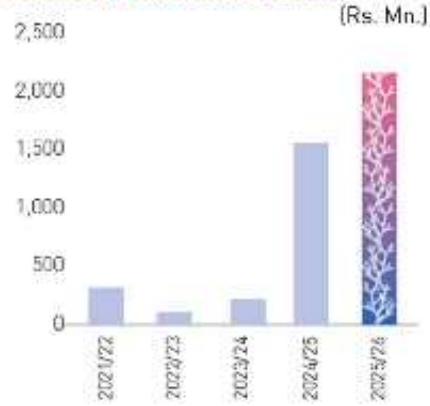
- 05 Unsupported
- 06 Supported
- 04 Disposable

15
Products in the Pipeline

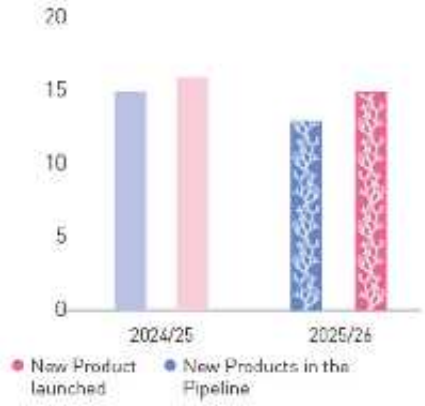
Investment in R & D (Rs. Mn.)



Revenue from New Products (Rs. Mn.)



New Product Development



Unsupported Glove Range			
ChromaButyl	Interface Green	Interface Plus 0.45 UL	Laurel Therm Long Version
			
A next-generation chemical-resistant glove engineered with innovative composite butyl rubber, offering superior protection against aggressive chemicals, solvents, ketones, esters, and acids. Manufactured through a solvent-free eco-friendly process, it provides enhanced grip, durability, flexibility, and customizable colour options for high-risk industrial applications including chemical processing, laboratories, aerospace, and industrial maintenance.	A sustainable nitrile glove developed with a sulphur, accelerator, and antioxidant-free formulation using sustainable nitrile latex. It delivers significant reductions in carbon footprint, energy consumption, and water usage while remaining recyclable, skin-friendly, and comparable in performance to conventional nitrile gloves. Suitable for food handling, laboratories, printing, facility maintenance, and chemical handling applications.	A durable 0.45 mm unlined nitrile glove designed for enhanced chemical resistance, abrasion resistance, and mechanical durability while maintaining dexterity. Featuring a reliable anti-slip grip and compliance with food-contact and EN safety standards, it is ideal for food processing, laboratories, industrial cleaning, printing, and maintenance operations.	A high-performance nitrile supported glove designed for cold-contact environments with EN 511:2016 Contact Cold Level 1 protection. Combining thermal insulation, chemical resistance, extended forearm coverage, and enhanced grip, it is suitable for cold storage, refrigerated transport, marine operations, and outdoor industrial applications.

Supported Glove Range				
XLD21 Ultralite Glove	XLD24 – CUT D Glove	XtraChem – A6 Glove	XLD Superior A9 Glove	XLD CUT C with Grey Nitrile Coating in DFT Technology
				
Engineered with an ultra-fine 21-gauge liner, this glove provides lightweight, skin-like comfort for intricate work while maintaining high durability through DFT technology, superior abrasion resistance, and 360° breathability.	A 24-gauge ISO/EN Cut D glove designed for high-precision tasks, delivering a bare-hand feel, superior abrasion resistance, and enhanced breathability through advanced DFT technology.	A high-performance Type A nitrile glove offering ANSI A6 and EN/ISO Cut F protection, superior wet and oily grip, food-safe compliance, and enhanced comfort through an integrated liner and Oeko-Tex® certified skin safety.	A premium 15-gauge ISO/EN Cut A9 glove delivering maximum cut protection with exceptional dexterity, superior abrasion resistance, and 360° breathability for demanding industrial environments.	Designed for ISO/EN Cut C protection, this glove combines DFT technology with a glass-and-steel-free liner for irritation-free comfort, enhanced breathability, superior wet/oily grip, and strong abrasion resistance, supported by food-safe and Oeko-Tex® certifications.

Disposable Glove Range		
UltraChem Glove – ESD	X-Chem Hybrid N-CP	Magnetically Detectable Glove
		
A technologically advanced Type A glove designed for hazardous environments, offering 360° electrostatic discharge protection in accordance with EN 16350:2014. The glove combines excellent chemical resistance against over 30 chemicals with flexibility and dexterity, making it ideal for ATEX and oil & gas applications.	A high-performance nitrile–chloroprene blended Type A glove engineered for demanding chemical environments, including aerospace applications. It provides reliable resistance against aggressive chemicals such as sulphuric acid and Skydrol hydraulic fluid while maintaining durability, grip, and dexterity.	A specialized two-toned nitrile glove designed to minimise contamination risks in food processing environments. Featuring embedded magnetic detectability for identifying glove fragments during production, the glove complies with major global food safety and food-contact standards.

Plantations
Sector

SRI LANKA'S HALGOLLA ESTATE BECAME THE WORLD'S FIRST REGENAGRI CERTIFIED TEA ESTATE

Kelani Valley Plantations PLC (KVPL) has Halgolla Estate as the world's first tea estate with the prestigious regenagri certification for regenerative agriculture. The achievement reflects KVPL's continued commitment towards regenerative farming, biodiversity conservation, climate resilience, and sustainable plantation management.

The certification followed a rigorous assessment of regenerative agricultural practices including soil health preservation, biodiversity enhancement, greenhouse gas reduction, and carbon sequestration initiatives implemented across the estate. The initiative was further strengthened through collaborations with international stakeholders including the Embassy of the Netherlands, Wageningen University, IUCN, and sustainability assurance partners.

Beyond certification, Halgolla also pioneered a broader sustainability vision through plans to establish a biodiversity conservation and Knowledge Sustainability Centre, while promoting an innovative intellectual tourism concept linked to conservation, education, and sustainable land stewardship. The achievement positions KVPL and Sri Lanka at the forefront of regenerative and nature-positive tea cultivation globally.



Strategic Purpose	Advance regenerative agriculture, biodiversity conservation, and climate-resilient plantation management
Key Achievement	World's first tea estate to receive regenagri certification
Key Sustainability Focus Areas	Soil health, biodiversity enhancement, carbon sequestration, and regenerative land management
Strategic Collaborations	Dutch Embassy, Wageningen University, IUCN, and Control Union
Long-Term Value Creation	Strengthened global sustainability leadership, eco-tourism potential, and nature-positive plantation practices

> **"The world's first tea estate with the prestigious regenagri certification for regenerative agriculture"**



ADVANCING CROP DIVERSIFICATION FOR CLIMATE RESILIENCE AND LONG-TERM VALUE CREATION

Kelani Valley Plantations PLC (KVPL) continued to strengthen its crop diversification strategy during the year by progressively expanding coffee cultivation across selected marginal tea lands. The initiative supports the company's long-term approach towards enhancing land productivity, improving climate resilience, and creating diversified revenue streams beyond conventional plantation crops.

The diversification approach focuses on optimising underutilised and lower-yielding tea lands through the introduction of commercially viable alternative crops suited to evolving climatic and market conditions. Coffee cultivation was identified as a strategic opportunity due to its growing market potential, suitability for selected agro-climatic regions, and ability to complement sustainable land management practices within plantation operations.



The initiative also supports broader environmental and operational benefits, including improved biodiversity within cultivated landscapes, enhanced land-use efficiency, and reduced dependency on a single crop category. Through strategic crop diversification, KVPL continues to strengthen adaptive plantation management practices while supporting long-term agricultural sustainability and business resilience.

Strategic Purpose	Enhance long-term plantation resilience and land productivity through diversified and climate-adaptive agricultural practices
Key Initiatives Implemented	Expanded coffee cultivation across selected marginal tea lands as part of the company's crop diversification strategy
Operational Benefits	Improved land-use optimisation, diversified agricultural output, and strengthened climate resilience
Sustainability Contribution	Supported sustainable land management, biodiversity enhancement, and reduced dependency on single-crop exposure
Long-Term Value Creation	Strengthened future revenue diversification opportunities and adaptive plantation sustainability



SDG 9.5, 8.2

INTELLECTUAL PROPERTY AND KNOWLEDGE ASSETS

PATENTS

Proprietary Knowledge, Product Development and IP Protection

R&D-driven product development leverages proprietary knowledge, translating innovation into standardised product designs, technical specifications and controlled manufacturing processes to ensure consistent quality and performance. Innovation is protected through a structured patent portfolio covering key product and process technologies, supporting differentiated offerings and increased commercialisation.

Intellectual property is safeguarded across key markets through multi-jurisdictional protection frameworks, aligned with regulatory requirements in Sri Lanka, the EU and the US.

02
New patents in FY 25/26

05
Patents in pipeline

15
Total Patents granted

05
International Patents

Patent Portfolio Focus Areas

- Sustainability-Driven Innovation (e.g. biodegradable, DMF-free technologies)
- Process & Manufacturing Efficiency Innovation
- Performance & Functional Enhancement
- Product Design & Application Innovation

DPL's intellectual capital strategy is centred on converting scientific capability into commercially scalable, sustainable innovations. By strengthening patent quality, technical depth, and market application, the Group continues to enhance its competitive positioning while advancing responsible product innovation.

Product / Technology	Patent Awarded Year	Awarding Authority	Strategic Application Area	Technology Platform
Knock It	2010	National Intellectual Property Office	Industrial Applications	Process Innovation
Trak 45	2011	National Intellectual Property Office	Food Handling Applications	Material & Process Innovation
NoSweat	2010	National Intellectual Property Office	Household Applications	Material Innovation
Stick Grip	2010	National Intellectual Property Office	Industrial Applications	Process Innovation
Stick Grip	2015	United States Patent and Trademark Office	Industrial Applications	Process Innovation
ESD Pro	2017	National Intellectual Property Office	Industrial Applications	Material Innovation
Neotherm	2019	National Intellectual Property Office	Industrial Applications	Material Innovation
Bloom Free Glove	2023	National Intellectual Property Office	Household Applications	Material Innovation
Keto Resistor	2022	National Intellectual Property Office	Chemical Handling Applications	Material & Process Innovation
Keto Resistor	2024	United States Patent and Trademark Office	Chemical Handling Applications	Material & Process Innovation
Interface Ultra Grip	2023	National Intellectual Property Office	Industrial Applications	Process Innovation
Interface Ultra Grip	2025	European Patent Office	Industrial Applications	Process Innovation
Magneto	2025	National Intellectual Property Office	Food Handling Applications	Material & Process Innovation
Magneto	2025	United States Patent and Trademark Office	Food Handling Applications	Material & Process Innovation
Xtra Lite Prime	2025	United States Patent and Trademark Office	Chemical Handling Applications	Material & Process Innovation

Intellectual Capital

Our Research and Development (R&D) Focus Areas



Driving Innovation through R&D Leadership: Advanced R&D capabilities enable continuous development of customised, high-performance hand protection solutions aligned with evolving industry requirements.

Chemical Protection Strategy – Unsupported Gloves: Unsupported chemical gloves are designed across three protection levels and comply with ISO 374-1:2016, offering resistance to multiple chemical categories for enhanced worker safety.

Chemical Protection Strategy – Supported Gloves: The XtraChem supported gloves delivers a holistic chemical protection solution by integrating advanced material synergy and DFT technology with global compliance, ergonomic design, and sustainable manufacturing protocols for strategic industrial deployment.

Tiered Innovation in Chemical Hand Safety: DPL applies a structured classification system to develop chemical gloves across Moderate, Advanced and Superior protection levels, ensuring targeted performance, safety and comfort for varying industrial exposures.

Moderate (Tier 1–3):
Protection against low-to-moderate risks with comfort and dexterity

Advanced (Tier 4):
Enhanced resistance to stronger chemicals using advanced materials

Superior (Tier 5 and 6):
Maximum protection for highly hazardous environments

PROPRIETARY TECHNOLOGY PLATFORMS

Technology Platform						
Core Capability	Enhances flexibility and comfort	Advanced surface texturing for superior grip in all conditions	Sustainable materials + energy & water efficient manufacturing for reduced environmental impact	Latex- and allergen-free formulation to prevent allergic reactions while maintaining glove performance	Improved resistance to aggressive chemicals	Accelerator-free materials and processes ensuring food safety, contamination prevention, and reduced allergy risk
Product Ranges Applied	Interface Flexi Interface Comfort	Interface Neo	Interface Green Interface Eco Interface Elasto	Interface Prime	ChromaButyl Ketoresistor Interface Neo Interface ChemPro	Interface Ultra Soft and Magneto
Competitive / Safety Advantage	Reduces hand fatigue; improves wearer comfort similar to natural rubber	Excellent grip in dry, wet, and oily conditions	Reduced carbon footprint, water usage, and supports circular economy	Minimizes risk of skin allergies; safer for sensitive users	Enhanced protection against oxidizing acids, solvents, and chemicals	Prevents contamination; safe for food applications

RESEARCH AND DEVELOPMENT CAPABILITY

DPL R&D capability is structured around specialised, product aligned teams covering supported, unsupported and disposable glove ranges. These teams are closely integrated with Quality Assurance, Engineering and Manufacturing Systems, ensuring that innovation is translated into controlled processes and compliant products.

19
Product Development Team Members

SDG 4.3, 4.4, 4.7

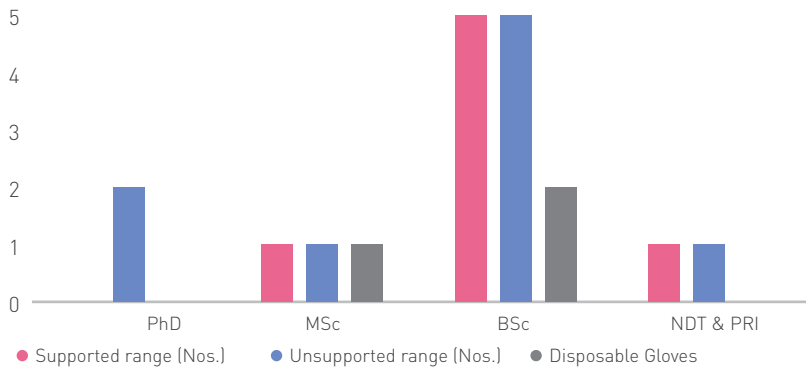
Structure of Our R&D Department



R&D TEAM COMPOSITION AND QUALIFICATION

DPL's Research and Development (R&D) team includes professionals with Doctoral (PhD) and Master's-level qualifications, providing advanced scientific, technical, and research expertise to support innovation, specialised product development, and continuous improvement initiatives. All team members possess Bachelor's degree or equivalent technical and professional qualifications, supported by extensive industry knowledge and applied research experience. This strong and diverse technical foundation enables the organisation to drive customer-focused innovation, sustainability-oriented product solutions, and next-generation technologies aligned with evolving market and regulatory requirements.

Qualification Level of the R&D Team



R&D LEARNING, TRAINING AND CAPABILITY BUILDING

The current R&D structure reflects a strong technical and innovation-focused foundation that continues to support product development, operational excellence, and customer-driven innovation across the business. DPL remains committed to further strengthening advanced expertise, leadership capabilities, and specialised research competencies through targeted training, on-the-job learning, exposure to advanced technologies and global best practices, industry collaboration, and continuous professional development. Continued enhancement of technical depth and innovation capabilities will further support intellectual property development, sustainability-focused innovation, and long-term competitive advantage.

800 Hrs
Training and Capacity Building of Employees Engaged in Product Design and Manufacturing Process



GRI 302-5

FUNCTIONAL COLLABORATIONS FOR INNOVATION

Beyond our R&D capability, quality assurance, systems, process and engineering teams drive process innovation and technology development, optimising resources, introducing new machinery and enhancing operational sustainability while managing capital efficiently.

Extensive tacit knowledge enables us to anticipate emerging opportunities and strategically direct innovation within the glove manufacturing sector.

SUSTAINABLE PRODUCT AND PROCESS INNOVATIONS

Our focus on design for environment is reinforced through the sustainable products and processes developed by the R&D team where sustainability is embedded at the design and development stage. DPL's products help customers meet deforestation, chemical and traceability regulations, reduce lifecycle impacts through durable, application specific designs, lower compliance risk using certified inputs, and strengthen ESG reporting with traceable product attributes.

Sustainable product and process innovation directly supports DPL Pulse: ESG Roadmap 2030 by improving regulatory readiness, reducing material, energy and process related risks, and enhancing market access and customer trust.



DPL Pulse: ESG Roadmap 2030 – Targets and Performance

DPL Target	Baseline Performance 2020/21	Performance in 2024/25	Performance for 2025/26	Expected Performance for 2026/27	Expected Performance for 2030/31	Status
Reliance on renewable and recycled input materials (e.g. chemicals, yarns, liner etc.)	0.5%	1.5%	2.0%	2.5%	30%	On Track
Eco-friendly compostable and biodegradable products	0.5%	2.0%	2.0%	3.0%	10%	On Track
Total sustainable chemical consumption applications in products and processes	0.5%	2.5%	3.3.%	3.5%	10%	On Track
Obtain eco-ratings for product	0.5%	2.0%	2.5%	5.0%	10%	On Track
Determination of emission intensity of products	0.5%	2.0%	2.5%	2.5%	10%	On Track

SDG 12.2, 12.4, 12.5, 12.6, 13.2

SUSTAINABLE PRODUCT AND PROCESS INITIATIVES DURING THE YEAR

Unsupported Glove Range

Interface Green – Advancing Sustainable Glove Manufacturing Through Innovative Material Technologies

Meeting evolving global demand for high-performance protective gloves while advancing more sustainable materials, safer formulations, and resource-efficient manufacturing technologies.





Impact & Progress

- Introduced Interface Green, an advanced sustainable material technology improving environmental performance
- Reduced resource consumption and process intensity in glove manufacturing
- Eliminated sulphur and conventional accelerators to reduce chemical dependency
- Enabled lower curing temperatures and reduced energy usage
- Reduced water footprint through process optimisation
- Maintained high product performance while improving sustainability outcomes

Key Metrics

21%

reduction in raw material carbon footprint

15–25%

reduction in energy consumption

30%

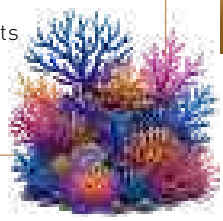
reduction in water footprint

Eliminated sulphur and conventional accelerators

Recyclable glove potential supporting circularity

Value Creation

- Reduced carbon emissions, water usage, and process intensity
- Improved resource efficiency and reduced chemical dependency
- Delivered high-performance gloves with enhanced sustainability attributes
- Supported increasing demand for sustainable glove solutions
- Strengthened sustainable innovation in advanced glove technologies
- Improved manufacturing efficiency through lower-temperature curing systems
- Reinforced DPL's commitment to responsible innovation and sustainable manufacturing
- Supported DPL Pulse – ESG Roadmap 2030 ambitions
- Strengthened competitiveness in sustainability-focused export markets



Intellectual Capital

TRANSITIONING TOWARDS SUSTAINABLE CHEMISTRY THROUGH WATER-BASED COAGULANT SYSTEMS

Transitioning from solvent-based to water-based coagulant systems to improve environmental performance, workplace safety, and process efficiency.



Impact & Progress

- Reduced Volatile Organic Compounds (VOC) emissions, improving workplace air quality
- Lower hazardous waste generation and safer chemical handling
- Improved effluent quality (reduced Chemical Oxygen Demand (COD) / Biological Oxygen Demand (BOD))
- Reduced employee exposure to toxic fumes
- Lower maintenance due to cleaner processes

Key Metrics

5 out of 8

plants converted to water-based coagulant systems

Value Creation

- Cost efficiencies and reduced environmental risk
- Stronger regulatory compliance
- Improved workplace safety and employee well-being
- Enhanced acceptance among ESG-conscious customers

INNOVATING SUSTAINABLE NATURAL RUBBER GLOVES THROUGH ENHANCED LATEX PROCESSING TECHNOLOGY

Enhancing glove consistency, process efficiency, material optimisation, and product performance through improved curing technologies and process innovation.



Impact & Progress

- Improved glove consistency and performance reliability
- Enhanced mechanical strength and durability
- Reduced material wastage and process inefficiencies
- Lower production downtime and improved operational stability
- Reduced reserve compound consumption and process losses
- Improved manufacturing efficiency and process control

Key Metrics

15%

Reduction in Production downtime

30%

Reduction in Curing Chemical Consumption

Value Creation

- Increased manufacturing efficiency and operational reliability
- Improved production consistency and quality assurance
- Reduced material losses and process waste generation
- Enhanced resource utilisation and manufacturing optimisation
- Improved product durability and performance consistency

ENHANCING PROCESS EFFICIENCY AND INFRASTRUCTURE OPTIMISATION

Driving operational efficiency, resource optimisation, and manufacturing reliability through process improvements and infrastructure enhancements.



Impact & Progress

- Reduced maintenance-related downtime and operational interruptions
- Improved process reliability and manufacturing efficiency
- Reduced water consumption through post-cure process optimisation
- Enhanced equipment performance and operational stability
- Improved resource utilisation and process efficiency

Key Metrics

15%

Monthly Saving of Water consumption

10%

Production related Downtime Reduction

Value Creation

- Increased operational reliability and process stability
- Reduced maintenance and resource-related costs
- Improved water efficiency and operational optimisation
- Enhanced manufacturing productivity and infrastructure performance

EXPANDING MULTI-PRODUCT MANUFACTURING CAPABILITY FOR GREATER OPERATIONAL EFFICIENCY

Enhancing operational flexibility by transitioning to nitrile-based production



Impact & Progress

- Increased plant utilisation levels
- Improved production flexibility to meet market demand
- Enhanced overall productivity

Key Metrics

100%

Plant conversion from single-product to dual-product manufacturing capability

Enhanced maintenance cost efficiency compared with conventional batch operations

Improved plant utilisation through multi-product flexibility

Value Creation

- Better asset utilisation
- Increased responsiveness to market shifts
- Improved operational efficiency

Supported Glove Range

ADVANCING SUSTAINABLE MATERIALS THROUGH PLANT-BASED YARN

Integrating plant-based yarn into glove production to reduce reliance on synthetic materials while enhancing renewability and circularity.



Key Metrics

Gloves produced contains more than 30% plant-based yarn

500+ Kg of plant-based yarn used in FY 25/26

Impact & Progress

- Reduced dependence on fossil fuel-based raw materials
- Lower carbon footprint per glove through renewable inputs
- Certified by recognised sustainability standards (Global Organic Textile Standard (GOTS), International textile and leather safety certification and testing system (OEKO-TEX), United States Department of Agriculture BioPreferred® Program (USDA BioPreferred))
- Enables eco-labelling and supports sustainable product positioning
- Increased customer preference for bio-based product ranges

Value Creation

- Reduced environmental impact and material footprint
- Strengthened sustainable product portfolio
- Enhanced brand positioning and market demand
- Supports ESG targets on renewable material adoption

DRIVING CIRCULAR INNOVATION THROUGH RPET YARN INTEGRATION

Incorporating recycled PET (rPET) yarn derived from plastic bottles into glove production, reducing reliance on virgin fossil-based materials and advancing circularity.



Key Metrics

30%

of glove yarn is rPET by weight

22,000 Kg

of rPET yarn used

550,000

plastic bottles recycled into yarn (1kg of rPET = 25 bottles)

90%

of rPET yarn certified by global standards (GRS, OEKO-TEX, RCS)

Impact & Progress

- Significant diversion of plastic waste from landfills and oceans
- Lower CO_2 emissions per glove compared to virgin polyester
- Reduced water usage in raw material extraction and processing
- Improved product life cycle performance indicators
- Strong customer acceptance and increased demand for recycled products
- Expanded range of eco-friendly / recycled glove offerings

Value Creation

- Reduced environmental footprint and resource consumption
- Strengthened circular economy integration
- Enhanced sustainable product portfolio and market differentiation
- Increased customer preference and sales growth in eco-product segments

Disposable Glove Range

Biodegradable Powder-Free Disposable Glove Supporting Lower Post-Use Environmental Impact

Enhancing environmental sustainability by reducing post-use impact and improving end-of-life performance within disposable glove applications



Key Metrics

99%

biodegradable under anaerobic landfill conditions

ASTM D5511

biodegradability testing completed

Reduced end-of-life environmental impact

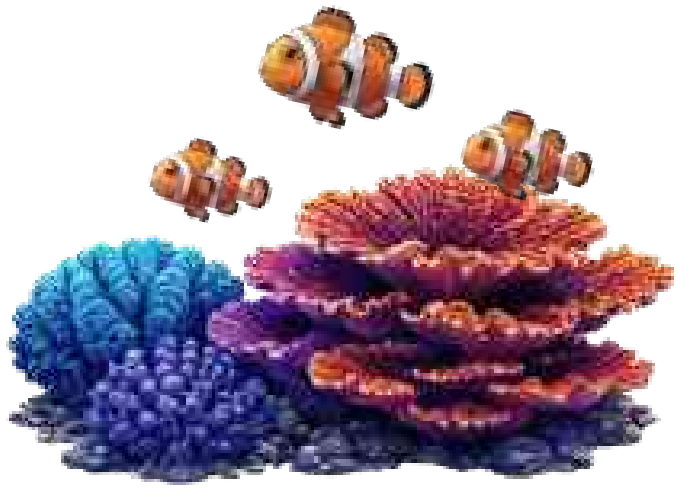
Lower landfill persistence potential

Impact & Progress

- Advanced biodegradable glove technologies designed to reduce post-use environmental impact
- Achieved biodegradability performance in accordance with ASTM D5511 testing standards
- Reduced landfill persistence and end-of-life glove waste impacts
- Supported lower microplastic pollution risks associated with disposable glove disposal
- Contributed towards reduced life-cycle environmental impact during disposal stages
- Strengthened customer demand for more sustainable glove solutions

Value Creation

- Reduced post-use environmental impact and landfill persistence
- Supported lower waste accumulation and improved end-of-life sustainability outcomes
- Delivered a more sustainable disposable glove solution without compromising usability
- Strengthened customer preference for environmentally responsible products
- Reinforced DPL's commitment to sustainable product innovation
- Supported growth in sustainability-focused export and customer segments



Disposable Glove Range

Smarter Formulation Lower Footprint
Advancing sustainable manufacturing through formulation innovation.



Key Metrics

8%
Material usage reduction

10%
Production speed improvement

Maintained Product Quality

Improved Manufacturing Scalability

Impact & Progress

- Developed a resource-efficient glove formulation optimized for high-volume manufacturing.
- Reduced material intensity, lowering overall resource consumption during production.
- Improved manufacturing speed and process efficiency while maintaining product quality standards.
- Enhanced operational performance through smarter and scalable production capabilities.

Value Creation

- Reduced material consumption and manufacturing intensity.
- Supported cost-efficient production scaling across operations.
- Enhanced operational productivity without compromising product quality and safety.
- Strengthened DPL's sustainable manufacturing capability and long-term competitiveness.

Advancing Resource Efficiency Through Process Optimisation and Waste Reduction
Improving operational efficiency, reducing process waste, and strengthening circular manufacturing practices through smarter production optimisation.



Key Metrics

Resource Utilization efficiencies Sustain 10% Plant Speed Increase

Reduce chemical usage from 170 to 145 THB/Kpc

Impact & Progress

- Improved production efficiency through lower material losses and reduced process waste
- Integrated circular economy practices by reintegrating non-defective waste into production processes
- Reduced dependency on virgin material inputs through improved resource utilisation
- Lower waste generation contributed to reduced carbon and waste footprint across operations
- Enhanced operational consistency and reduced non-conformance-related rework

Value Creation

- Reduced waste generation and improved material utilisation efficiency
- Supported lower operational carbon and waste footprint
- Improved production efficiency and reduced process-related losses
- Reduced non-conformance costs and operational inefficiencies
- Supported long-term sustainable manufacturing and circularity ambitions
- Strengthened responsible resource management and operational optimisation


HOUSEHOLD
GLOVE
EVERYDAY PROTECTION FOR EVERY TASK



Plantations Sector

ADVANCING SUSTAINABLE PLANTATION PRODUCTS AND PROCESSES THROUGH TECHNOLOGY AND INNOVATION

Talawakelle Tea Estates PLC continued to enhance sustainable plantation products and process efficiency through the adoption of advanced digital agriculture solutions, precision technologies, and climate-smart operational practices. These initiatives supported improved production optimisation, resource efficiency, responsible cultivation practices, and long-term sustainability performance across plantation operations.

Focus Area	Technology / Innovation Introduced	Contribution to Sustainable Products and Processes
Climate-Smart Plantation Management	IoT-enabled Climate-Smart Plantation and Forestry Management System	Enabled real-time monitoring of crop conditions, soil health, and resource utilisation to support efficient and sustainable plantation operations
AI and Predictive Agriculture Planning	AI-supported analytics and weather-based planning tools	Improved crop forecasting, production planning, and climate-responsive operational decision-making
Precision Agriculture and Smart Cultivation	Drone-enabled Precision Agrochemical Application and Field Monitoring	Deployed drone technology across 1,247 hectares to improve agrochemical application accuracy, reduce chemical wastage, and enhance worker safety by limiting direct exposure in high-risk field area
Digital Field Operations	Mobile and tablet-based digital access for field managers	Improved field-level coordination, operational responsiveness, reporting accuracy, and productivity monitoring
Resource and Process Optimisation	Data-driven monitoring and precision agriculture systems	Supporting around 30% reduction in agrochemical usage and a 20% reduction in production costs through more efficient resource application
Sustainable Cultivation Practices	Establishment of an organic cultivation-focused subsidiary	Strengthened capabilities aligned with evolving global sustainability, quality, and responsible sourcing expectations
Environmental and Land Management	GIS-based estate land-use mapping and digital biodiversity monitoring linked to WNPS and PLANT biodiversity assessments	Enhanced land-use planning, environmental monitoring, and sustainable estate management practices

KEY OPERATIONAL IMPROVEMENTS ACHIEVED

- Enhanced real-time operational visibility and process monitoring
- Improved production planning and resource allocation efficiency
- Strengthened climate-responsive plantation management capabilities
- Improved productivity and operational responsiveness across estates
- Enhanced process efficiency through technology-enabled decision-making
- Strengthened sustainable and specialised cultivation practices
- Reduced operational inefficiencies and resource wastage across plantation operations

QUALITY, TESTING AND ASSURANCE SYSTEM

Quality and assurance systems at DPL are built on a centralised, ISO based management framework as consistent product quality is key for customer confidence, repeat business and access to regulated markets.

Product safety, consistency and compliance are ensured through structured quality frameworks and systems.

- Testing and Lab Capability Depth
- Expanded accredited laboratory capabilities supporting advanced product testing and validation

Quality Assurance systems and controls

Our Quality Management framework is aligned with ISO 9001 - Quality Management Systems, ISO 14001 - Environmental Management Systems , ISO 45001 - Occupational Health and Safety Management Systems and British Retail Consortium Global Standard (BRC), supported by product level compliance with European Norm (EN), American Society for Testing and Materials Standards (ASTM), United States Food and Drug Administration (FDA) and European Union Personal Protective Equipment Regulations (EU PPE). Internal standards are derived from these frameworks and translated into Standard Operating Procedures (SOPs) and inspection criteria, ensuring international requirements are operationalised consistently across design, production and shipment processes.

Initiatives during the year-

- Capability building : Training programs to develop quality competencies
- Expanded ISO 17025 General Requirements for the Competence of Testing and Calibration Laboratories accredited coverage across our laboratories
- Data-driven quality management enabling trend analysis, predictive insights and continuous improvement
- Integration of QR based traceability for high risk products These enhancements improved detection accuracy, traceability and response speed.



143
employees trained on QA standards and procedures

331
continuous improvement projects driven by QA insights

10,073
quality training hours delivered

Quality Assurance

05
Manufacturing sites covered by QA systems

63
External / certification audits conducted

48
Internal quality audits conducted

200
Audit non-conformances identified

Digitisation

5,330
QA-related SOPs / standards updated

QR-based traceability integrated for high-risk products

Data-driven quality monitoring and predictive insights enabled

SASB FB-AG-250a.1, FB-AG-250a.2, FB-AG-250a.3 | SDG 12.6, 16.6

STANDARDS, CERTIFICATIONS AND TECHNICAL COMPLIANCE

We monitor compliance through regular internal and external audits. Regulatory developments are proactively monitored by assessing customer requirements, audit feedback and industry engagement. Emerging regulations such as European Union Deforestation Regulation (EUDR), Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) updates and new chemical or packaging restrictions are assessed early and systematically embedded into material selection, product design and process controls, ensuring readiness ahead of enforcement timelines.



13% YoY increase in certifications

24 Industry and business memberships

17 Active certifications

Steps taken during FY 2025/26 :

- Maintained and renewed core ISO and BRC certifications
- Expanded ISO 17025 laboratory accreditations
- Completed Higg Index assessments (environmental and social modules) to support sports and premium customers
- Advanced WRAP certification audits to strengthen social and supply chain security credentials
- Certifications such as FSC Chain of Custody, Recycled Claim Standard (RCS) and Responsible Wool Standard (RWS) provide verified traceability of raw materials and enable responsible sourcing.

63 External / certification audits conducted

Zero Compliance-related regulatory breaches

48 Internal audits conducted

200 NCRs raised

100% NCR closure rate

Product, safety standards and claims assurance

Regulatory requirements are integrated into product development, technical validation, and market release processes to support compliance with applicable customer, industry, and regulatory requirements across global markets. Technical compliance activities include product testing, certification management, third-party validation, and regulatory approval processes aligned with relevant international standards and market-specific requirements. For applicable Category III products, mandatory Module B and Module D certifications are obtained prior to European Union market release, supported through accredited laboratory testing and external notified body assessments. Product conformity is continuously assured through testing conducted by ISO 17025 accredited internal laboratories and external notified bodies.

The Global Food Safety Initiative (GFSI) framework is not directly applicable to the Hand Protection sector. However, plantation sector-related agricultural operations within the Group maintain quality and food safety management practices aligned with internationally recognised standards . Details relating to the relevant certifications and related disclosures are provided on pages 423 to 426 of this Annual Report. During FY 2025/26, no material non-conformances were identified through internal or external quality and food safety assessments, and accordingly, no significant corrective actions were required during the reporting period. In other words, the Group recorded zero food-safety-related product recalls for applicable agricultural product categories. Accordingly, no product volume was subject to recall during the reporting period.

Foundational Management Systems

Certification	Description	Value Creation / Impact
ISO 9001: Quality Management System	Held since 1999, reflecting a mature, SLSI-recognised QMS.	• Improves consistency and efficiency • Builds customer trust • Reduces defects and rework
ISO 14001: Environmental Management System	Certified since 2007, demonstrating responsible environmental management.	• Reduces carbon and environmental impact • Enhances resource efficiency • Supports health outcomes
ISO 45001: Occupational Health and Safety Management System	Certified in 2020, ensuring structured workplace safety management.	• Reduces accidents and downtime • Improves retention • Lowers insurance costs
ISO 50001: Energy Management System (NEW)	Enables structured monitoring and optimisation of energy use.	• Improves energy efficiency and reduces costs • Supports low-carbon transition • Strengthens climate risk management

Product Quality, Safety and Compliance

Certification	Description	Value Creation / Impact
British Retail Consortium (BRC) Global Standard for Consumer Products	AA grade certification ensuring product quality, safety and legality for UK markets.	• Enhances quality and brand standards • Reduces product risks • Strengthens market competitiveness
EU PPE Regulation (EU) 2016/425 Compliance	Ensures compliance via third-party testing and EU Notified Body audits.	• Reduces recall risks • Ensures market access • Builds customer trust
ISO 13485: Medical Devices QMS	QMS for medical device manufacturing.	• Ensures product safety and reliability • Supports access to regulated markets • Reduces compliance risks

Responsible Sourcing and Environmental Stewardship

Certification	Description	Value Creation / Impact
FSC® Chain of Custody (COC)		• Responsible sourcing of natural rubber latex • Strengthens sustainable sourcing • Promotes sustainable products
Recycled Claim Standard (RCS)		• Reduces plastic waste and ocean pollution • Supports circular economy • Protects biodiversity
Responsible Wool Standard (RWS)		• Reduces ecosystem impact • Promotes ethical sourcing • Supports biodiversity
ISO 14064-1: Organisational Carbon Footprint		• Enables emissions reduction strategies • Strengthens climate risk management • Supports ESG transparency
ISO 14067: Product Carbon Footprint (PCF)		• Enhances customer transparency • Supports low-carbon innovation • Strengthens market competitiveness

Ethical Trade, Labour Practices and Social Compliance

Certification	Description	Value Creation / Impact
amfori BSCI	Ensures ethical labour compliance; consistently 'A' rated.	• Improves employee wellbeing • Strengthens labour practices • Enhances brand trust
SMETA (Sedex Audit)	Provides detailed ethical trade audits shared with customers.	• Enhances transparency • Builds customer confidence • Opportunity to optimise audit costs
WRAP Certification (NEW)	Certifies lawful, ethical manufacturing across supply chains.	• Reduces audit duplication and costs • Strengthens compliance credibility • Supports market access (US)

DIGITISATION OF AUDIT DATABASE

Our Audit Database Online System was further enhanced as a centralised, real-time platform to track, manage, and analyse audit findings—enabling faster corrective actions, improved transparency, and continuous performance improvement.

Audit Management and Compliance

- Strengthened Non-Conformance Reporting (NCR) and resolution workflows
- Automated alerts and escalation for critical findings
- Enhanced dashboards for real-time insights
- Integrated Root Cause Analysis (RCA) tools for effective issue resolution
- Improved action tracking for closed-loop Corrective and Preventive Action (CAPA)
- Refined role-based access controls

Digital Enablement and Insights

- Enhanced document and evidence management
- Improved trend analysis and risk insights
- Customisable reporting aligned to key standards

Our Management Systems and Standard Operating Procedures

Documentation Control and Digital Transformation

Controlled documents managed via SharePoint, enabling secure access, version control, and improved efficiency through reduced manual handling.

5,300+

Digitised platform with controlled documents

Internal Audit Programme and Continuous Improvement

A centralised digital audit platform enables the efficient capture of audit findings, automated tracking of corrective actions, and real-time reporting, supporting timely resolution, enhanced accountability, and a culture of continuous improvement..

48

Internal audits conducted in FY 2025/26

Quality Plans and Risk Control

Risk-based Quality Plans are integrated into Standard Operating Procedures (SOPs), defining key controls, monitoring, and corrective actions to ensure consistent operational quality.

84

Quality Plans integrated into operations

Data Integrity

Strengthened through strict access controls, audit trails, and multi-stage review processes, ensuring accuracy and security of information.

100%

IT security maintained with strict access controls

Certifications in Hand Protection Sector

GRI 2-28



No	Certification	Dipped Products PLC, Kottawa	Hanwella Rubber Products Ltd	DPL Biyagama Facility	DPL Universal Gloves Ltd	Dipped Products (Thailand) Ltd
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	Available	Available	Unavailable	Available
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) Certification	Available	Available	Available	Unavailable	Available
9	British Retail Consortium Global Standard for Consumer Products Personal Care and Household Certification	Available	Available	Available	Unavailable	Unavailable
10	Regulation (EU) 2016/425 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
16	ISO 50001: Energy Management System	Available	Unavailable	Unavailable	Unavailable	Unavailable
17	WRAP Certification (Worldwide Responsible Accredited Production)	Available	Available	Available	Unavailable	Available

Memberships in Associations / Networks

No	Certification	No	Membership
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 and 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

Certifications in Plantations Sector

SASB FB-AG-250a.2



No	Certification	Kelani Valley Plantations PLC	Talawakelle 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 GHG Emissions and Removals	Available	Available	Available
6	ISO 50001:2018 Energy Management System	Unavailable	Available	Unavailable
7	ISO 45001:2018 Occupational Health and Safety Management System	Available	Unavailable	Available
8	ISO 9001:2015 Quality Management System	Unavailable	Available	Available
9	ISO 27001: Information Security Management Systems	Available	Unavailable	Unavailable
10	Forest Stewardship Council (FSC)	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	Unavailable	Unavailable
22	Organic Production Methods (USDA-NOP Handling)	Unavailable	Available	Unavailable
23	Organic Production Methods (EU)	Unavailable	Available	Unavailable
24	EUDR Compliance System Certification	Unavailable	Unavailable	Available

Memberships in Associations / Networks

No	Certification	No	Membership
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

SDG 9.4, 9.5, 16.6

IT STRENGTH, DIGITISATION, DATA PROTECTION AND CYBER SECURITY

We embrace technological change as a critical driver of continuous improvement. Through our digital transformation journey, we are modernising processes, strengthening cybersecurity and data protection, and enhancing our ability to meet evolving customer and market expectations. Integrated digital platforms including ERP (SAP), MES, CRM and cloud based BI systems support innovation, quality and compliance across the value chain.



IT Governance

- Information Security Management System (ISMS) implementation strengthened to enhance IT governance and information security practices.
- Group IT policies adopted at DPL.
- Business Continuity and Disaster Recovery (BC/DR) tests conducted to strengthen operational resilience.
- Cybersecurity controls and monitoring mechanisms enhanced to improve system reliability and data protection

Rs. 87 Mn
IT Capital Expenditure

Rs. 24 Mn
IT Operation Expenditure

03
Major IT / digital platforms implemented

05
Manufacturing / business systems digitised, in addition to ERP rollout initiatives for new acquisitions.

98%
IT system uptime (%) for critical manufacturing systems

DPL Pulse: ESG Roadmap 2030 – Targets and Performance

DPL target	Base line performance 2021/22	Performance in 2024/25	Performance in 2025/26	Expected Performance for 2026/27	Expected Performance for 2030/31	Status
Digital transformation across business support functions	40%	54%	60%	65%	80%	On Track

Digital Capability Building and Awareness

400+ training hours completed on Information Technology (IT), digitalisation, and cybersecurity-related topics

500+ employees trained on data protection, cyber hygiene, and secure system usage

8 cyber awareness campaigns, phishing simulations, or awareness sessions conducted

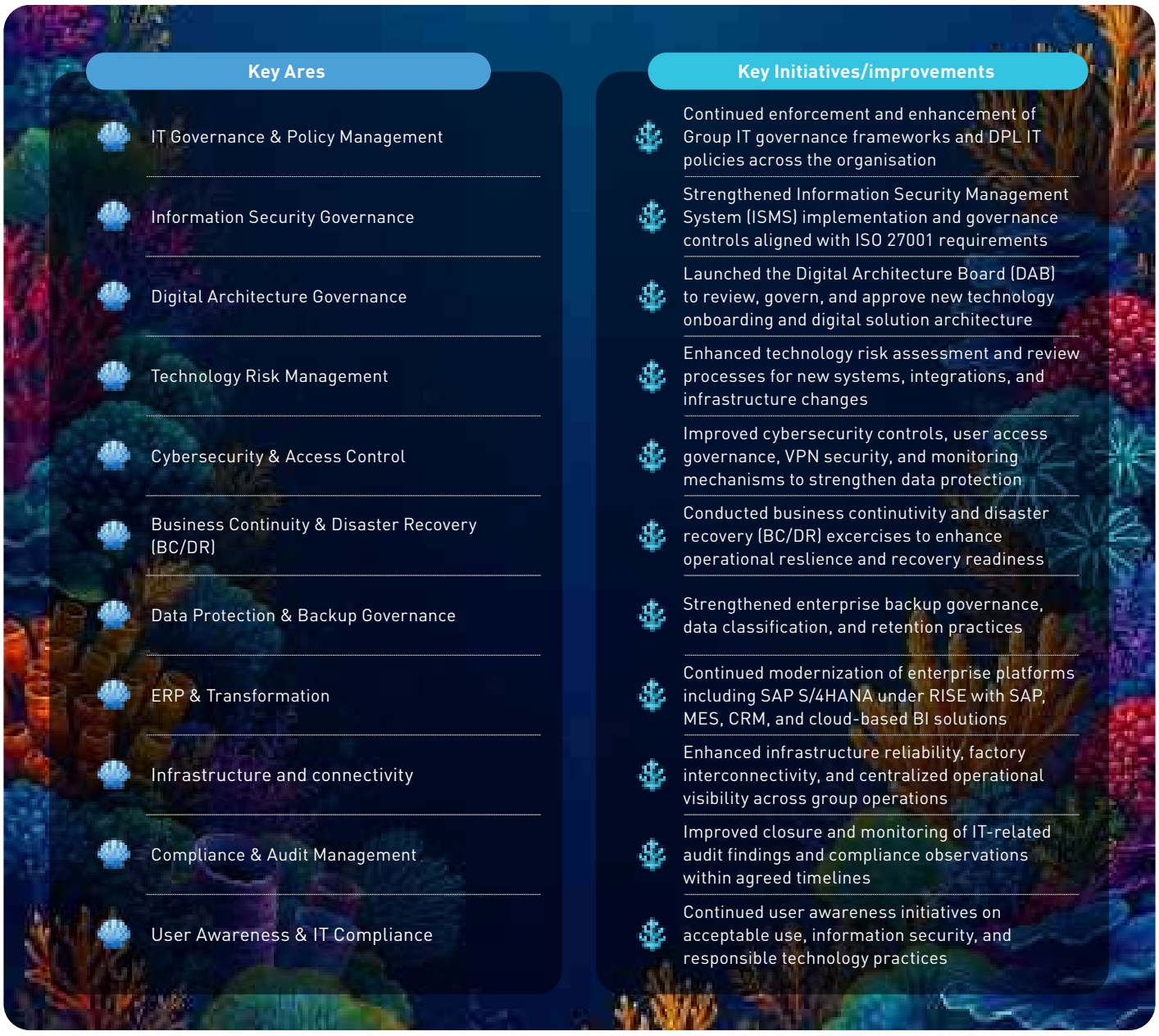
Strengthening digital competencies and cybersecurity awareness across the workforce to support secure, efficient, and technology-enabled operations.

Focused capability-building initiatives were conducted to enhance employee awareness on cybersecurity, responsible data handling, digital tools, and secure operational practices, supporting stronger digital resilience across the organisation.

DIGITISATION INITIATIVES

Enhancing operational efficiency, visibility, traceability, and responsiveness through digital technologies and system modernisation.

- Implementation of BID-eX – A Modernized Legacy MES System on a Cloud-Ready Platform
- Modernization of the Central Warehouse System
- Rollout of the SAP and MES system for new Household glove operations in Thailand
- Rollout of SAP for local market operations
- Implementation of SAP for the new production facility in Katunayake



Launch of BID-eX, the modernized MES platform





Launch of the Latex Collection & Monitoring System



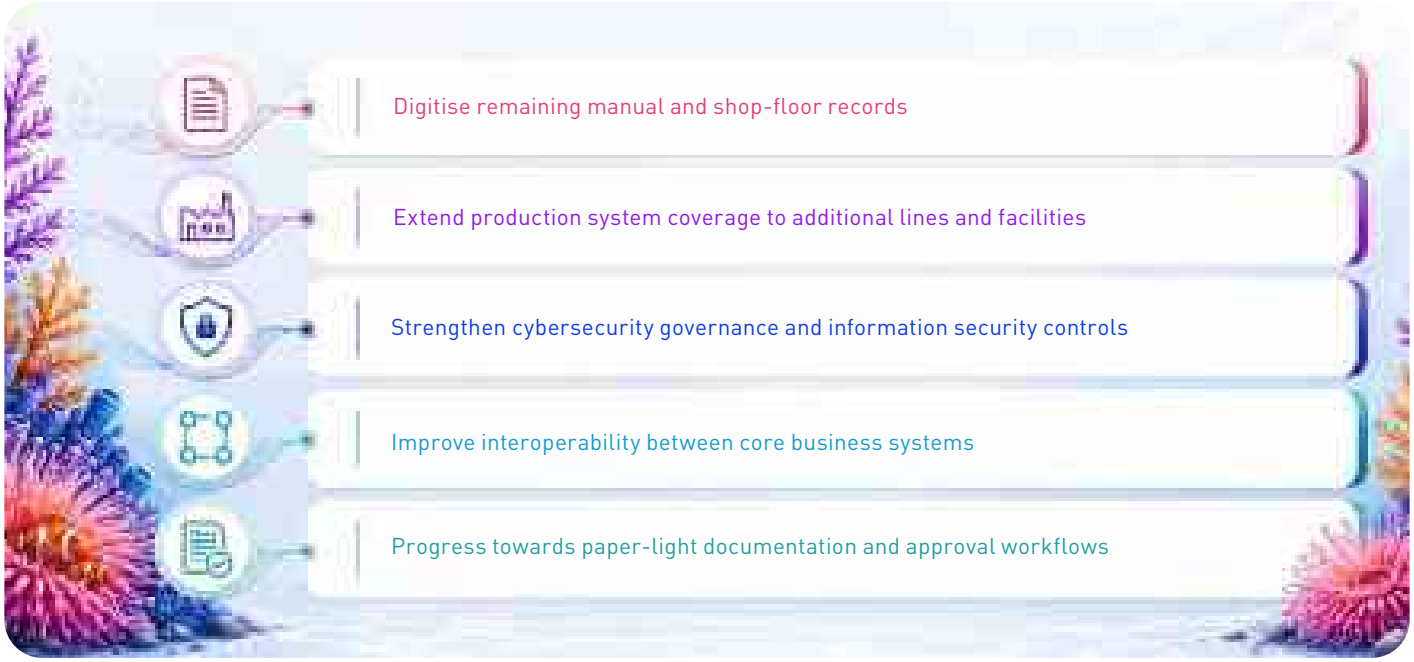


Launch of CRM – Customer Relationship Management System





Future Direction



Journey towards achieving the ISO 27001:2022 Information Security Management System Certification

Digital Capability Building and Awareness

- No major cybersecurity incidents reported
- 100% of systems covered by access controls
- Regular vulnerability assessments conducted
- Reduced incident response time

Implementing the requirements of ISO 27001 – the International Organisation for Standardisation's Information Security Management System (ISMS) Standard – is critical for safeguarding data, securing global transactions, enabling compliant market access, and strengthening stakeholder trust, operational resilience, and governance within an increasingly digital and interconnected business environment.



GRI 205-1, 205-2, 205-3, 206-1 SDG 16.5, 16.6, 16.7

ETHICS, GOVERNANCE AND WHISTLEBLOWING

Business Ethics and Compliance

Strong governance frameworks, an embedded ethical culture, and structured decision-making protocols form the foundation of long-term value creation. Our Code of Conduct, compliance systems, and whistleblowing mechanisms function as both control tools and enablers of responsible, transparent operations across the organisation.

DPL maintains a zero-tolerance approach to governance and ethics, ensuring all stakeholders are aware of relevant policies and procedures through targeted communication and training programmes.

GOVERNANCE FRAMEWORK

Comprehensive processes are in place to raise awareness and enforce strict guidelines across key ethics-related areas, including:

- Laws and regulatory compliance (national, regional, international)
- Corruption, bribery (financial/non-financial), and illegal gratuities
- Conflicts of interest and economic extortion
- Anti-competitive and anti-trust practices
- Engagements with public officials and Politically Exposed persons (PEPs)
- Anti-money laundering
- Information security, data protection, and cybersecurity
- Transparency and responsible business practices
- Environmental, social, and labour compliance

Core Ethics Framework

- DPL Business Code of Conduct aligned to Hayleys Way
- DPL Good Governance and Business Ethics Policy
- Internal Code of Conduct covering all employees

Accountability and Reporting Mechanisms

- Whistleblower Policy and Procedure
- Incident Reporting and Investigation Framework
- Structured escalation and resolution processes

Operational Governance and Controls

- External Partner Due Diligence Process
- Authorisation Process for Payments
- Guidelines for Interaction with External Parties

Governance Flow and Oversight

All concerns, incidents, or ethical breaches are captured through structured reporting channels and escalated through defined governance mechanisms.

Risk Identification → Audit Committee Review → Board Oversight → Continuous Improvement

Risk and Controls	Assurance	Oversight	Continuous Improvement
Risk Assessments and Risk Register Updates	Internal Audits	Audit Committee Quarterly Reviews	Preventive and Corrective Actions
CFO Compliance Checklist Requirements	Whistleblowing Reviews	Board-Level Strategic Direction	Ongoing Monitoring and Improvements

Stakeholder Coverage | **100%** Coverage of customers, suppliers, and business partners through governance communication and engagement channels

Culture, Implementation and Accountability

GRI 205-2, 205-3

Ethical Culture and Awareness

- Employees trained on Code of Conduct and ethics
- Training on IP, data protection, and cybersecurity
- Governance and risk awareness programmes conducted

Business Continuity and Resilience

- Business continuity and disaster recovery testing conducted
- Crisis simulations and response preparedness strengthened
- Systems aligned to ensure operational resilience

Policy Communication and Training Coverage in Sri Lanka and Overseas on topics related to Good Governance and Business Ethics policy

Level of Organisation	Total Number	% Policy Communicated	% Awareness and Training
Board	15	100%	100%
General Management Committee	11	100%	100%
Executive Level	365	100%	80%
Non-Executive Level	2,298	100%	30%

100% Governance coverage through internal and external audits and risk assessment frameworks including risk related to corruption.

Zero cases were reported on ethical misconduct or any breaches of Good Governance and Business Ethics policy including corruption through whistleblower or other grievance mechanisms

Whistleblowing and Accountability

DPL maintains a robust whistleblowing framework that enables internal and external stakeholders to report concerns confidentially and without fear of retaliation. All reported matters are addressed through a structured, transparent investigation process.

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.

Zero
Whistleblowing cases reported

Zero
Whistleblowing cases to be resolved within defined timelines

Natural Capital



THE EVOLUTION OF KNOWLEDGE

The clownfish does not just benefit from the anemone's shelter; it actively stands in defence of it. By protecting the anemone from predators such as butterflyfish that would otherwise feed on it, the clownfish protects the very relationship upon which both organisms depend. It is this active, reciprocal investment in one another that strengthens the bond and sustains the wider reef around them.

Natural Capital enables DPL's business model through the responsible use and stewardship of natural resources. This supports business continuity, enhances resource efficiency and strengthens long-term environmental and economic sustainability.

KEY PILLARS OF NATURAL CAPITAL



Value Creation

Our ability to create long-term value depends on the responsible management of the natural resources that support our operations. Through environmental stewardship, resource conservation and climate resilience initiatives, we reduce impacts while strengthening business sustainability.

GRI 3-3

HAND PROTECTION Protecting hands, Enabling progress		PLANTATION Nurturing nature, Sustaining Life
• **Rs. 1 Bn** Environmental CAPEX • **2,326** training hours	**INPUTS** Resources invested	• Sustainability / ecosystem stewardship investments • Renewable energy infrastructure • Plantation conservation programmes
• Renewable energy, water stewardship, circularity, pollution prevention and biodiversity programmes	**ACTIVITIES** What we do	• Sustainable agriculture, renewable energy, water stewardship and biodiversity restoration
• **5,592 MWh** solar power across **5** factories • **1,735,737 m³** wastewater treated • **5%** waste water treated increase	**OUTPUTS** Direct deliverables	• **1,797 MWh** solar power across **3** plantation companies • **113,398 m³** wastewater treated • **46%** waste water treated increase
• **94%** renewable energy use • **1.8%** reduction in emissions (Scope 1&2)	**OUTCOMES** Performance improvements	• **85%** renewable energy contribution • **11%** reduction in total energy consumed
• Stronger climate and water resilience • Improved ESG market credibility	**IMPACT** Business value created	• Stronger ecosystem resilience • Improved sustainable plantation leadership

TWO ECOSYSTEMS, ONE PURPOSE

Creating long-term value for people, planet and prosperity

Material Topics

- M04 Water Stress & Consumption Management
- M05 Materials
- M07 Climate Change Adaptation
- M08 Regulations & Compliance
- M09 Waste
- M11 Chemical Management
- M12 Physical Climate Risks – Rainfall
- M14 Emissions & Air Quality
- M16 Energy Consumption
- M17 Biodiversity
- M21 Water Discharge & Effluents

Impacted Stakeholders

- Suppliers
- Employees
- Communities
- Government and Regulators
- Investors

Impacted SDG

Alignment with Strategic Priorities

- Climate Action
- Customer Focus
- Value Chain and Community Development

Link with Key Risks and Opportunities/ SRROs/CRROs

- SRROs 01 and 02
- CRROs 01 and 02

AWARDS AND RECOGNITION



Winner of Environment Integration Category in the Best Corporate Citizen Sustainability Award 2025

Recognised successfully embedding environmental sustainability, climate action, biodiversity conservation, circularity, and responsible sourcing across its business strategy, operations, products, and value chain.



Winner – Sustainable Eco Design Award, Sustainable Construction in Manufacturing Award

Certificate of Recognition – Biodiversity Award in the Sri Lankan Sustainability Award 2025

Received national recognition for its leadership in sustainable design, green manufacturing, and biodiversity conservation.



Silver Award – Highest in Rubber-Based Products Manufacturing Industries Category in the Presidential Environment Awards 2025

Received the award in recognition of its excellence in environmental management, resource efficiency, and sustainable manufacturing practices.



Winner of Energy Efficiency Projects in the Sri Lanka Clean Energy Sustainability Leadership Awards 2025

Recognised at the Sri Lanka Clean Energy Sustainability Leadership Awards for its leadership in renewable energy adoption, energy efficiency, and advancing low-carbon manufacturing practices.

FUTURE FOCUS

Short Term

- Improve energy efficiency and renewable energy utilisation.
- Increase water conservation, reuse and rainwater harvesting.
- Advance circular packaging, material innovation and pollution prevention.
- Strengthen safe chemical management and responsible sourcing.
- Enhance biodiversity conservation and climate resilience initiatives.

Long Term

- Achieve DPL Pulse 2030 renewable energy and decarbonisation targets.
- Transition towards climate-resilient, low-carbon operations.
- Progress towards zero waste and circular economy outcomes.
- Scale nature-positive actions and ecosystem restoration.
- Strengthen long-term environmental and business resilience.

Governance, Natural Capital Dependencies and Management Framework

GRI 302-2 SASB CG-HP-140a.2, FB-AG-110a.2, FB-AG-140a.2, FB-AG-140a.3

As a business inherently dependent on natural resources and ecosystem services, DPL recognises that long-term value creation is closely linked to the responsible stewardship of natural capital. Our operations rely on critical environmental inputs including natural rubber, freshwater resources, energy, biomass, raw materials, pollination services, climate stability, and functioning ecosystems, while also carrying responsibilities to manage impacts on surrounding habitats, communities, and shared environmental resources. Environmental stewardship is therefore embedded within governance structures, operational controls, and long-term strategy through the DPL Pulse ESG Roadmap 2030, supported by internationally aligned management systems, assurance mechanisms, and performance monitoring frameworks.

In alignment with SLFRS S1 and SLFRS S2, DPL adopts a forward-looking approach to identifying and managing sustainability-related risks and opportunities that may influence enterprise value, including climate transition pressures, physical climate disruptions, water dependency, biodiversity risks, pollution risks, environmental compliance obligations, and evolving stakeholder and market expectations. Board and management oversight support disciplined governance of environmental performance, compliance, resilience planning, and strategic investments across energy transition, water stewardship, pollution prevention, responsible sourcing, and biodiversity restoration. Through risk-based environmental governance, mitigation planning, audit and assurance processes, supplier stewardship, incident prevention protocols, and proactive infrastructure investments, DPL continues to strengthen compliance, operational continuity, climate resilience, and future-ready environmental performance.

Policy Frameworks and International Standards & Certifications

Policies

- Energy and Emissions Management Policy
- Water Management Policy
- Material and Waste Management Policy
- Chemical Management Policy
- Biodiversity Conservation Policy
- Product Lifecycle Management Policy
- Sustainable Procurement Policy

International Standard and Certifications

- ISO 14001:2015 Environmental Management System
- ISO 14064 GHG Emissions
- ISO 50001 Energy Management System
- Forest Stewardship Council Certification
- Rainforest Alliance Certification

Environmental Compliance Performance	FY 2025/26
Environmental non-compliance incidents	0
Applicable environmental permits maintained	100%
Water quality permit, standard or discharge exceedances	0
Environmental inspections, internal/external audits and surveillance assessments completed	4
Environmental complaints received	0
Corrective / preventive environmental improvement actions implemented / closed	100%
Environmental fines / penalties	0

Managing Environmental Risks and Opportunities - Connecting to SLFRS S1/S2 Sustainability / Climate Related Risks and Opportunities

Classification	Strategic Risk / Opportunity (SLFRS SRRO / CRRO)	Natural Capital Connection	SLFRS S1 / S2 Connection	Financial / Business Implications	Strategic Response	Monitoring, Governance - Metrics and Targets
SRRO 1	Increasing Compliance Requirements	Environmental compliance, pollution prevention, air/ water/soil discharge obligations, biodiversity and ecosystem stewardship expectations, sustainable raw material sourcing regulations, packaging sustainability regulations, product stewardship, disclosure readiness	S1: Sustainability-related risk S2: Transition risk	Higher compliance costs, certification investment, market access pressure	Governance strengthening, supplier assurance, traceability, compliance readiness	Sustainability-related certifications maintained Sustainability-related compliance expenditure Percentage of sustainable packaging adoption Product portfolio covered by LCA/PCF assessments
SRRO 2	Growing Customer Preference for Renewable and Recycled Material-Based Product Solutions	Circularity, renewable/ recycled materials, sustainable chemistry, lower-impact products, product lifecycle stewardship, sustainable packaging, end-of-life considerations	S1: Sustainability opportunity S2: Climate market opportunity	Revenue growth, differentiation, customer retention, stronger market access	Product innovation, sustainable materials, packaging improvements, customer collaboration	Revenue generated from renewable and recycled material-based product solutions Renewable and recycled material-based product solutions sales growth Percentage of products covered by LCA/PCF assessments
CRRO 1	Climate-driven variability impacting raw materials sourcing/ production	Climate dependency, water availability, ecosystem resilience, supply chain vulnerability	S2: Physical climate risk	Supply disruption, cost escalation, production interruptions, resilience investment	Climate adaptation, sourcing diversification, water stewardship, resilience planning	Incremental sourcing cost arising from import dependency Percentage of imported latex procurement Percentage of products covered by LCA/PCF assessments
CRRO 2	Early Energy and Water Investments Translating to Cost Efficient and Climate Resilient Expansions in Future	Energy transition, renewable energy, water stewardship, shared watershed resilience, resource efficiency, resilient infrastructure	S1/S2: Sustainability and climate opportunity	Cost savings, efficiency gains, resilience, green finance readiness	Renewable energy, water reuse, efficiency upgrades, resilient expansion design	Energy intensity per production unit Water intensity per production unit Volume of recycled/ reused water Annual renewable energy generation

Material and Chemical Management

GRI 301-1, 301-2, 301-3, 302-5

SASB CG-HP-250a.1, FB-AG-440a.2, FB-AG-000.D

SDG 12.2, 12.4, 12.5

Responsible Natural Resource Consumption

Product Stewardship Through Sustainable Design

Sustainable Packaging Solutions

Responsible Chemical Governance and Safer Material Transition

Responsible Stewardship of Natural Resource Usage

DPL's operations depend on responsible access to renewable biological resources, industrial performance materials, engineered textiles, packaging substrates, and supporting process inputs. These material ecosystems carry both environmental dependencies and lifecycle impacts, making material stewardship fundamental to operational resilience, product integrity, and long-term value creation.

Principal agricultural inputs relevant to the Group include natural rubber and latex-based raw materials used in Hand Protection manufacturing, together with plantation-related agricultural outputs where applicable within the Group. These inputs are exposed to climate-related risks including rainfall variability, latex yield disruption, temperature changes, water availability constraints and supplier resilience challenges. The Group monitors rainfall trends, procurement cost movements, local sourcing levels, import dependency and supplier continuity to assess and manage these risks. While the local sourcing is promoted, the balance requirement is sourced externally and in FY 2025/26 it resulted in a cost of Rs 7 Bn for natural rubber latex.

Through a stewardship-led approach, DPL prioritises responsible sourcing, traceability, certified supply chains, supplier environmental expectations, material efficiency, and progressive integration of renewable and recycled alternatives. Engagement across supplier ecosystems, agricultural networks, and customer value chains supports both supply continuity and reduced environmental impact.

KPI	Hand Protection	
	FY25/26	FY24/25
Renewable biological materials used (Mt)	19,980	14,481
Non-renewable material inputs (Mt)	13,834	10,197
Recycled input materials used (Mt)	4,188	2,422
Total material consumption (Mt)	38,002	27,100
Renewable material share (%)	52%	53%
Recycled input material share (%)	11%	9%

Responsible Sourcing and Material Stewardship Integration

Responsible sourcing governance, supplier stewardship, agricultural engagement, traceability strengthening, and evolving regulatory readiness are integral enablers of DPL's material stewardship approach and broader sustainability performance. Further details on supplier engagement, responsible sourcing governance, traceability pathways, and partnership-led sustainability initiatives are presented under Social and Relationship Capital – Supplier
(Refer Pages 322 to 324).



Used
4,188 Mt
of recycled materials in plastic and paper packaging

Product Stewardship Through Sustainable Design

DPL's product stewardship approach extends beyond product performance to encompass safer chemistry, responsible material selection, circular design thinking, and continuous environmental improvement across product development. Product-related substances of concern are governed through restricted substance management protocols, customer compliance requirements, material approvals, and progressive substitution efforts that support safer chemistry transitions and responsible product stewardship. Selected product and process innovations also contribute to lower manufacturing energy requirements through cleaner formulations, process optimisation, and lower-intensity production pathways where technically feasible.

KPI	FY25/26	FY24/25
Sustainable product/process innovation projects	12	9
Products with recycled / renewable inputs	2	2
Customer requests for product carbon footprint calculations	18	10
Product environmental assessments ongoing/completed	5	7

Product Stewardship and Sustainable Innovation Levels

SASB CG-HP-410a.1, FB-AG-000.D | SDG 12.2, 12.5, 12.6



Lower-impact Materials	Eco-design Optimisation	Cleaner Process Innovation	Resource-efficient Formulations	Customer Sustainability Collaboration	Innovation Partnerships	Lifecycle Thinking
Use renewable, recycled, and reduced-footprint inputs to minimise environmental impact.	Lower material intensity through efficient product design and performance optimisation.	Process chemistry optimisation and lower-impact manufacturing inputs for cleaner operations.	Lower water, energy, and chemical intensity through formulation and process efficiency improvements.	Co-develop sustainable alternatives that meet performance expectations and reduce environmental impact.	Supplier-led material substitution and technology innovation to drive sustainable solutions.	Consider product footprint across the entire lifecycle to enable circular and responsible outcomes.

Driving responsible innovation today for a more sustainable tomorrow.

Cleaner process innovations also support reduced water, energy, and chemical intensity across selected manufacturing applications through improved formulations and process efficiency enhancements. Broader product and manufacturing innovations are detailed under Intellectual Capital

(Refer Pages 412 to 418).

Many of these advancements are also enabled through supplier collaboration and customer engagement across the value chain. Further examples of collaborative sustainable material innovation and customer-led sustainability solutions are presented under Social and Relationship Capital – Supplier

(Refer Pages 339 and 340).

Sustainable Packaging Solutions

Packaging remains an important component of DPL's product environmental footprint and customer sustainability journey. We continue to advance circular packaging solutions through material redesign, simplification, increased use of recycled and renewable content, and the transition toward more recyclable and lower-impact packaging formats aligned with evolving customer expectations and regulatory developments.

KPI	FY25/26	FY24/25
Packaging that is recyclable (%)	97%	96%
Recycled-content packaging (%)	90%	87%
Recycled / reclaimed paper packaging (%)	87%	85%
Packaging redesign initiatives (No.)	2	2
Virgin packaging reduction (%)	3%	5%

Supplier Collaborations and Advocacy for Eco-Friendly Packaging Solutions

Many of these advancements are enabled through close collaboration with suppliers and customers across the value chain. Further details on supplier-led packaging innovation, collaborative material transitions, and customer-aligned sustainable packaging solutions are presented under Social and Relationship Capital – Supplier

(Refer Pages 340 and 341).

38,002 Mt

Total Material Consumption used during FY 2025/26

SASB CG-HP-250a.3, FB-AG-430b.1 | SDG 3.9, 12.4

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.

DPL Pulse: ESG Roadmap 2030 – Targets and Performance

DPL Target	Baseline Performance (2020/21)	Performance in FY24/25	Performance in FY25/26	Expected Performance FY26/27	2030 Target	Status
Usage of recycled input material in packaging	N/A	86%	89%	18%	30%	On Track
Usage of recyclable packaging material	N/A	82%	97%	85%	100%	On Track
Usage of compostable / biodegradable packaging material	N/A	On customer request	On customer request	On customer request	20%	On Track

Responsible Chemical Governance and Safer Material Transition

Chemical stewardship remains fundamental to responsible glove manufacturing, product safety, worker protection, regulatory compliance, and environmental risk management. DPL applies structured governance across chemical approvals, hazardous substance management, supplier compliance, operational controls, emergency preparedness, and monitoring to minimise environmental and human health risks.

Environmentally relevant materials and chemicals of concern are identified and managed through structured approval governance, restricted substance controls, supplier compliance requirements, chemical risk assessments, storage controls, pollution prevention protocols, emergency preparedness measures, and progressive substitution toward safer alternatives where feasible.

DPL Pulse: ESG Roadmap 2030 – Targets and Performance

DPL Target	Baseline Performance (2020/21)	Performance in FY24/25	Performance in FY25/26	Expected Performance FY26/27	2030 Target	Status
Sustainable Chemical Consumption Application	N/A	2%	3%	5%	10%	On Track
Alignment with Safe Chemical Management Practices within Group Operations	N/A	30%	35%	60%	100%	On Track
Alignment of Supply Chain to Implement Safe Chemical Management Practices	N/A	57%	66%	70%	30%	Achieved



CHEMICAL RISK AREAS

- Hazardous Exposure Risk
- Restricted Substance Risk
- Supplier Chemical Risk
- Pollution & Disposal Risk
- Spill / Incident Risk
- Regulatory Compliance Risk
- Product Compliance Risk



CHEMICAL GOVERNANCE FRAMEWORK
(How We Manage)

- Chemical Approval & Registration
- RSL / MRSL & Restricted Substance Screening
- Supplier Compliance & Approved Vendor Governance
- Safe Storage, Handling & Operational Controls
- Monitoring, Audits & Compliance Reviews
- Emergency Preparedness & Incident Prevention
- Safer Substitution & Sustainable Chemistry Innovation



OUR ASSURANCE & COMMITMENTS

- Customer RSL Compliance
- ZDHC Alignment
- Restricted Substance Governance
- Spill Response Readiness
- Disposal Controls
- Supplier Approval Discipline

OUTCOME Safer chemicals. Responsible operations. Trusted by customers. Better for people and planet.

Alongside robust compliance management, DPL continues to strengthen safer chemistry practices through sustainable substitution opportunities, supplier collaboration, and material innovation initiatives that progressively reduce reliance on higher-impact substances where technically feasible. Operational controls are also designed to prevent environmental contamination, minimise chemical release risks, and strengthen pollution prevention across storage, handling, use, and disposal activities.

The Group does not use genetically modified organisms (GMO) as a principal input in operations. GMO-related restrictions are therefore not considered a material operational exposure for the Hand Protection Sector. The Group will continue to monitor customer and jurisdiction-specific requirements.

KPI	FY25/26	FY24/25
Approved chemical suppliers (%)	100%	100%
Employees trained in chemical handling and safety protocols	174	142
Audits and inspections for chemical compliance	23	21
Emergency drills for chemical spills or exposure	16	15
Chemical-related near-misses	6	0
Supplier collaborations for sustainable chemical solutions	2	4
Suppliers evaluated for compliance with Safe Chemical Management Practices	66%	57%

GRI 302-1, 302-2, 302-3 | SASB FB-AG-130a.1 | SDG 7.2, 7.3, 13.2

ENERGY AND EMISSIONS MANAGEMENT

Energy Consumption

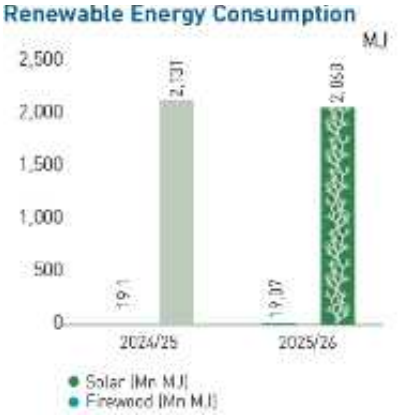
As an energy-intensive manufacturer operating across glove manufacturing and plantation-linked operations, energy efficiency, cost resilience, and responsible energy management remain critical to DPL's operational sustainability and climate transition journey.

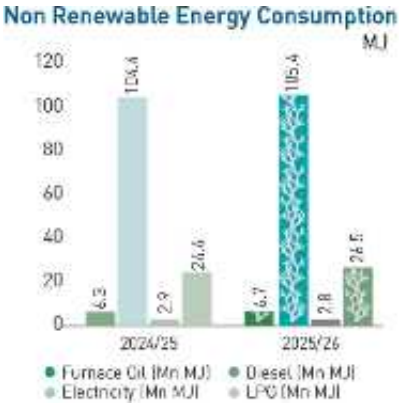
Aligned with the DPL Pulse – ESG Roadmap 2030, the Group continues to strengthen energy performance through a balanced strategy focused on operational efficiency, renewable energy integration, process optimisation, and climate-resilient infrastructure investments.

Energy management is embedded into operational decision-making through engineering optimisation, utility monitoring, renewable energy deployment, energy-efficient equipment upgrades, and continuous performance improvement initiatives. These efforts support reduced exposure to energy cost volatility, improved productivity, lower carbon intensity, and stronger resilience against evolving climate-related transition risks.

This approach directly supports the management of Climate-related Risk and Opportunity (CRRO 02): Early energy investments translating into cost-efficient and climate-resilient future growth, in line with SLFRS S2 climate disclosure expectations.

94%
Renewable Energy





KPI	Hand Protection		Plantations	
	FY25/26	FY24/25	FY25/26	FY24/25
Total energy consumed (Mn MJ)	2,221	2,289	485	548
Purchased electricity (MWh)	29,288	28,995	12,191	26,068
Self-generated renewable electricity (MWh)	5,592	5,548	1,797	1,751
Renewable energy contribution (%)	94%	94%	85%	77%
Grid electricity dependency (%)	85%	84%	9%	17%
Thermal energy consumed (Mn MJ)	2,096	2,196	-	-
Energy intensity (MJ per pair (HP) / MJ per revenue unit (Plantations))	7.4	8.0	7.4	8.5

"Energy disclosures cover manufacturing operations within the reporting boundary, including operational facilities under the Hand Protection and Plantations Sectors."

Across the Group

5 MWp
Total Installed Solar Power Capacity in Sri Lanka and Thailand

3,915 $MtCO_2e$
The GHG Emission offset in FY 2025/26

18%
Out of Total Electricity Consumed is from Solar Power

5,592 MWh
Total Solar Power Generation in FY 2025/26

Sports Glove Facility

Contribution of
203,977 kWh
to the National Grid

Contribution to the National Grid is equivalent to light up
2,000 Households



GRI 302-4 SASB FB-AG-110a.2

Energy consumption outside the organisation

Energy consumption outside the organisation is not currently quantified as a standalone operational energy metric. However, indirect energy-related upstream and downstream impacts are increasingly reflected through DPL's Scope 3 greenhouse gas accounting, including purchased goods and services, transportation, logistics, and broader value chain activities, strengthening visibility over indirect climate-related impacts.

Energy intensity

In FY 2025/26, DPL's energy intensity was 7.43 MJ per pair of gloves produced. The ratio is calculated using the total number of gloves produced as the denominator. The calculation covers energy consumed within DPL's operations, including electricity, fuel, heating, cooling, and steam. Energy consumed outside the organisation is excluded from this intensity calculation.

Driving Operational Efficiency Through Smarter Energy Management

The Group continued to strengthen operational energy productivity through process optimisation, digital monitoring, preventive maintenance, equipment efficiency improvements, utility load management, and operational discipline across manufacturing operations.

Energy performance is actively monitored through plant-level utility reviews, engineering interventions, production performance analysis, and targeted efficiency initiatives aimed at reducing avoidable losses while supporting productivity and cost resilience.

Energy efficiency improvements remain a key lever within DPL's broader decarbonisation strategy, supporting reduced carbon intensity while improving competitiveness in increasingly sustainability-sensitive global markets.

Energy Governance and Performance Management – ISO 50001 – Energy Management System Certification

Energy performance is managed through structured engineering oversight, utility monitoring, performance reviews, and continuous optimisation initiatives aimed at improving operational efficiency, reducing avoidable losses, and strengthening long-term energy resilience.



Taking a significant step towards strengthening responsible energy management across our operations, Dipped Products PLC has achieved ISO 50001:2018 Energy Management System Certification. This milestone marks the next phase in our sustainability journey, enabling a structured, data-driven approach to managing energy, improving efficiency and reducing environmental impact across our manufacturing footprint. Beyond certification, ISO 50001 validates the systems, processes and operational discipline we have built to manage energy more effectively. Through continuous monitoring and optimisation of energy use, we are strengthening efficiency across our processes, eliminating waste and driving more sustainable manufacturing outcomes.

DPL Pulse: ESG Roadmap 2030 Target and Performance

DPL Target	Baseline Performance 2020/21	Performance in FY24/25	Performance in FY25/26	Expected Performance FY26/27	2030 Target	Status
Renewable Energy Consumption	93%	94%	93.6%	94.2%	95%	On Track
Sustainable Biomass Usage	51%	51%	43%	52.%	100%	On Track
Reduction in Absolute GHG Emissions (Scope 1 and 2)	0.7%	0.2%	1.8%	3%	20%	On Track / Review

GRI 302-4, 302-5 SASB FB-AG-110a.2

Decarbonisation Initiatives over the Last 3 Years

FY 2023/24

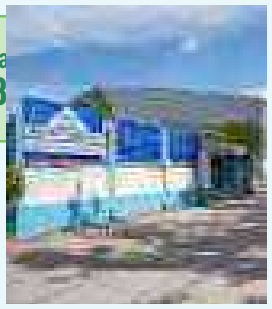
SOLAR ENERGY EXPANSION

We accelerated our transition to clean energy through large-scale solar installations across our facilities.

Sport Glove Facility Solar Project	DPL Solar Project	Premier Gloves Solar Project	Hanwella Solar Project	Thailand Solar Project
326kWp installed capacity generating 452,162 kWh/year and avoiding 320 Mt CO_2e/year.	1.7 MWp installed capacity generating 2.36 Mn kWh/year and avoiding 1,669 Mt CO_2e/year.	1 MWp installed capacity generating 1.39 Mn kWh/year and avoiding 982 Mt CO_2e/year.	779 kWp installed capacity generating 1.08 Mn kWh/year and avoiding 765 Mt CO_2e/year.	1 MWp installed capacity generating 1.32 Mn kWh/year and avoiding 620 Mt CO_2e/year.







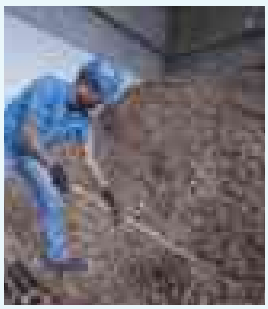
94% renewable energy usage achieved	4.805 MWp installed solar capacity	6.6 million kWh expected annual generation
4,356 Mt CO_2e emissions avoided annually	Rs. 1.22 Bn total investment in solar infrastructure	5 operating locations powered by solar energy systems

FY 2024/25

ENERGY EFFICIENCY & DECARBONISATION INITIATIVES

We strengthened operational efficiency and reduced emissions through targeted energy and process improvements across our operations.

Sustainable Thermal Energy Systems	Smart Building Efficiency	High-Efficiency Utilities	Factory Automation	Energy Optimisation Programme
Biomass thermic heater and wood-chip boiler upgrades improving thermal efficiency and reducing emissions.	VRF cooling systems and ventilation improvements reducing cooling energy demand.	Air compressors, chillers and IE3 motors upgraded to reduce electricity consumption.	Robotic technologies improving productivity and reducing energy intensity	Continuous energy efficiency improvements across facilities.







Reduced greenhouse gas emissions and carbon footprint	Improved energy efficiency and resource utilisation	Improved energy efficiency and resource utilisation
Reduced fossil fuel dependency through cleaner energy solutions	Enhanced operational productivity and process performance	Lower operating costs while supporting long-term climate resilience

FY 2025/26

NEXT PHASE OF GROWTH & RESILENCE

We are advancing towards smarter operations, resilient infrastructure and long-term decarbonisation leadership.

High-Efficiency Thermal Systems

DPL strengthened its thermal energy efficiency through the installation of high-efficiency steam boilers, thermal fluid heaters, and heat recovery systems designed to optimise combustion performance and reduce energy losses. Given that steam and thermal energy account for a significant share of manufacturing costs, these investments represent a major lever in improving absolute energy efficiency while reducing operational emissions.



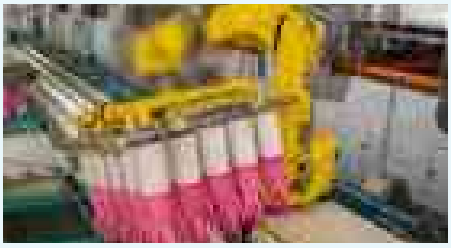


Smarter Utility Infrastructure

The Group continued upgrading utility infrastructure through energy-efficient compressors, chillers, and supporting systems to improve electricity productivity across operations. These enhancements reduce avoidable energy losses, improve equipment performance, and contribute to lower energy intensity and carbon emissions.

Automation for Energy Productivity

Investments in robotic and automated production technologies supported improved manufacturing precision, consistency, and operational productivity, while reducing process inefficiencies and unnecessary energy consumption per unit of output. Automation also strengthens DPL's longer-term low-carbon manufacturing competitiveness.



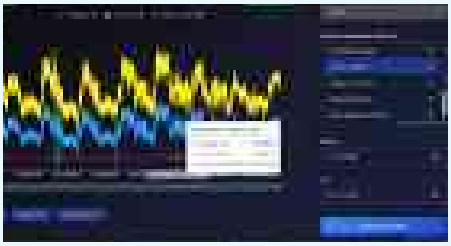


Climate-Resilient Greenfield Infrastructure

Energy and decarbonisation considerations were embedded into the design of new greenfield production infrastructure, incorporating resource-efficient engineering, optimised layouts, modern utility systems, and future-ready low-carbon operational capabilities to support long-term climate resilience.

Continuous Decarbonisation Through Operational Improvement

Beyond capital investments, DPL continued advancing decarbonisation through ongoing engineering optimisation, process improvements, energy monitoring, and operational efficiency initiatives across its manufacturing footprint, supporting a long-term progressive transition toward lower-carbon operations.



Reduced greenhouse gas emissions and overall carbon footprint	Improved energy efficiency and resource utilisation across	Reduced fossil fuel dependency through renewable and cleaner energy solutions
Enhanced operational productivity, process reliability and equipment performance	Lower operating costs through improved energy management and efficiency gains	Strengthened long-term climate resilience and low-carbon manufacturing capability

Input to Impact Framework

INPUT (Resources invested)	ACTIVITY (What we do)	OUTPUT (What we deliver)	OUTCOME (Changes achieved)	IMPACT (Value we create)
Capital investment in solar and renewable energy infrastructure	Expanded on-site renewable energy generation and strengthened energy resilience	Increased renewable energy generation capacity	Reduced grid dependency and lower Scope 2 emissions	Climate-resilient low-carbon operations
Investment in biomass systems, high-efficiency boilers, thermal fluid heaters, heat exchangers, and combustion optimisation	Improved thermal energy efficiency and renewable thermal energy utilisation	Lower thermal energy losses and improved process heat performance	Reduced fossil fuel dependency and lower thermal carbon intensity	Reduced operational carbon footprint
Engineering investment in efficient utilities, compressors, chillers, motors, lighting, and process optimisation	Implemented energy productivity and utility efficiency improvements	Lower unit energy consumption and improved operational efficiency	Reduced energy intensity and improved productivity	More efficient and competitive manufacturing
Investment in advanced manufacturing technologies and process innovation	Introduced robotics, automation, and efficient production technologies	Improved production precision, throughput, and manufacturing efficiency	Lower energy consumption per unit and reduced emissions intensity	Future-ready low-carbon manufacturing capability
Investment in sustainable infrastructure, LEED-certified facilities, and climate-smart greenfield manufacturing design	Embedded energy-efficient and future-ready engineering principles into facility development and expansion	Low-carbon operational infrastructure with enhanced energy performance	Improved resilience against future energy costs and climate transition risks	Sustainable long-term value creation through resilient infrastructure
Operational monitoring capability and engineering governance	Strengthened utility monitoring, energy performance reviews, and continuous optimisation controls	Improved visibility and management of operational energy performance	Faster efficiency improvements, stronger accountability, and sustained performance gains	Continuous decarbonisation progress across operations



EMISSIONS MANAGEMENT

Managing Direct and Energy Indirect Emissions

As a leading glove manufacturer and exporter, DPL remains committed to reducing greenhouse gas emissions through operational decarbonisation, renewable energy adoption, thermal efficiency optimisation, and responsible infrastructure investments. These efforts directly support DPL's response to climate-related transition risks and operational resilience priorities under the DPL Pulse ESG Roadmap 2030.

Scope 1 emissions arise from direct sources owned or controlled by the organisation, including fuel combustion in manufacturing operations, company-operated transport, and fugitive emissions from refrigerant use. Scope 2 emissions arise from purchased electricity consumption across production facilities and operational infrastructure.

GHG disclosures are prepared using the operational control approach, aligned with the GHG Protocol and recognised carbon accounting principles, using approved activity data, documented assumptions, and applicable emission factors.

Greenhouse gas emissions are measured in accordance with the Greenhouse Gas Protocol and include emissions arising from the seven Kyoto greenhouse gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), and nitrogen trifluoride (NF_3), expressed as carbon dioxide equivalent (CO_2e). In general, the term "greenhouse gases (GHGs)" encompasses any of these gases where relevant to the Group's operational activities



and identified emission sources during the reporting period, although not all gases may be materially applicable or generated by the Group. Greenhouse gas emissions are measured and reported in accordance with the GHG Protocol Corporate Standard and ISO 14064-1:2018 using the financial control approach. FY2024/25 has been designated as the base year for emissions performance tracking. Emissions have been quantified using activity data collected across the Group's operations and applying appropriate emission factors obtained from DEFRA and other internationally recognised sources, where applicable. Global Warming Potential (GWP) values used to convert greenhouse gases to carbon dioxide equivalent (CO_2e) are based on the IPCC's latest assessment guidance. The Group's emissions inventory covers CO_2, CH_4, N_2O and HFC emissions and is subject to independent third-party verification.

Scope 1: Direct Emissions

GRI 305-3 SLFRS S2

Category	FY 2025/26 Emissions (metric tons CO_2e)	FY 2024/25 Emissions (metric tons CO_2e)	Key Initiatives to Meet Reduction Targets
Fuel Combustion	6,525	6,348	Transition to cleaner thermal systems, biomass optimisation, combustion efficiency improvements
Company-Owned Vehicles	290	775	Fleet route optimisation and transport efficiency planning
Fugitive Emissions	409	375	Refrigerant leakage prevention, maintenance controls, equipment upgrades
Total	**7,224**	**7,498**	

Scope 2: Energy Indirect Emissions

Category	FY 2025/26 Emissions (metric tons CO_2e)	FY 2024/25 Emissions (metric tons CO_2e)	Key Initiatives to Meet Reduction Targets
Electricity Consumption	12,575	12,661	Solar energy transition, renewable electricity integration, utility optimisation, energy efficiency improvements
Total	**12,575**	**12,661**	

Scope 3: Indirect Value Chain Emissions

Recognising that significant climate impacts extend beyond direct operations, DPL continues strengthening visibility across value chain emissions to improve risk-informed decision-making, supplier engagement, and long-term climate transition planning.

FY 2025/26 reflects DPL's continued maturity in assessing applicable indirect emissions categories across upstream and downstream activities.

Scope 3: Value Chain Emissions

Category	FY 2025/26 Emissions (metric tons CO_2e)	FY 2024/25 Emissions (metric tons CO_2e)	Key Initiatives to Meet Reduction Targets
Purchased Goods and Services	140,511	99,557	Sustainable sourcing, supplier engagement, material optimisation
Capital Goods	1,793	1,091	Efficient machinery and sustainable infrastructure
Fuel- and Energy-Related Activities	573	1,843	Renewable energy transition
Upstream Transportation and Distribution	1,389	1,714	Logistics optimisation
Waste Generated in Operations	160	554	Circularity and waste reduction
Business Travel	74	61	Travel optimisation
Employee Commuting	1,779	1,791	Employee transport initiatives
Downstream Transportation and Distribution	9,849	6,741	Freight optimisation
End-of-Life Treatment of Sold Products	58,029	54,751	Product stewardship and circularity
Total	**214,158**	**168,103**	

GRI 305-4, 305-5 SASB FB-AG-110a.2 SLFRS S2

Total GHG Performance, Value Chain Climate Response and Targets

DPL's emissions reduction strategy focuses on improving energy productivity, expanding renewable energy integration, optimising thermal energy performance, and embedding low-carbon operational improvements across manufacturing systems. These initiatives support both emissions reduction ambitions and long-term climate resilience, while strengthening the organisation's response to climate-related transition risks and opportunities.

Recognising that climate impacts extend beyond direct operations, DPL's transition response increasingly includes supplier engagement, logistics optimisation, sustainable sourcing, circular material innovation, and downstream product stewardship initiatives aimed at influencing emissions performance across the broader value chain.

Climate performance is monitored through year-on-year emissions tracking, emissions intensity performance, and strategic climate transition targets aligned with DPL Pulse ESG Roadmap 2030 and relevant climate-related SRROs and CRROs.

Overall Summary of GHG Emissions

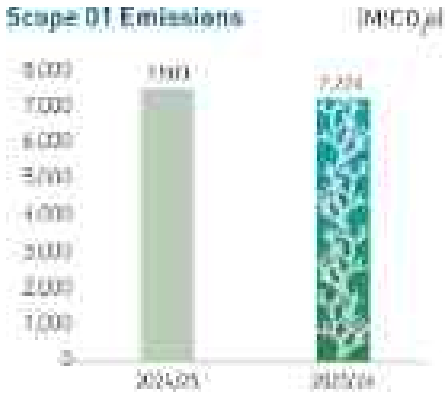
Scope	Hand Protection		Plantations	
	FY 2025/26 Total Emissions (metric tons CO_2e)	FY 2024/25 Total Emissions (metric tons CO_2e)	FY 2025/26 Total Emissions (metric tons CO_2e)	FY 2024/25 Total Emissions (metric tons CO_2e)
Scope 1	7,224	7,500	18,711	18,041
Scope 2	12,575	12,661	5,079	5,078
Scope 3*	214,158	168,103	15,565	15,301
Total GHG Emissions**	233,957	188,264	39,355	38,420

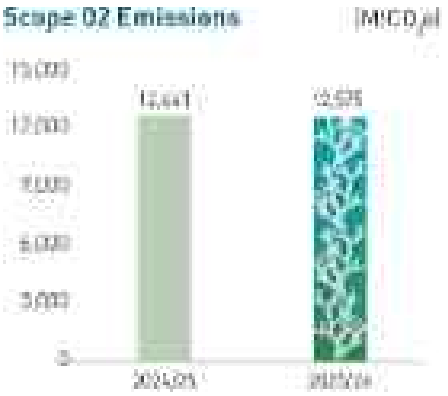
Scope	Hand Protection		
	FY 2025/26 Total Emissions ($kgCO_2e$/pair)	FY 2024/25 Total Emissions ($kgCO_2e$/pair)	Change ($kgCO_2e$/pair)
GHG Emissions Intensity (Scope 1&2)	0.66	0.700	(0.04)
GHG Emissions Intensity (Scope 1, 2 & 3)	0.783	0.658	0.125

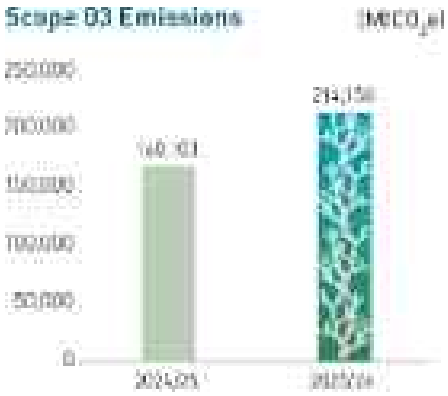
** Full applicable Scope 3 emissions categories disclosed*

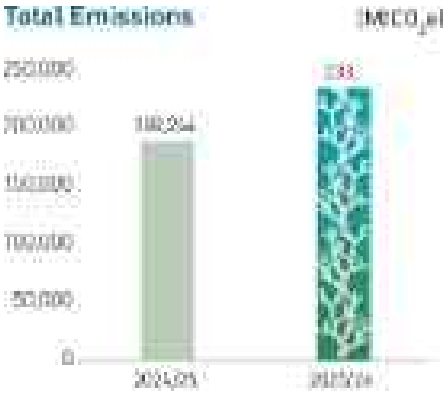
*** Direct and energy indirect operational emissions total*

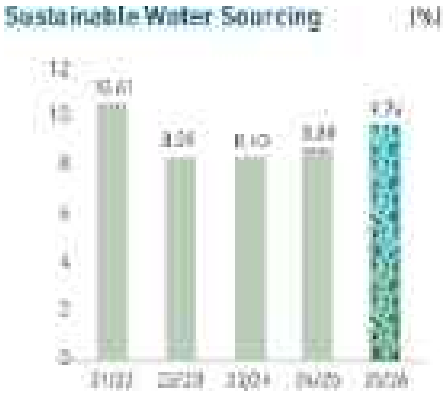
Natural Capital

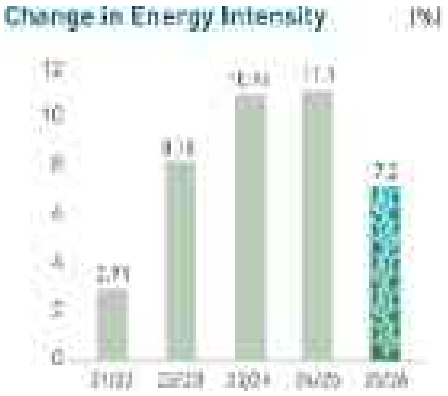


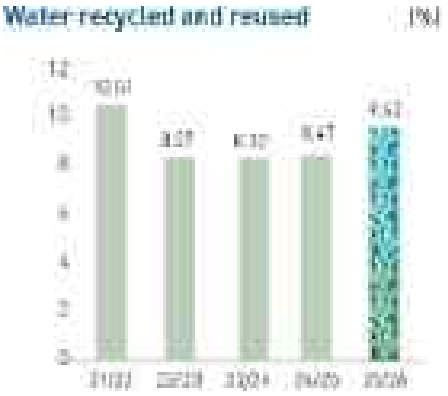














ISO/IEC 17029 and ISO 14065
VVB 011-01

GREENHOUSE GAS VERIFICATION OPINION

Certificate Code: C906411CU-GHG-01.2026

GHG statement in the reporting year 2025/26 of

Dipped Products PLC
No.400, Deans Road, Colombo 10, Sri Lanka

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

ISO 14064-1:2018

Control Union Certifications has inspected and verified the unit(s) of the above-mentioned client, in accordance with the standards mentioned and declares that

01	Direct emissions (Scope 1)	7,223.65 tonnes of CO_2e
02	Indirect emissions from imported energy (Scope 2)	12,575.43 tonnes of CO_2e
03	Other indirect emissions (Scope 3)	214,157.66 tonnes of CO_2e
04	Biogenic Emissions (Scope 1)	237,089.26 tonnes of CO_2e

Total Verified Greenhouse Gas Emissions: 233,956.74 tonnes of CO_2e

GHG statement covers the operations of twelve (12) months from April 01, 2025, to March 31, 2026

Date of Verification
12 May 2026
Place and Date of Issue:
Colombo 07, 26 May 2026

Declared by
On behalf of the Managing Director

Gayan Ranasinghe
Reviewer
Control Union Inspections (Pvt) Ltd
2nd Floor, BAM Musee Tower,
52 Sir Marcus Fernando Mawatha,
Colombo 07, Sri Lanka

This summary is not valid without the full Assurance Statement attached on pages 2 to 3 to which it applies.

GHG Verification Opinion

The Group's greenhouse gas emissions have been independently verified, providing assurance over the accuracy and reliability of reported emissions data and supporting transparent disclosures.

GRI 305-6, 305-7

Climate Transition Metrics and Targets (SLFRS S1/S2 Connectivity)

Emissions Focus Area	Climate Transition Response	Linked SRRO / CRRO	Climate Metric / Target
Scope 1 – Direct Emissions	Thermal energy optimisation, cleaner combustion systems, refrigerant management, process efficiency improvements	CRRO 01 / CRRO 02	Scope 1 emissions reduction (3.68%)
Scope 2 – Energy Indirect Emissions	Renewable energy integration, solar expansion, efficient utility systems, electricity productivity improvements	CRRO 01 / CRRO 02	Scope 2 emissions reduction (0.68%) / Renewable energy contribution (94%)
Scope 3 – Raw Material and Supply Chain Emissions	Supplier engagement, responsible sourcing, climate-informed procurement, supply chain decarbonisation	CRRO 01 / CRRO 02 / SRRO 01	Purchased goods emissions / supplier climate engagement
Scope 3 – Circular Material Innovation	Sustainable material transitions, circular inputs, embodied emissions reduction	CRRO 01 / CRRO 02 / SRRO 02	Lower embodied emissions / circularity progress
Scope 3 – Logistics and Distribution	Transport optimisation, route efficiency, distribution planning	CRRO 01 / CRRO 02	Transport emissions reduction
Scope 3 – Product Stewardship	Lifecycle management and downstream impact reduction	CRRO 01 / CRRO 02 / SRRO 02	Downstream emissions management progress
Cross-Cutting Climate Transition	Decarbonisation investments, operational transformation, infrastructure resilience	CRRO 01 / CRRO 02	Total GHG emissions intensity / transition progress

OTHER AIR EMISSIONS AND LOCAL POLLUTANTS

Emissions of Ozone-Depleting Substances (ODS)

DPL manufacturing facilities comply with all relevant environmental regulations and maintain continuous monitoring together with periodic independent environmental audits to verify responsible management of ozone-depleting substances (ODS), where legacy systems or applicable refrigerant infrastructure exist. These assessments continue to confirm that DPL's operations emit only insignificant levels of ODS, while proactive controls remain in place to minimise leakage risks and prevent avoidable releases.

ODS considerations within DPL primarily relate to refrigerants associated with cooling, air-conditioning, and refrigeration systems. Examples include substances historically associated with ozone depletion such as chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs), halons, methyl bromide, carbon tetrachloride, and methyl chloroform.

Preventive actions undertaken during FY 2025/26:

- ☑ Preventive inspection and maintenance of refrigeration and cooling systems
- ☑ Leak detection and servicing controls for refrigerant-containing equipment
- ☑ Responsible refrigerant recovery, handling, and compliant disposal practices
- ☑ Progressive replacement / upgrading of cooling systems with more efficient technologies
- ☑ Contractor and servicing compliance controls for refrigerant handling

Hazardous Air Pollutants (HAPs)

As a manufacturing organisation, DPL complies with applicable environmental requirements governing hazardous air emissions and maintains continuous monitoring and independent environmental audits to verify effective operational controls. Existing assessments indicate that emissions of hazardous air pollutants remain negligible due to the effectiveness of established engineering, process, and chemical management interventions.

Potential hazardous air pollutants may include volatile organic compounds (VOCs), chemical fumes, solvent vapours, and other airborne contaminants associated with solvent use, chemical storage, adhesive application, process heating, and manufacturing operations.

Preventive actions undertaken during FY 2025/26:

- ☑ Strengthened enclosed chemical handling and controlled dosing practices
- ☑ Maintained process ventilation, extraction, and fume control systems
- ☑ Improved chemical storage and containment arrangements
- ☑ Continued workplace air quality monitoring and compliance checks
- ☑ Process optimisation to minimise avoidable emissions
- ☑ Safer material substitution where technically feasible

Non-Hazardous Air Pollutants

DPL maintains comprehensive monitoring processes to manage air quality impacts arising from operations and to minimise emissions of non-hazardous air pollutants, supported through broader environmental management systems, compliance oversight, and operational monitoring practices. External environmental assessments and compliance monitoring during FY 2025/26 confirmed no significant air emissions exceedances requiring regulatory escalation.

Management efforts focus on pollutants such as particulate matter (PM), dust, sulphur oxides (SO_x), nitrogen oxides (NO_x), and other monitored operational airborne contaminants associated with boilers, thermal systems, process operations, and logistics activities, with continued cleaner combustion optimisation supporting lower operational emissions.

Preventive actions undertaken during FY 2025/26:

- ☑ Combustion efficiency optimisation within thermal systems
- ☑ Continued cleaner combustion optimisation through efficient thermal systems and lower-emission fuel transition initiatives where applicable
- ☑ Preventive maintenance of boilers, utilities, and process equipment
- ☑ Dust suppression and particulate control interventions
- ☑ Continued operation and maintenance of particulate control systems, including bag filtration where applicable
- ☑ Ambient air quality monitoring and operational compliance assessments
- ☑ Process efficiency improvements to reduce avoidable emissions

GRI 305-5 SASB FB-AG-110a.2 SDG 13.1, 13.2 SLFRS S2

Community Air Quality and Local Environmental Nuisance Management

DPL recognises that responsible environmental management extends beyond regulated air emissions to include local environmental nuisances that may affect employee wellbeing, surrounding communities, and public safety. Accordingly, operational controls are maintained to minimise impacts associated with noise, odour, light pollution, and traffic-related disturbances across operational locations.

Examples include operational noise from compressors, generators, production equipment, and logistics movement; odour associated with process chemicals or wastewater treatment activities; light spill from external facility lighting; and traffic flow and road congestion associated with inbound and outbound logistics activities around operational sites. These impacts are managed through engineering controls, operational planning, maintenance interventions, infrastructure design, and compliance-focused environmental management practices.

Preventive actions undertaken during FY 2025/26:

- ☑ Equipment maintenance and engineering controls to reduce excessive operational noise
- ☑ Operational scheduling to minimise disturbance during sensitive periods
- ☑ Odour management through process containment, ventilation systems, and controlled handling practices
- ☑ Responsible management of external lighting to minimise unnecessary light spill and local disturbance
- ☑ Logistics scheduling and delivery planning to reduce traffic flow, minimise road congestion, lower accident risk, and prevent public nuisance impacts around operational locations
- ☑ Periodic monitoring and operational review of noise, odour, and local nuisance impacts where relevant
- ☑ Ongoing monitoring, compliance oversight, and responsiveness to local environmental and community concerns where relevant

Climate Transition Journey To Net Zero

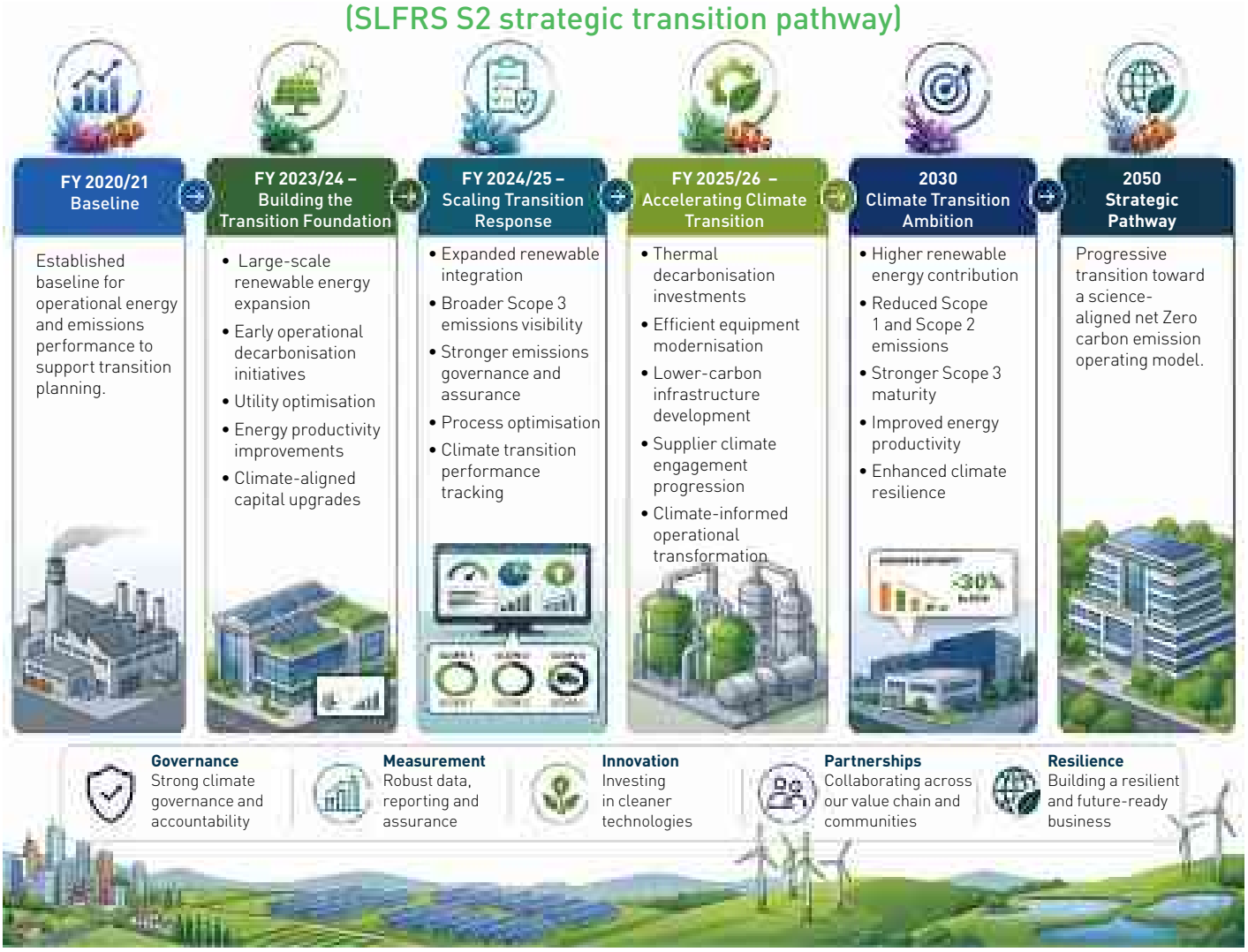
DPL's climate transition journey reflects the organisation's evolving response to climate-related risks and opportunities identified through its broader sustainability and climate governance framework, consistent with the strategic direction of SLFRS S2 climate-related disclosures.

As transition pressures continue to intensify through evolving stakeholder expectations, customer low-carbon requirements, regulatory developments, and energy market volatility, DPL continues embedding climate transition considerations into operational planning, capital investment decisions, infrastructure design, and value chain engagement.

The Group's climate response is being advanced through phased investments in renewable energy expansion, thermal decarbonisation, energy productivity improvements, operational transformation, supply chain engagement, and future-ready infrastructure development. These interventions support both emissions reduction and resilience-building across direct operations and the wider value chain, while strengthening long-term lower-carbon manufacturing competitiveness.

DPL CLIMATE TRANSITION ROADMAP

(SLFRS S2 strategic transition pathway)



Journey towards SBTi		2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Talawakelle Tea Estate 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	-	-	-	-	-	Committed	-
	Net-zero status	Committed	-	-	-	-	-	Committed	-
Horana Plantations PLC	Near-term status	-	-	-	Committed	-	-	-	-
	Net-zero status	-	-	-	Committed	-	-	-	-
Dipped Products PLC	Near-term status	-	-	-	-	-	-	-	Planned
	Net-zero status	-	-	-	-	-	-	-	Planned

Plantations Sector

Climate-Positive Plantation Operations: Generating More Renewable Energy Than We Consume

As one of Sri Lanka's leading plantation businesses, Talawakelle Tea Estates (TTE) continues to advance its climate transition journey by integrating renewable energy, operational efficiency, and low-carbon estate infrastructure across its operations. Recognising the energy-intensive nature of tea manufacturing and estate operations, TTE has progressively expanded its renewable energy portfolio through mini hydropower generation and solar rooftop installations, reducing reliance on conventional grid electricity while strengthening long-term energy resilience.

This strategic transition has enabled the business to achieve annual greenhouse gas emission reductions exceeding 5% under its climate commitments, demonstrating measurable progress in decarbonising plantation operations. Further strengthening its renewable energy leadership, TTE has achieved renewable energy generation equivalent to 150% of its operational electricity consumption, creating the ability to export surplus clean energy back to the national grid.

By combining renewable energy investments with continuous factory efficiency improvements, utility optimisation, and responsible operational management, Talawakelle Tea Estates is positioning itself as a climate-conscious plantation business contributing to both national energy transition goals and the long-term sustainability of Sri Lanka's tea industry.

Climate Transition Outcome	Performance
Annual GHG emissions reduction achieved	>5%
Renewable energy generation vs operational consumption	150%
Renewable energy sources deployed	Mini hydropower + Solar rooftop
Strategic value created	Energy resilience, reduced carbon footprint, national grid contribution





GRI 303-1, 303-2, 303-3, 303-4, 303-5

SASB CG-HP-140a.1, FB-AG-140a.1, FB-AG-440a.2 SDG 6.3, 6.4, 6.6

Water Stewardship and Effluent Management

Stewarding Water as a Shared Natural Resource

Water is a critical natural capital dependency across DPL's Hand Protection and Plantation operations, supporting essential manufacturing and operational processes including latex processing, leaching, chlorination, cooling, washing, utility systems, sanitation, wastewater treatment, and estate operations.
As a shared resource relied upon by ecosystems, communities, and industries alike, responsible water stewardship is fundamental to operational resilience, environmental protection, regulatory compliance, and long-term sustainable value creation. Hand Protection sector doesn't operate or withdraw water from any high / extremely high water stress regions. In addition, the Group assessed the geographical locations of its suppliers to evaluate potential water-related exposure within the supply chain. Based on this assessment, none of the assessed suppliers were identified as operating in countries or regions classified as High (40–80%) or Extremely High (>80%) Baseline Water Stress areas, as defined by the World Resources Institute's (WRI) Aqueduct Water Risk Atlas.

As a business operating within water-intensive sectors and increasingly exposed to rising resource costs, DPL adopts a multi-pronged approach to water stewardship encompassing responsible withdrawal management, diversified sourcing, operational efficiency, rainwater harvesting, recycling and reuse, engineered treatment infrastructure, and ecosystem-based purification systems to progressively reduce freshwater dependency and strengthen climate resilience. Guided by our DPL Pulse ESG Roadmap 2030 commitments, we continue to advance water stewardship through continuous improvement, risk-based governance, and shared-resource management across our operations. During the year under review, there were no incidents of non-compliance relating to water quality permits, standards, or regulatory requirements.

Water Withdrawal and Consumption

Water is sourced through a balanced mix of groundwater, municipal supply infrastructure, rainwater harvesting systems, and site-specific alternative sources based on operational requirements and local availability, strengthening operational continuity while reducing reliance on individual sources. DPL increasingly applies circular water management practices by treating wastewater as a reusable operational resource through engineered treatment infrastructure, monitoring systems, and ecosystem-based natural polishing solutions, supporting improved water productivity and resilience against future water-related pressures.

Operating within increasingly water-stressed geographies, we remain mindful of our broader watershed context and continue to strengthen water risk assessment and stewardship practices aligned with recognised international frameworks. Operational water data are maintained and reported in cubic metres (m^3), consistent with the Group's internal monitoring and reporting processes. For reference, 1 Million Litres (ML) is equivalent to 1,000 m^3. Water withdrawal and consumption data is compiled using direct operational measurements and site-level records to ensure transparency, comparability, and consistency in disclosure.

Indicator	Unit	Hand Protection		Plantations	
		FY25/26	FY24/25	FY25/26	FY24/25
Surface water withdrawal	m^3	1,017,126	1,007,621	131,927	99,145
Groundwater withdrawal	m^3	78,076	76,342	-	-
Rainwater harvested	m^3	3,137	7,289	65,319	44,698
Municipal water supply	m^3	1,009,395	891,429	-	-
Other alternative sources	m^3	226,968	184,170	-	-
Total water withdrawal	m^3	2,334,702	2,166,851	197,246	143,843
Total water consumed	m^3	2,334,702	2,166,851	197,246	143,843
Water reused / recycled	m^3	224,645	183,433	-	-
Water intensity	Liter per pair (HP) / m^3 per revenue unit (Plantations)	7.82	7.58	2.0	1.5

Building Water Resilience Through Sustainable Sourcing

Sustainable water sourcing extends beyond operational continuity to encompass long-term resilience, responsible shared-resource stewardship, and climate adaptation. As climate variability, water stress, infrastructure constraints, and rising utility costs increasingly influence operating environments, DPL continues to strengthen water sourcing resilience through diversified sourcing, rainwater harvesting, storage preparedness, reuse strategies, and alternative water solutions across its Hand Protection and Plantation operations.

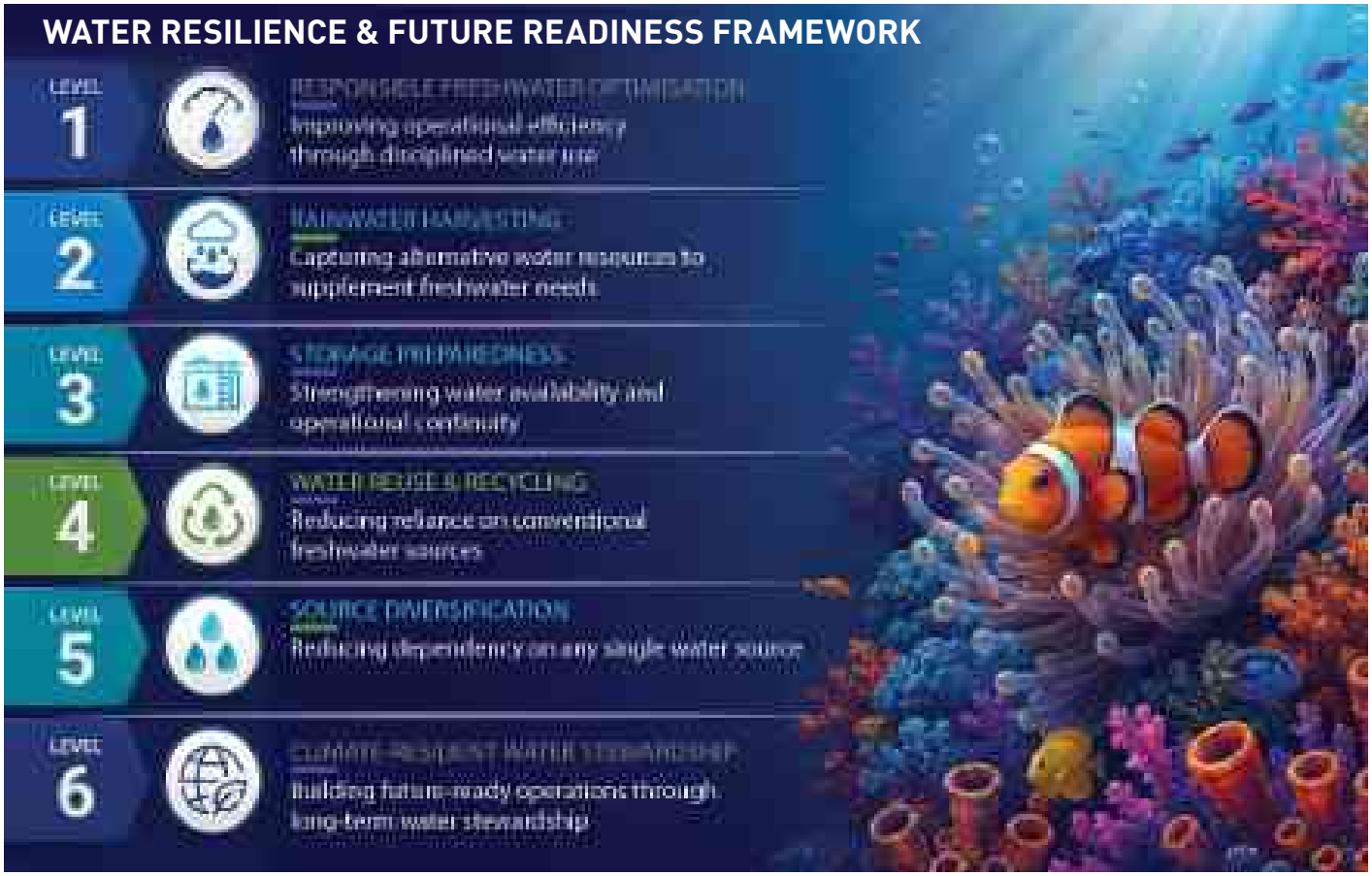
These early investments support more than responsible environmental stewardship—they reduce dependency on conventional freshwater systems, improve operational continuity, strengthen resilience against future water-related disruptions, and enhance preparedness for climate-resilient manufacturing growth. This directly supports DPL's Climate-Related Risks and Opportunities framework, particularly CRRO 02: Early Energy and Water Investments Translating to Cost Efficient and Climate Resilient Expansions in Future.

Water sourcing decisions are informed by operational requirements, local water availability, stewardship considerations, and broader risk-based environmental management practices, supporting responsible shared-resource management and long-term operational resilience.

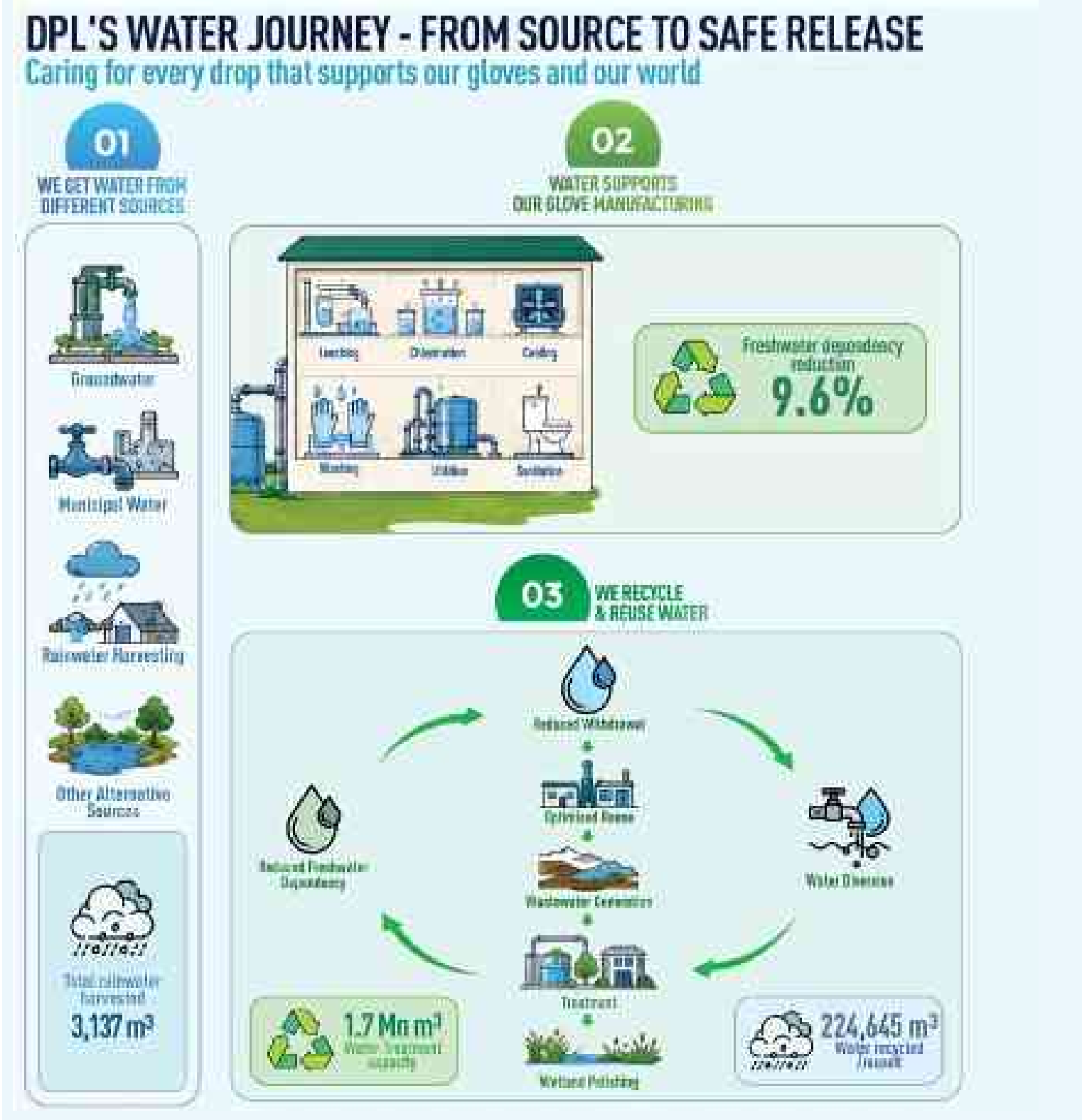
Early water stewardship investments enable:

Key interventions included:

- ☑ Reduced freshwater dependency
- ☑ Lower future utility cost exposure
- ☑ Improved supply continuity
- ☑ Climate resilience against water stress
- ☑ Resource-efficient future expansion
- ☑ Stronger long-term competitiveness



KPI	Hand Protection		Plantation	
	FY 2025/26	FY 2024/25	FY 2025/26	FY 2024/25
Rainwater harvested (m³)	3,137	7,289	65,319	44,698
Water storage capacity (m³)	5,400	4,100	-	-
Alternative source contribution (%)	9.70%	8.50%	-	-


DPL'S WATER JOURNEY - FROM SOURCE TO SAFE RELEASE
Caring for every drop that supports our gloves and our world
01
WE GET WATER FROM DIFFERENT SOURCES
Groundwater
Municipal Water
Rainwater Harvesting
Other Alternative Sources
Total rainwater harvested
3,137 m³
02
WATER SUPPORTS OUR GLOVE MANUFACTURING
Freshwater dependency reduction
9.6%
03
WE RECYCLE & REUSE WATER
Reduced Withdrawal
Optimized Reuse
Wastewater Generation
Treatment
Wetland Polishing
Water Discharge
Reduced Freshwater Dependency
1.7 Mn m³
224,645 m³
Water recycled


CARING FOR EVERY DROP THAT SUPPORTS OUR GLOVES AND OUR WORLD
04
WE TREAT IT WELL
Collection
Treatment
Monitoring
Water Treatment
5 Plants
0,000 m³/day
05
06
WE RETURN CLEAN WATER SAFELY
Zero
Cases
Zero
Cases
100%
39%

RAINWATER HARVESTING

CAPTURING ALTERNATIVE WATER RESOURCES

To reduce dependency on conventional freshwater infrastructure, DPL has implemented rainwater harvesting systems across selected operating locations. Captured rainwater supplements operational water needs, strengthens source diversification, and improves resilience during supply variability while supporting responsible water stewardship.

3,137 m³ Total rainwater harvested	**6** Rainwater harvesting systems	**9.7%** Alternative source contribution

WATER REUSE AND CIRCULAR SOURCING

TURNING WATER RECOVERY INTO RESOURCE RESILIENCE

Water reuse and recycling form an important component of DPL's sustainable sourcing approach by reducing dependency on conventional freshwater withdrawals. Through engineered treatment systems, monitoring infrastructure, and circular water management practices, treated water is recovered for suitable operational applications, improving water productivity while strengthening resilience against future water-related resource pressures.

This approach transforms wastewater from an operational output into a strategic resource that supports more efficient and resilient water stewardship.

224,645 m³ Water reused / recycled	**9.2%** Water recycled through constructed wetland systems	**9.6%** Freshwater dependency reduction

WATER RESILIENCE INFRASTRUCTURE

INVESTING IN FUTURE-READY WATER SECURITY

Strengthening sustainable water sourcing requires resilient infrastructure that supports continuity, flexibility, and adaptive water management. DPL continues to invest in water treatment capacity, storage infrastructure, and supporting systems that improve preparedness for supply variability and climate-related water disruptions.

These investments directly support DPL's climate opportunity agenda under CRRO 02, where early water stewardship investments enhance operational resilience, cost efficiency, and climate-resilient future expansion.

5,400 m³ Water storage capacity	**8,000 m³/day** Total water treatment capacity	**5** Water treatment plants

RISK-BASED WATER STEWARDSHIP

MANAGING SHARED WATER RESPONSIBLY

Water stewardship is supported through environmental monitoring, annual water risk assessments, and governance practices aligned with recognised frameworks to strengthen awareness of water availability, watershed context, and responsible shared-resource management across operating geographies.

Operating within increasingly water-stressed geographies, DPL continues to strengthen water stewardship visibility, risk awareness, and transparent disclosure practices.

100% Sites under environmental monitoring	**100% sites** Completion status of water quality tests completed for the year (%)	**0%** Water-related permit non-compliances

GRI 303-2, 303-4 SASB CG-HP-140a.2, FB-AG-140a.2, FB-AG-140a.3

Water Discharge and Effluent Management

Water stewardship extends beyond responsible withdrawal and sourcing to include the effective treatment, recovery, and responsible management of water after operational use. Wastewater generated across DPL's Hand Protection and Plantation operations is managed through engineered treatment infrastructure, monitoring systems, circular recovery practices, and ecosystem-based natural polishing solutions designed to protect receiving environments and reduce freshwater dependency.

Our approach focuses on maintaining regulatory compliance, safeguarding ecosystem health, and strengthening circular water stewardship through continuous infrastructure investment and operational monitoring. Wastewater is treated for safe reuse or responsible release, with key quality parameters monitored against applicable standards, while chemical-free buffer zones across plantations further support proactive water resource protection.

During the year under review, there were no incidents of non-compliance relating to water discharge permits, water quality standards, or regulatory requirements, reinforcing wastewater management as both an environmental protection measure and a circular resource management enabler.

Indicator	Hand Protection		Plantations	
	FY25/26	FY24/25	FY25/26	FY24/25
Wastewater generated (m^3)	1,735,737	1,659,995	113,398	77,573
Wastewater treated (m^3)	1,735,737	1,659,995	113,398	77,573
Water reused after treatment (m^3)	224,645	183,433	-	-
Water discharged after treatment (m^3)	1,511,092	1,476,562	113,398	77,573
Water discharged to surface water (m^3)	1,104,153	1,258,108	110,496	77,135
Water discharged to municipal / third-party systems (m^3)	406,939	401,887	2,902	438
Completion status of water quality tests completed for the year (%)	100%	100%	100%	100%
Permit exceedances	0	0	0	0
Water-related environmental incidents	0	0	0	0
Compliance with discharge / water quality standards (%)	100%	100%	100%	100%

WATER QUALITY GOVERNANCE

Monitoring for Responsible Release

Water quality is monitored through operational testing, environmental oversight, and compliance management processes aligned with applicable standards and permit requirements to protect receiving environments.

KPIs **100%** Monitoring coverage

ENGINEERED TREATMENT SYSTEMS

Protecting Water Quality Through Infrastructure

Dedicated treatment infrastructure enables wastewater collection, treatment, quality control, and responsible management before reuse or release, supporting compliance and environmental protection.

KPIs **1.8 Mn m^3** Treatment capacity

CONSTRUCTED WETLAND INNOVATION

Nature Gives Water a Final Check

Before treated water is safely released, it passes through DPL's constructed wetland within the operating facility, where aquatic plants and naturally occurring species help further improve water quality through biological processes.

This living ecosystem also acts as a natural indicator of water health, supporting responsible ecosystem stewardship before safe release

KPIs **39%** Water recycled through constructed wetland in Hanwella manufacturing facility

GRI 306-1, 306-2, 306-3, 306-4, 306-5 SDG 12.4, 12.5, 14.1

Waste, Circularity and Pollution Prevention

DPL manages waste through a structured operational governance approach focused on preventing waste generation, maximising material recovery, and ensuring environmentally responsible handling and disposal across manufacturing and plantation operations. Waste streams arising from production processes, packaging activities, utility operations, maintenance functions, wastewater treatment processes, and estate operations are identified, segregated, monitored, and managed through defined internal procedures and approved external disposal or recovery pathways.

Over 30

Main waste categories identified and segregated from the point of generation to accommodate proper eco-friendly methods of disposal



Our waste stewardship approach prioritises prevention, reduction, reuse, recycling, recovery, and responsible disposal, aligned with circular resource efficiency and regulatory compliance principles. Waste stewardship extends beyond direct operations to recognise broader lifecycle impacts associated with upstream material sourcing and downstream packaging and product end-of-life management, reinforcing DPL's commitment to responsible material stewardship.

Breakdown of the total waste by composition	Hand Protection		Plantations	
	FY25/26	FY24/25	FY25/26	FY24/25
Solid Waste Non-hazardous (Mt)	3,721	2,525	972	233
Hazardous waste (Mt)	434	528	2	1
Recyclable Waste (Mt)	2,166	2,597	N/A	N/A
Total waste generated (Mt)	6,321	5,650	974	234

KPI	Hand Protection		Plantations	
	FY25/26	FY24/25	FY25/26	FY24/25
Waste diverted from disposal (Mt)	4,017	3,178	962	232
• Preparation for reuse (Mt)	1,690	1,513	0.6	-
• Recycling (Mt)	1,512	1,112	1.4	2
• Other recovery operations (Mt)	815	553	960	230
Waste directed to disposal (Mt)	2,264	2,472	12	2
• Incineration without energy recovery (Mt)	732	745	1	-
• Landfilling (Mt)	1,475	1,362	10	-
• Other disposal operations (Mt)	57	365	1	2
Waste diversion rate (%)	64%	56%	98%	99%
Waste-to-landfill (Mt)	1,475	1,362	10	-
Waste streams actively managed	6	6	6	6

Waste Reduction and Circularity Initiatives

DPL's circularity approach focuses on reducing material loss at source, extending material usefulness, and creating alternative value pathways for operational waste streams. Rather than viewing waste solely as an end-of-pipe disposal challenge, we increasingly position material stewardship through a circular resource lens by identifying opportunities for internal reuse, external recycling, recovery partnerships, packaging redesign, and process optimisation that reduce virgin material dependency and landfill burden.

Across our operations, selected waste streams are redirected toward productive reuse pathways through collaboration with specialised recovery partners and internal improvement initiatives. These efforts support resource efficiency, reduce environmental impact, strengthen responsible material management, and contribute toward broader circular economy transition ambitions.

Giving Rubber Waste a Second Life

Natural scrapped gloves generated during manufacturing are redirected through recycling partnerships and repurposed as industrial filler material, transforming approximately 8 Mt of waste into a productive secondary use, reducing landfill dependency while generating additional value from material previously considered waste.

Enabling Circular Value Chains Through Cross-sector Collaboration

DPL works with downstream partners to identify productive reuse opportunities for waste streams beyond its own value chain. Compound washing residues are repurposed as input material for small-scale coir-based mattress manufacturers, supporting local enterprise development while reducing waste generation through practical circular partnerships.

Turning Production By-products into Industrial Inputs

Selected rubber by-products, including cut beads and nitrile waste, are increasingly redirected into alternative industrial applications through external partnerships. Cut bead residues are repurposed as rubber bands for downstream manufacturing use, while nitrile waste, previously managed through cost-incurring disposal pathways, has been converted into a useful raw material stream, reducing disposal costs while supporting circular resource efficiency.

Reducing Single-use Material Waste Through Practical Internal Reuse

Alongside larger industrial recovery initiatives, DPL continues to implement practical internal reuse initiatives aimed at reducing avoidable single-use material consumption and preventing usable materials from entering waste streams, supporting broader resource efficiency and responsible consumption objectives.

Reimagining Textile Waste Recovery

Waste cotton generated from sports glove operations is redirected into alternative recovery pathways through strategic third-party partnerships. Cotton waste is repurposed for secondary applications through Universal Gloves, while cotton flock is transformed into industrial filler material used within the tyre manufacturing sector, extending material life and diverting waste from disposal.

KPI	FY 2025/26	FY 2024/25
Waste recovered through circular pathways (Mt)	4,018	3,177
Reclaimed products / materials recovered for reuse / recycling	17	16
Waste streams converted to productive alternative use	18	17
Circular recovery / recycling partnerships	39	35
Rubber / glove scrap recovered (Mt)	196	184

KPI	FY 2025/26	FY 2024/25
Packaging, paper and cardboard recovered (Mt)	266	218
Corrugated boxes with recycled content	95%	90%
Packaging portfolio with paper-based materials	87%	84%
PET-based packaging units replaced / eliminated	15,000	20,000

Preventing Pollution at Source

Pollution prevention is embedded into DPL's operational environmental governance framework through a preventive management approach focused on engineering controls, monitoring systems, containment measures, compliance management, and emergency preparedness. Our objective is to minimise environmental impacts associated with air emissions, wastewater discharges, hazardous material handling, chemical storage, accidental releases, and operational disturbances that could affect ecosystems, employees, or surrounding communities.



This preventive approach is supported through environmental monitoring, approved operating controls, infrastructure safeguards, incident escalation mechanisms, preventive maintenance, and employee awareness programmes designed to reduce pollution risks before impacts occur. Through disciplined environmental management practices, DPL continues to strengthen operational resilience, regulatory compliance, and responsible stewardship of natural capital.

KPI	FY 2025/26
Environmental non-compliance / pollution incidents	0
Regulatory environmental fines / penalties	0
Environmental permit compliance maintained	100%
Approved / licensed waste and specialised handling partners utilised	100%
Completion of waste audits / hazardous material inspections	100%
Environmental emergency preparedness exercises conducted	16
Awareness sessions conducted on waste management / pollution prevention	5
Community environmental complaints received	0
Community-related environmental incidents	0



GRI 101-1, 101-2, 101-4, 101-6, 101-8 SDG 15.1, 15.2, 15.5

BIODIVERSITY CONSERVATION

Biodiversity Within Our Operational Footprint

As a business dependent on ecosystem services including freshwater availability, pollination, climate regulation, soil stability, natural rubber ecosystem resilience, and broader ecosystem functionality, DPL recognises biodiversity stewardship as a strategic natural capital priority. Biodiversity governance is embedded within broader environmental stewardship structures under the DPL Pulse ESG Roadmap 2030, guiding impact identification, mitigation, restoration, and long-term ecosystem resilience planning. Biodiversity-related dependencies, impacts, risks, and opportunities are identified through DPL's broader environmental risk assessment, operational environmental reviews, natural capital dependency assessments, sustainability governance processes, and evaluation of relevant upstream value chain interactions, including resource-intensive material sourcing dependencies. Our approach aligns with the biodiversity mitigation hierarchy of avoiding, minimising, restoring, and where relevant contributing to broader ecosystem regeneration through both operational stewardship and nature-positive initiatives beyond our direct footprint.

In identifying biodiversity-related impacts, DPL considers both direct operational interactions and relevant upstream value chain dependencies, including resource consumption, natural rubber sourcing, water dependency, pollution pathways, climate-related ecosystem pressures, and broader environmental interactions that may influence ecosystem condition or biodiversity resilience.

DPL's core Hand Protection manufacturing operations in Sri Lanka and Thailand are not located within legally protected areas, internationally recognised biodiversity hotspots, Key Biodiversity Areas, or ecologically sensitive high biodiversity value conservation areas that would create material direct biodiversity disturbance through core manufacturing activities. Our operational footprint is primarily located within established industrial or developed operating environments. However, we recognise that industrial activities may indirectly influence ecosystems through land use, freshwater withdrawal, wastewater discharge, emissions, chemical use, waste generation, logistics activity, resource consumption, and broader supply chain interactions. Within our operational footprint, the EcoPulse Nature Reserve at our Hanwella operating location serves as a self-managed biodiversity enhancement and habitat stewardship initiative, reflecting our commitment to integrating nature-positive action within owned operational landscapes..

Accordingly, our biodiversity stewardship approach focuses on avoiding, minimising and managing negative impacts on biodiversity and ecosystems, prioritising responsible site selection and infrastructure planning, minimisation of operational impacts through pollution prevention, wastewater treatment, emissions control, responsible chemical management, waste management and resource efficiency, and undertaking restoration or ecological enhancement initiatives where appropriate. This approach is supported by robust environmental management systems, compliance governance, responsible water stewardship, biodiversity-conscious operational controls and ongoing environmental monitoring where relevant. Beyond managing operational impacts, DPL also contributes to broader nature-positive outcomes through dedicated biodiversity conservation, ecosystem restoration and ecological enhancement initiatives.

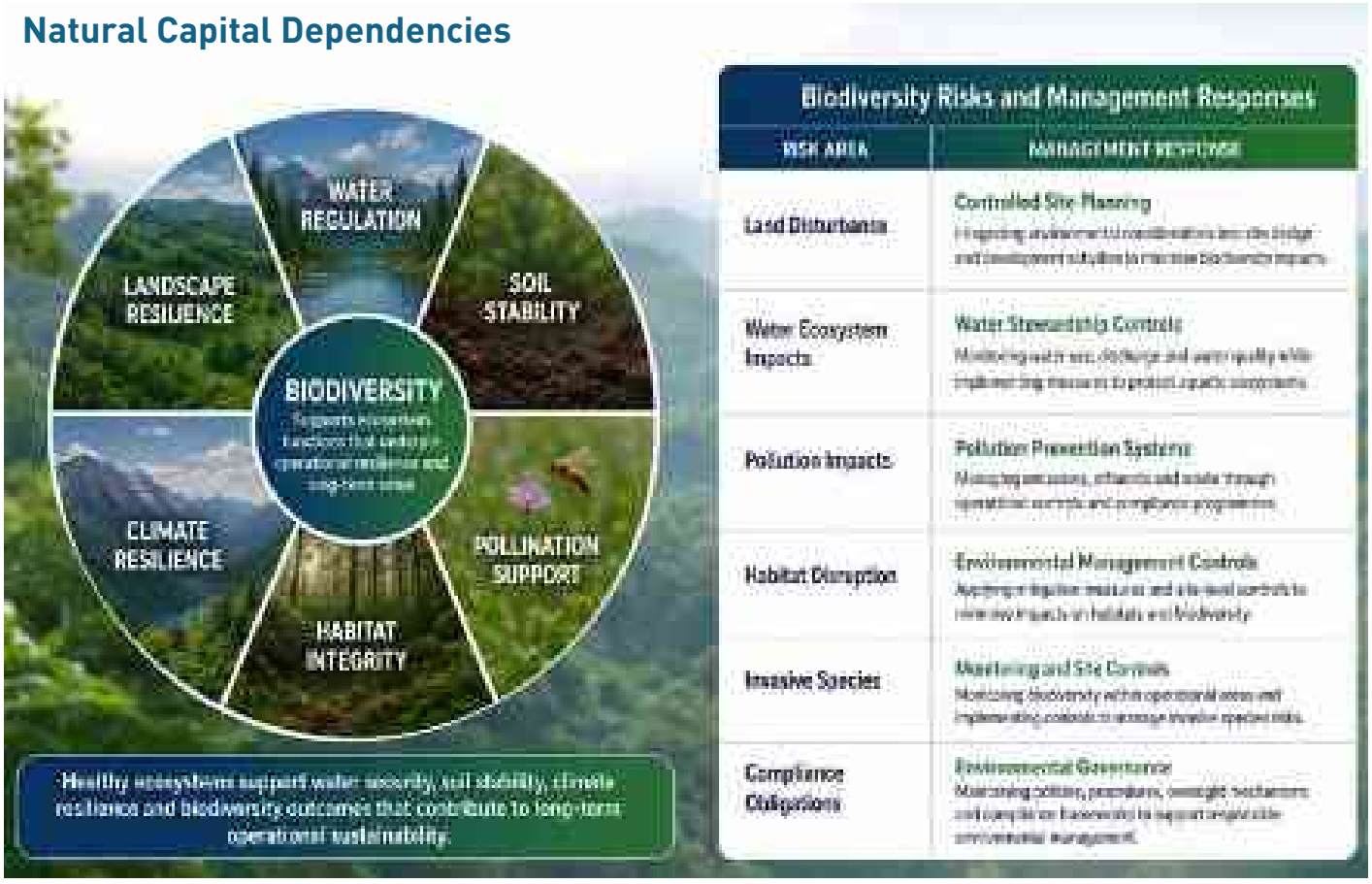
During FY 2025/26, there were no significant biodiversity-related incidents, habitat conversion events, or invasive species introductions associated with DPL's direct Hand Protection operations, reflecting the location of core manufacturing activities outside ecologically sensitive biodiversity areas and the effectiveness of established environmental controls. Through our DPL Pulse: ESG Roadmap 2030, biodiversity stewardship extends beyond operational impact management toward habitat enhancement, ecosystem awareness, and nature-positive restoration outcomes, including biodiversity stewardship within our Hanwella operational ecosystem and broader ecosystem restoration initiatives beyond our direct manufacturing footprint.



DPL Pulse: ESG Roadmap 2030 Target and Performance

DPL target	Baseline Performance	Performance	Performance	Expected Performance	Expected Performance	Status
	2020/21	2024/25	2025/26	2026/27	2030/31	
Increase the biodiversity enhancing programme to over 5 times the area occupied by the group	0 acres	2 acres	3 acres	5 acres	100 acres	On Track

Natural Capital Dependencies



KPI	FY 2025/26
Significant biodiversity-related incidents	0
Operational sites located within protected / high biodiversity value areas	0
Biodiversity-sensitive environmental reviews / assessments completed	1
Habitat enhancement / greening interventions within operations	3
Species observations / ecological monitoring activities	2
Biodiversity awareness / employee engagement initiatives	4

EcoPulse Nature Reserve — Hanwella Operating Location

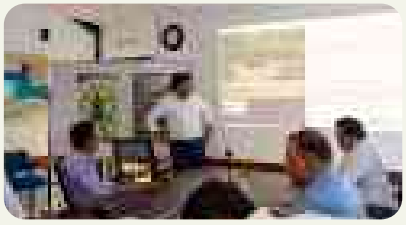
EcoPulse *Nature Reserve Journey*

OUR JOURNEY TOWARDS A NATURE-POSITIVE FUTURE

DPL ECO Pulse NATURE RESERVE

2023/24 — Building Biodiversity Awareness

- Expert-led biodiversity awareness sessions with Central Environment Authority.
- Internal education on ecosystem conservation and co-existence.
- Established biodiversity as a strategic natural capital priority.




2024/25 — Laying the Foundation for EcoPulse

- Initiated the Hanwella Eco-Park biodiversity conservation initiative.
- Committed operational land for conservation restoration.
- Began transforming industrial landscape into a biodiversity sanctuary.




Official Launch of EcoPulse Nature Reserve

- 2-acre biodiversity conservation sanctuary established.
- Low country wet zone ecosystem restoration effort.
- Nature trails, viewpoints, butterfly habitats, protected green zones.




SCAN ME
QR Code to watch the Video of Opening Event

Celebrating Biodiversity Through Storytelling

- Wildlife photographs captured at Hanwella Nature Reserve by our employees.
- Biodiversity awareness and stakeholder engagement.
- Strengthening ownership of conservation.



SCAN ME
QR Code for the Coffee Table Book

2025/26 — 50 Native Plants

50 native plants introduced to strengthen habitat diversity



A Sanctuary for Birds, Bees & Butterflies

Where Nature Finds a Home

- Growing habitat for pollinators and native species.
- Maturing ecosystem-supporting biodiversity within operations.
- Nature-positive employee and visitor well-being space.



Looking Ahead — Our Commitment Continues – Building A Legacy For Nature

- Expand native biodiversity enrichment
- Add wetland/ water biodiversity zone
- Biodiversity monitoring programme
- Employee biodiversity logging
- School/ Community visits
- Restoring Beyond operational footprint

Restoring Ecosystems Beyond Our Operational Boundaries

GRI 101-3, 101-8

EcoPulse Cloud Forest Project in Lindula	
KPI	FY 2025/26
Habitat under restoration / rehabilitation	100 acres
Biodiversity baseline / ecological surveys completed	1
Ecological monitoring activities conducted	4
Species recorded through biodiversity assessments	134
Endemic species identified	32
IUCN Red List / nationally threatened species identified	29
Native / endemic trees planted	100
Invasive species management interventions	1
Scientific research collaborations / academic biodiversity partnerships	3
Biodiversity / restoration partnerships	2
Community ecosystem stewardship participants	120
Biodiversity awareness / ecosystem stewardship programmes conducted	3
Biodiversity education participants	25
Overall investment in delivering project activities	Rs. 3 Mn
Significant biodiversity-related incidents	0

DPL's biodiversity stewardship extends beyond operational impact management toward measurable ecosystem restoration and long-term natural capital regeneration.

Through collaborative ecosystem restoration partnerships, habitat recovery programmes, biodiversity research, ecological stewardship, and community-linked conservation initiatives, we seek to strengthen ecosystem resilience beyond our direct operational footprint while contributing to broader nature-positive outcomes.

These initiatives are delivered through collaborative stakeholder engagement involving plantation partners, scientific institutions, environmental authorities, local communities, and ecosystem stewardship participants to ensure restoration actions remain scientifically credible, locally relevant, and socially inclusive.

Our EcoPulse biodiversity platform combines biodiversity conservation within operational landscapes through the EcoPulse Nature Reserve, alongside ecosystem restoration beyond operations through the EcoPulse Cloud Forest initiative in Lindula.

This science-led restoration model addresses identified ecological pressures including habitat degradation, invasive species dominance, biodiversity fragmentation, fire risks, ecosystem vulnerability, and watershed stress through adaptive restoration interventions, biodiversity monitoring, community stewardship, and scientific collaboration.

Through these initiatives, biodiversity stewardship progresses beyond mitigation toward measurable habitat restoration, ecosystem recovery, conservation awareness, strengthened ecological resilience, and long-term ecosystem regeneration.





EcoPulse Cloud Forest

Restoring Sri Lanka's Highland Ecosystems Beyond Our Operational Footprint

A science-led ecosystem restoration journey integrating biodiversity conservation, watershed protection, community stewardship, and long-term ecological resilience.

Sri Lanka's First Private-Sector-Led Cloud Forest Restoration Initiative Above 5,000 ft

Dell Mountain, Bambarakelle Estate, Lindula	40 hectares / 100 acres	Central Highlands	Montane cloud ecosystem

WHAT IS ECOPULSE CLOUD FOREST?

EcoPulse Cloud Forest is DPL's flagship ecosystem restoration initiative developed with Horana Plantations PLC to restore and protect a high-altitude montane cloud ecosystem in Sri Lanka's Central Highlands.

Positioned beyond our operational footprint, the initiative reflects our biodiversity stewardship strategy—advancing nature-positive impact through ecosystem restoration, watershed protection, and science-led conservation.

Part of the broader EcoPulse biodiversity platform alongside EcoPulse Nature Reserve, Hanwella.

WHY THIS MATTERS?

Water Security
Protects and enhances our natural water towers.

Climate Resilience
Strengthens adaptation and reduces ecosystem vulnerability.

Biodiversity Conservation
Safeguards endemic, threatened and migratory species.

Public–Private Leadership
Demonstrates corporate responsibility and national impact.

SUPPORTS UN SUSTAINABLE DEVELOPMENT GOALS

WHY ECOSYSTEM RESTORATION?

Biodiversity Recovery
Protect endemic, threatened and habitat-sensitive species while restoring ecological integrity.

Watershed Protection
Cloud forests act as natural water towers supporting streamflow regulation, water quality, and downstream ecosystem health.

Climate Resilience
Healthy montane ecosystems support carbon sequestration, slope stability, erosion prevention, and ecosystem adaptation.

WHY DELL MOUNTAIN, LINDULA?



- -Central Highlands biodiversity hotspot
- -Above 5,000 ft cloud ecosystem
- -Adjacent Agra Oya watershed
- -Habitat for endemic & threatened species
- -Migratory bird ecological significance
- -Steep degraded land requiring restoration
- -Connectivity potential with surrounding habitats



BUILDING RESTORATION ON SCIENCE

EcoPulse Cloud Forest was designed as a science-led restoration initiative—not a symbolic tree-planting programme.
Baseline biodiversity assessments, ecological surveys, and expert scientific partnerships established the evidence base required to guide restoration design, habitat intervention priorities, species recovery, and long-term ecological monitoring.

134+	32	29	128	60	19
Species recorded	Endemic species	Nationally threatened species	Plant species	Bird species	Mammal species

STAKEHOLDERS INVOLVED TO DELIVER THIS PROJECT

This project takes a multi-stakeholder approach and different stakeholder categories engaged across the EcoPulse Cloud Forest initiative, demonstrating a collaborative science-led approach to restoring Sri Lanka's highland cloud forest ecosystems beyond DPL's operational footprint.

- Other Private Sector Partners
- Academic & Research Institutions
- Government & Regulatory Bodies
- Conservation Sector Specialists / Organisations
- Employees & Volunteers
- Environmental Experts / Practitioners
- Local Communities / Villagers

KEY ECOLOGICAL PRESSURES IDENTIFIED

- Invasive species dominance
- Degraded soil / erosion risk
- Habitat fragmentation
- Fire risk
- Encroachment risk
- Poaching / wildlife pressure
- Biodiversity degradation

OUR RESTORATION RESPONSE

- Invasive species removal
- Native habitat restoration
- Ecological monitoring
- Community stewardship
- Biodiversity research collaboration
- Conservation awareness
- Science-led adaptive restoration

EcoPulse Cloud Forest Journey

From Strategic Vision to Science-Led Ecosystem Restoration

Restoring Sri Lanka's Highland Ecosystems Beyond Our Operational Footprint

Sri Lanka's First Private-Sector-Led Cloud Forest Restoration Initiative Above 5,000ft

2023

1 Strategic Vision Formation

Strategic discussions between Dipped Products PLC (DPL) and Hirana Plantations PLC (HPL) initiated the vision for biodiversity stewardship beyond operational boundaries, identifying the opportunity to restore a high-altitude cloud forest ecosystem in Sri Lanka's Central Highlands.

Why important:
Identified the opportunity for large-scale ecosystem restoration beyond operations

Impact:
Established DPL's flagship biodiversity restoration concept



2024

2 Partnership Formalisation

DPL and Hirana Plantations PLC signed a formal partnership agreement to launch the EcoPulse Cloud Forest restoration initiative at Dell Mountain.

Why important:
Created governance structure, partnership accountability, and implementation commitment

Impact:
Transformed the concept into an active restoration programme

MOU SIGNING CEREMONY
Between DIPPED PRODUCTS PLC and HIRANA PLANTATIONS PLC



3 Biodiversity Baseline Survey

External biodiversity experts, alongside DPL and HPL project teams, initiated ecological field surveys to establish the scientific baseline.

Why important:
Defined biodiversity significance, ecosystem pressures and restoration priorities

Impact:
Identified species diversity, ecological sensitivity, habitat conditions and restoration needs



2025

4 Biodiversity Assessment Report Launch

The formal biodiversity assessment report was launched, providing a science-led evidence base for restoration decision making.

Why important:
Embedded scientific governance and restoration prioritisation

Impact:
Confirmed biodiversity significance, threatened species presence, and ecosystem restoration priorities





5 Official Launch & Science Dialogue

The official launch brought together business leaders, biodiversity experts, and public sector stakeholders to position private sector-led ecological restoration as a strategic model for Sri Lanka.

Why important:
Activated multi-stakeholder commitment

Impact:
Strengthened strategic credibility and national visibility

Panel Discussion:
Leading with Purpose – Redefining Environmental Stewardship in Sri Lankan Businesses

Speakers from:
- Hayleys PLC
- Dipped Products PLC
- Hirana Plantations PLC
- Ministry of Environment / Biodiversity Secretariat



2026

Site Activation & Native Planting

OPL leadership formally activated the restoration site through guided field immersion, installation of project awareness infrastructure, and native tree planting.

6

Why important:
Marked transition from planning to on-ground restoration activation.

Impact:
Mobilised ecosystem restoration implementation.



Scientific Research Partnerships

The University of Colombo Department of Plant Sciences conducted an initial site visit to support science-based restoration methodologies and monitoring.

7

Why important:
Strengthens scientific credibility and restoration rigour.

Impact:
Established long-term academic collaboration for restoration and monitoring.



Community Stewardship Programme

Community educational and awareness programmes were conducted for residents surrounding the Labugama region.

8

Why important:
Addresses ecosystem pressures including fire risk, encroachment, habitat disturbance, and biodiversity degradation.

Impact:
Strengthened community stewardship and ecosystem risk mitigation.

Programme areas:
- Forest Fire Prevention
- Wildlife Protection
- Habitat Conservation
- Watershed Stewardship
- Ecosystem Risk Awareness



Biodiversity Research Platform Development

PanPulse supported a long-term Herpetology Field Laboratory initiative with the University of Colombo and the University of Wisconsin–Madison.

9

Why important:
Develops regional biodiversity research and strengthens international scientific collaboration.

Impact:
Positions Eco Lodge as an emerging biodiversity research, migratory species, and ecological knowledge platform.



Leadership Way Forward / Board Engagement

PanPulse's long-term ecosystem platform vision was presented to OPL leadership.

10

Why important:
Secured governance alignment and strategic leadership support.

Impact:
Enables future scaling and institutional continuity.



NEXT PHASE — FROM PROJECT TO ECOSYSTEM PLATFORM

Habitat Restoration
- Native species restoration
- Invasive species management
- Habitat rehabilitation

Biodiversity Monitoring
- Permanent ecological monitoring plots
- Species surveys
- Ecosystem modelling

Community Stewardship
- Environmental ambassadors
- Local conservation engagement
- Awareness partnerships and capacity building

Research & Learning Hub
- University partnerships
- Field research
- Biodiversity knowledge generation
- Learning hub development

Climate Resilience
- Microclimate observation
- Ecosystem resilience monitoring
- Weather intelligence

10 Year Plan for EcoPulse Cloud Forest – Expected Input to Impact Framework

INPUT (Resources invested)	ACTIVITY (What we do)	OUTPUT (What we deliver)	OUTCOME (Changes achieved)	IMPACT (Value we create)
• Biodiversity restoration investment • Strategic partnership with Horana Plantations PLC • Scientific partnerships with universities and research institutions • Government stakeholder collaboration • Community partnerships • Leadership governance support 40 hectares committed for restoration • Technical biodiversity expertise	• Ecosystem protection governance establishment • Strategic partnership formalisation • Baseline biodiversity and ecological surveys • Biodiversity assessment and ecological mapping • Invasive species identification and management • Habitat rehabilitation interventions • Native / endemic species restoration • Native nursery development • Ecological monitoring activities • Scientific research collaborations • Species-specific biodiversity research • Climate / microclimate monitoring installation • Community awareness programmes • Forest fire prevention awareness • Wildlife conservation education • Watershed stewardship engagement • Youth environmental ambassador development • Research and learning hub development • Knowledge-sharing initiatives • Nature-based stewardship / eco-engagement initiatives	• Biodiversity restoration programme activated • Habitat restoration interventions implemented • Ecological monitoring systems established • Biodiversity assessment report published • Species and ecosystem data generated • Scientific research platform initiated • Community environmental programmes delivered • Youth stewardship initiatives launched • Climate resilience monitoring systems operational • Knowledge platform activities initiated	• Habitat restoration and ecosystem recovery strengthened • Threatened and endemic species habitat protection enhanced • Ecosystem pressures mitigated • Community stewardship strengthened • Shared conservation ownership established • Scientific biodiversity governance strengthened • Long-term research and monitoring platform established • Climate resilience understanding improved	• Long-term biodiversity recovery • Restoration of montane cloud forest ecological integrity • Protection of endemic, threatened, and migratory species • Enhanced watershed resilience and ecosystem services • Improved climate resilience of highland ecosystems • EcoPulse established as a flagship private-sector-led biodiversity conservation and ecosystem stewardship platform

PLANTATIONS SECTOR

Environmental Stewardship in Action

At Kelani Valley Plantations PLC (KVPL), biodiversity stewardship is embedded within a broader landscape-level approach to responsible plantation management, recognising the close interdependence between plantation productivity, ecosystem health, climate resilience, water security, and surrounding habitat integrity.

During the year, KVPL expanded its biodiversity stewardship initiatives through programmes supporting the **Leopard Conservation Corridor**, ecosystem restoration, habitat connectivity enhancement, watershed protection, and the conservation of ecologically significant plantation landscapes. These initiatives reflect a commitment to balancing productive land use with long-term ecosystem conservation and nature-positive landscape stewardship.

Recognising the importance of healthy watersheds to both ecosystem resilience and agricultural continuity, KVPL further strengthened its contribution to ecosystem conservation through **river catchment restoration initiatives**, supporting water resource protection, landscape stability, soil conservation, and broader ecological resilience.

This integrated approach supports biodiversity conservation, ecosystem restoration, and landscape stewardship while contributing to climate adaptation, water resilience, and long-term natural capital value creation across plantation landscapes.









ENVIRONMENTAL LEADERSHIP AND CLIMATE ADVOCACY

Building a Culture of Environmental Stewardship

Long-term environmental performance depends not only on infrastructure, systems, and operational controls, but also on the awareness, behaviours, and shared accountability of people across the value chain. DPL therefore invests in environmental education, operational capability building, biodiversity awareness, climate literacy, and stakeholder engagement to strengthen stewardship culture across employees, suppliers, communities, and partner ecosystems.

Through structured awareness programmes, operational training, biodiversity engagement, and sustainability communication, we seek to embed responsible environmental decision-making into day-to-day operations while enabling broader behavioural change beyond our direct footprint.

ENVIRONMENTAL COMPLIANCE AWARENESS:
Pollution prevention
waste segregation
permit awareness
water stewardship

CLIMATE LITERACY
Decarbonisation awareness
energy transition understanding
resource efficiency behaviours

BIODIVERSITY STEWARDSHIP
EcoPulse awareness
nature reserve engagement
CEA biodiversity awareness sessions

RESPONSIBLE RESOURCE STEWARDSHIP:
Water conservation
material efficiency
waste reduction
circularity awareness

Extending Environmental Awareness Beyond the Workplace

Digital sustainability campaigns are used to amplify awareness on responsible waste management, biodiversity stewardship, pollution prevention, circularity, and responsible resource consumption.











07
Environmental awareness programmes

2,326
Employee training hours on environmental topics

740 hours
Environmental learning delivered to external stakeholders

04
Supplier awareness sessions

120
Community environmental participants

120
Biodiversity awareness education participants

30,000+
Digital audience reached

11
Environmental awareness campaigns

14
Public sustainability advocacy posts

CLIMATE ADVOCACY AND ENVIRONMENTAL SERVICES





Environmental Leadership and Memberships in Platforms

Participant Organisation of UN Global Compact Network Sri Lanka and Registered Member of the Working Groups;

- Climate Emergency Task Force
- Sustainable Supply Chain and SMEs
- Water and Ocean Stewardship
- Sustainability reporting leadership (GRI / SASB / SLFRS S1/S2 and External Assurances)

Annual Report of the Board of Directors on the Affairs of the Company

1. GENERAL

The Board of Directors of Dipped Products PLC ('the Company') has pleasure in presenting the Annual Report of the Board of Directors on the affairs of the Company together with the Audited Financial Statements of the Company and Group for the year ended March 31, 2026.

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 19, 2026.

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.

D P L Premier Gloves Limited, a wholly owned subsidiary of the Company was amalgamated with the Company with effect from August 01, 2025 in terms of the provisions of the Companies Act.

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 and the Group have 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 48 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, results, 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 499 to 568.

2.2 Independent Auditor's Report

The Independent Auditor's Report on the Financial Statements is given on pages 496 to 498.

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 507 to 525.

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, 2026 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 to 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 Companies Act, particulars of entries in the Interests Register of the Company and those subsidiaries, which have not dispensed with the requirement to maintain Interests Registers, as permitted under Section 192 (2) of the Companies Act are detailed in page 477.

Particulars of entries in the Interests Register are detailed below:

- Mr. Dhammika Perera directly 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 31.03.2026	No of Shares as at 31.03.2025
Mr. A. M. Pandithage	-	-
Mr. H. S. R. Kariyawasan & Mrs. K.H.S Kariyawasan - 4,150,850		
Mr. H. S. R. Kariyawasan & Mr. H.B. Kariyawasan - 799,860	4,950,710	4,950,710
Mr. R. H. P. Janadheera	440,000	440,000
Mr. S. C. Ganegoda	280,000	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
Ms. A. I. Wanigasekera	-	-
Mr. T. A. B. Speldewinde	-	-
Dr. R. M. U. N. Ratnayake	-	-
Total	**6,025,710**	**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, 2026 was Rs. 300,724,641 (2024/25 - Rs. 224,187,178), which includes the value of perquisites granted to them as part of their terms of service. The total remuneration of Non-Executive Directors for the year ended March 31, 2026 was Rs.11,200,000 (2024/25 – Rs. 10,800,000), 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, 2026 is Rs.462,185,154 (2024/25 - Rs. 367,415,491).

2.9 Directors' Indemnity & 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 Group.

2.10 Donations

No donations (including for political purposes) were made for the year ended March 31, 2026. (2024/25 - Nil).

3. FUTURE DEVELOPMENTS

Information on future developments are contained in the Joint Chairman and Managing Directors Report on page 48 to 55 of this Report.

4. GROUP REVENUE AND INTERNATIONAL TRADE

The gross turnover of the Group during the year was Rs. 82,044,127,126 (2024/25 - Rs. 79,288,551,768). The Group turnover in the Hand Protection Sector amounted to Rs. 51,124,308,949 (2024/25 - Rs. 46,396,877,746). 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.39,276,294,854 (2024/25- Rs. 39.335,775,875).

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.22,490,112,792 (2024/25 - Rs. 20,098,889,973).

Annual Report of the Board of Directors on the Affairs of the Company

Trade between Group companies is conducted at fair market prices.

Profits	2026 Rs. "000	2025 Rs. "000
After making provisions for all known liabilities and depreciation on property, plant & equipment the profit earned by the Group before taxation was	6,834,215	6,835,890
And taxation on Group profits amounting to were deducted	(2,211,105)	(1,802,371)
The Group was left with a profit of	4,623,110	5,033,519
And the amount attributable to non-controlling interest of	1,102,203	1,158,061
And other comprehensive income attributable to parent was	28,683	(196,093)
And the balance of the previous year net of final dividend and appropriations were adjusted	25,354,447	22,813,078
The profit before appropriation was	28,819,332	26,407,729
Appropriations		
Your Directors have made appropriations as follows:		
First Interim dividend authorised	149,654	149,654
Second Interim dividend authorised	365,155	269,377
Third Interim dividend authorised	305,294	209,515
Forth Interim dividend authorised	454,947	508,823

5. RESERVES

The total Group reserves as at March 31, 2026 amount to Rs.34,228,377,125 (2024/25 - Rs. 31,179,868,327) comprising capital reserves of Rs.728,604,235 (2024/25 – Rs. 728,604,235), available-for-sale reserve of Rs.129,199,320 (2024/25 – Rs.97,174,421) and revenue reserves of Rs.33,370,573,120 (2024/25 - Rs. 30,354,090,128). The composition of reserves is shown in the Statement of Changes in Equity in the Financial Statements.

6. DIVIDEND

A First Interim Dividend of Cents Twenty Five (Rs. 0.25) per share was paid to the shareholders on July 25, 2025. The second Interim Dividend of Cents Sixty One (R. 0.61) per share was paid to the shareholders on October 24, 2025. The Third Interim Dividend of Cents Fifty One (Rs.0.51) per share was paid to the Shareholders on January 26, 2026. The Fourth Interim Dividend of Cents Seventy Six (Rs.0.76) per share was paid to the Shareholders on April 28, 2026.

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. 7,845,344,000 (2024/25 – Rs. 4,406,581,000). Information Relating to movement in property, plant and equipment is given in Note 10 to the Financial Statements.

8. MARKET VALUE OF PROPERTIES

The freehold land in the Company 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. ISSUE OF SHARES 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, 2026. There was no change in the stated capital during the year. The Company did not issue any shares or debentures during the year ended March 31, 2026.

9.2 Share Information

Information relating to earnings, dividend, net asset per share and share trading are given on pages 574 to 578.

9.3 Shareholders

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 Shareholders

The Twenty major shareholders as at March 31, 2026 are given on page 575 in this Report.

9.5 Public Holding

There were 12,961 registered shareholders as at March 31, 2026 (2024/25 – 11,594). The percentage of shares held by the public, as per the Listing Rules is 40.99% (2024/25 – 40.99%). Details are given on page 574.

10. DIRECTORATE

The names of the Directors who served during the year under review are given below and their brief profiles appear on pages 56 and 61 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 .N. U. Ratnayake - appointed w.e.f. 01.04.2025

Non-Executive Directors

Mr. S. C. Ganegoda

Mr. K. D. G. Gunaratne

Ms. K. A. D. B. Perera

Independent Non-Executive Directors

Mr. P. Y. S. Perera (Senior Independent Director)

Mr. M. N. R. Fernando

Prof. A. P. De Silva

Ms. A. I. Wanigasekera

Mr. T. A. B. Speldewinde - appointed w.e.f. 01.04.2025

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.

In terms of Article 29(1) of the Articles of Association of the Company, Mr. H. S. R. Kariyawasan, Mr. M. N. R. Fernando, Mr. K. D. G. Gunaratne, Mr. K. M. D. I. Prasad and Prof. A. P. De Silva 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 of the Subsidiaries are given on page 579 of this Report.

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-Committee meetings and the attendance of Directors at these meetings are given on page 98. Furthermore, the Directors contributed towards policy advocacy and direction by participating in the deliberations of the Board-appointed Sub-Committees on strategic review, procurement and disposal of assets.

12. BOARD SUB-COMMITTEES

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 482 to 492 for the Board Sub-Committee 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 Section 9.14 of the Listing Rules. Please refer the Related Party Transactions Review Committee Report on page 486.

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 Finacial Reporting Standards, The Companies Act and the Listing Rules. The Statement of Directors' Responsibility for Financial Reporting is given on page 492 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, will be paid Rs.5,600,000 (2024/25–Rs.3,772,224) and Rs.28,630,195 (2024/25-Rs. 24,867,452) as audit fees by the Company and its Subsidiaries respectively. The Auditors will be paid Rs. 4,073,100 (2024/25 – Rs. 1,666,231) and Rs. 14,130,852 (2024/25 - Rs. 7,917,064) by the Company and the Group, for non-audit related work, which consisted mainly of tax consultancy services.

In addition to the above, Rs. 18,906,102 (2024/25 – Rs. 22,921,107) for ICOGUANTI S.p.A , Rs. 2,904,075 (2024/25 - Rs. 1,974,038) for Dipped Products (Thailand) Limited, Rs. 1,936,683 (2024/25 - Rs. 3,211,354) for Hi Care Thai Gloves Co. Ltd Rs. 7,300,777 (2024/25 - Rs. 8,172,162) for DPL France SAS, and Rs. 137,990 (2024/25- Rs. 140,733) for Dipped Products India (Private) Limited were paid as audit fees in FY 2025/26 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, 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, as Auditors for the Financial Year 2026/27 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 noncompliance were reported during the year.

The declaration relating to statutory payments is made in the Statement of Directors Responsibilities on page 492.

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 433 to 475. Please refer the Risk and Opportunities and Sustainability/ climate related financial disclosures on page 150 to 207 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

During the year, the Board reviewed the Company Policies, and the Policy on Matters Relating to the Board of Directors was updated taking into account evolving governance practices and operational requirements.

'The Hayleys Way' serves as the Internal Code of Business Conduct and Ethics for all Directors, Key Management Personnel and other employees of the Hayleys Group. 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 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 89 to 131 discusses this further.

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 488.

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 and other regulatory requirements.

23. RATIOS AND MARKET PRICE INFORMATION

Ratios relating to equity and debt and market price information are given on pages 26 and 27.

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 140 to 207 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. COMMUNICATION WITH SHAREHOLDERS

The Group endeavours to ensure equitable treatment to its shareholders. The Policy on Relations with Shareholders and Investors is available on the Company's website: https://www.dplgroup.com/policies/.

The contact person for communication with shareholders is also provided in the website and in the Corporate Information in inner back cover in this Report.

The Board has established a process to make directors aware of any major issues and concerns of shareholders, and it is set out in the Corporate Governance Report on page 90.

27. ANNUAL GENERAL MEETING

The Annual General Meeting will be held on, Tuesday, June 30, 2026 at 9:00 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 602.

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 19, 2026

Nominations and Governance Committee Report

GRI 2-10

The Board has an established Nominations and Governance Committee ('the Committee') which complies with Section 9.11 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 Committee comprises three Independent Non-Executive Directors and two Non- Executive Directors.

The Committee is appointed by and is responsible to the Board of Directors.

The Members who served on the Committee during Financial Year 2025/26 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 2025/26.

Name of Committee Member	Date of Appointment to the Committee	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	2/2
Prof. A. P. De Silva	December 4, 2024	2/2

The Chairman of the Board and Managing Director of the Company attend the meetings of the Committee by invitation.

Hayleys Group Services (Private) Limited, the Secretaries of the Company, serves as the Secretary to the Committee.

The Board has approved well-defined Terms of Reference outlining the Committee's purpose, composition, quorum, authority, responsibilities, and meeting related matters. The Terms of Reference of the Committee were reviewed by the Committee during the year under review.

DUTIES OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

- To approve the formal procedure to evaluate and recommend the appointment of Directors of the Company considering the required skills, experience and qualifications necessary.
- To maintain a set of criteria for selection of Directors such as academic/ professional qualifications, skills, experience and key attributes required for eligibility taking into consideration the nature of the business of the Company and industry specific requirements.
- To evaluate the appointment of Directors to the Board of Directors and to the Board Sub Committees by considering their academic/professional qualifications, skills, experience and key attributes required for eligibility, 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 approve a suitable process for the periodic evaluation of the performance of the Board Directors and the Key Management Personnel of the Company to ensure their responsibilities are satisfactorily discharged.
- To evaluate if each Director has been adequately carrying out his or her duties as a Director, taking into consideration the knowledge and experience required to meet the strategic demands facing the company, the number of directorships of listed company boards on which he/ she is represented and other principal commitments.
- To regularly review the structure, size, composition including gender representation and competencies (including the skills, knowledge and experience) of the Board and make recommendations to the Board with regard to any changes
- 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 periodically review the insurance cover 'Directors and Officers Liability Cover' for Directors and Key Management Personnel.
- 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.
- To ensure that induction takes place for the new directors

ACTIVITIES DURING THE YEAR

The Committee 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 Managing Director.

The Policies of the Company were reviewed during the year and necessary amendments were incorporated. The Committee ensured that the Policies are uploaded on the Company website. Sub Committee Terms of Reference were reviewed and amended where necessary. The list of Policies of the Company is given on page 93 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 Chairman keeps the Independent Directors informed in the event any major issues arise.

The Committee also assessed 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 and other applicable regulatory requirements and industry best practices 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.

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, at least once in every three years 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. H. S. R. Kariyawasan, Mr. M. N. R. Fernando, Mr. K. D. G. Gunaratne, Mr. K. M. D. I. Prasad and Prof. A. P. De Silva to the Board at the Annual General Meeting to be held on June 30, 2026, based on their performance and the contribution made to achieve the objectives of the Board.

Mr. Kariyawasan, Executive Director, was appointed to the Board on May 16, 2016, and was last re-appointed as a Director in June 2024. His directorships and other principal commitments are given in the profile on page 58. He does not serve on any Board Sub-Committees.

Mr. Fernando, Independent, Non-Executive Director, was appointed to the Board on January 03, 2024, and was last re-appointed as a Director in June 2024. His profile is given on Page 60. He serves on the Audit, Remuneration, Nominations and Governance and Related Party Transactions Review Committees of the Company.

Mr. Gunaratne, Non-Executive Director, was appointed to the Board on August 06, 2015, and was last re-appointed as a Director in June 2024. His profile is given on page 59. He serves on the Remuneration, Nominations and Governance and Related Party Transactions Review Committees of the Company.

Mr. Prasad, Executive Director, was appointed to the Board on September 01, 2018 and was last re-appointed as a Director in June 2024. His profile is given on page 59. He does not serve on any Board Sub-Committees.

Prof. De Silva, Independent, Non-Executive Director, was appointed to the Board on January 03, 2024 and was last re-appointed as a Director in June 2024. His directorships and other principal commitments are given in the profile on page 60. He serves on the Remuneration and Nominations and Governance Committees of the Company.

None of the Directors who are being proposed for re-election or their family members, have any relationship with the Directors of the Company or shareholders having more than 10% of the shares 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 89.



P.Y.S. Perera

Chairman - Nominations and Governance Committee

May 19, 2026

Remuneration Committee Report

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The Board has an established Remuneration Committee ('the Committee') which complies with Section 9.12 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 Committee comprises three Independent Non-Executive Directors and two Non- Executive Directors.

The Committee is appointed by and is responsible to the Board of Directors. The Members who served on the Committee during the Financial Year 2025/26 are as follows:

Mr. P. Y. S. Perera - Chairman, Senior Independent Director

Mr. M. N. R. Fernando - Independent Non-Executive Director

Prof. A. P. De Silva - Independent Non-Executive Director

Mr. K. D. G. Gunaratne - Non-Executive Director

Mr. S. C. Ganegoda - Non-Executive Director



ATTENDANCE AT COMMITTEE MEETINGS

The Committee met twice during the year under review.

Name of Committee Member	Date of Appointment to the Committee	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	2/2
Prof. A. P. De Silva	December 4, 2024	2/2

The Chairman of the Board, Managing Director and Head of Human Resources of the Company attend the meetings of the Committee by invitation.

Hayleys Group Services (Private) Limited, the Secretaries of the Company, serves 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 Non-Executive Directors who are free from business, operational, personal or other relationships which may interfere with their independent, unbiased judgement.

The Terms of Reference of the Committee were reviewed by the Committee during the year.

RESPONSIBILITIES OF THE REMUNERATION COMMITTEE

The Committee is responsible to the Board to determine the policy of the remuneration package of the Directors and Key Management Personnel.

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 Key Management Personnel.
- Review the process of determination of the compensation of the Executive Directors and Key Management Personnel.
- Review and approve guidelines, policies and parameters for the compensation structures for Key Management Personnel
- Review the evaluation of the performance of the Key Management Personnel against the predetermined targets and goals.
- Review information related to Executive Directors' and Key Management Personnel 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 return.

The remuneration packages which are linked to individual performances are aligned with the Company's 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.

The Policy ensures that Non-Executive Directors' fee is based on principles of non-discriminatory pay practices among them so that their independence is not impaired.

ACTIVITIES IN 2025/26

During the year the Committee reviewed the performance of the Executive Directors and Key Management Personnel based on the targets set in the previous year. The Committee also reviewed, compensation packages of Executives Directors and Key Management Personnel 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. 311,924,641.



P.Y.S. Perera
Chairman – Remuneration Committee

May 19, 2026

Related Party Transactions Review Committee Report

The Board has an established Related Party Transactions Review Committee ('the Committee') which complies with Section 9.14 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 Committee comprises four Independent Non-Executive Directors and two Non- Executive Directors.

The Members who served on The Committee during the Financial Year 2025/26 are as follows:

Mr. P. Y. S. Perera - Chairman, Senior Independent Director

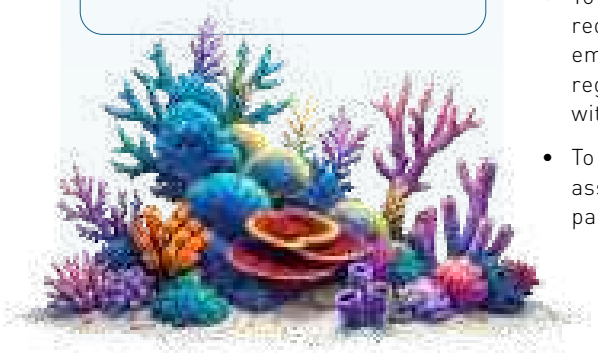
Mr. K. D. G. Gunaratne – Non Executive Director

Mr. S. C. Ganegoda – Non Executive Director

Mr. M. N. R. Fernando – Independent Non Executive Director

Ms. A. I. Wanigasekera – Independent Non Executive Director

Mr. T. A. B. Speldewinde - Independent Non Executive Director



ATTENDANCE AT COMMITTEE MEETINGS

The Committee met on a quarterly basis during the year under review.

Name of Committee Member	Date of Appointment to the Committee	No. of meetings attended
Mr. P. Y. S. Perera	May 16, 2024	4/4
Mr. K. D. G. Gunaratne	May 16, 2024	4/4
Mr. S. C. Ganegoda	May 16, 2024	4/4
Mr. M. N. R. Fernando	December 4, 2024	4/4
Ms. A. I. Wanigasekera	December 4, 2024	4/4
Mr. T. A. B. Speldewinde	November 13, 2025	2/2

Profiles of the Committee Members are given in Pages 58 to 61.

Hayleys Group Services (Private) Limited, the Secretary of the Company, serves 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

- Subject to the exemptions given in Rule 9.14.10 of the Listing Rules of the Colombo Stock Exchange, 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.
- To seek any information the Committee requires from the Management, employees or external parties with regard to any transaction entered into with a related party.
- To 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.
- To 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. The Terms of Reference of the Committee were reviewed by the Committee during the year under review.

DISCLOSURES

A detailed disclosure of all the related party transactions including recurrent and non-recurrent related party transactions which are required to be disclosed under Section 9.14.8 of the Listing Rules of the Colombo Stock Exchange has been made in Note 33 to the financial statements given in pages 557 to 558 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 476 of this Report.



P.Y.S. Perera

Chairman - Related Party Transactions Review Committee

May 18, 2026

Statement by the Senior Independent Director

I was appointed as Senior Independent Director (SID) of Dipped Products PLC ('the Company') in December 2024. In compliance with the Section 9.6.3 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka, I continue in that role since the Chairman of the Company is an Executive Director.

ROLE OF THE SENIOR INDEPENDENT DIRECTOR

The 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 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 was 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, and I am pleased to state that the recommendations made were duly addressed by the Company.

The Company follows a policy of strict compliance with mandatory requirements while embracing voluntary adherence, to enhance stakeholder acceptance and make 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.



P.Y.S. Perera
Senior Independent Director

May 19, 2026

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 reviews 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 following Independent, Non-Executive Directors served on the Committee during the Financial Year 2025/26:

Mr. P. Y. S. Perera - Chairman, Senior Independent Director

Mr. M. N. R. Fernando - Independent Non-Executive Director

Ms. A. I. Wanigasekera - Independent Non-Executive Director

Mr. T. A. B. Speldewinde - Independent Non-Executive Director (appointed to the Committee w.e.f. 13.11.2025)



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 58 to 61 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, serves 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 was revised during the year under review to include oversight responsibilities on Sustainability and ESG related reporting.

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 on a quarterly basis during the year 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	Date of Appointment to the Committee	No. of meetings attended
Mr. P. Y. S. Perera	May 16, 2024	4/4
Mr. M. N. R. Fernando	January 03, 2024	4/4
Ms. A. I. Wanigasekera	December 04, 2024	4/4
Mr. T. A. B. Speldewinde	November 13, 2025	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 Report

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, External Auditor and Internal Auditor as necessary to carry out the assigned duties.

ACTIVITIES IN 2025/26

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 Directors in charge of operating units and the Chief Financial Officer of the Company and the Group. 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 recognized 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 requirements are met.

During the year, the Committee reviewed and monitored reports furnished by the Company including the Certificate of Compliance attested by the Managing Director and the CFO of the Company, confirming compliance with all applicable statutory and regulatory requirements.

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 who are the Internal Auditors of the Company and the Group 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. Five internal audits were performed during the financial year 2025/26.

RISK MANAGEMENT

The Committee obtained and reviewed the Key Business Risks Dashboard prepared by the Company identifying their major business risks, and mitigation action taken or contemplated for the management of these risks and a progress update every quarter. The COSO Enterprise Risk Reporting Process is presently being implemented within the Group.

The Committee maintains a close oversight of the information security systems of the Company and the Group to ensure that its digital infrastructure remains resilient against external threats and internal vulnerabilities.

The Committee also reviewed Environmental, Social, and Governance (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 and potential cyber risks in the Group, and appropriate remedial actions were recommended to Management and the Board.

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 Audit Plan, detailing the nature, approach and scope of the audit. Before the conclusion of the audit, the Committee met with the External Auditors and Management to consider the results of the audit. The External Auditor's Management Letter on the audit of the Group Entities were discussed with the External Auditor and Management. 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.

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 provides the opportunity for the External Auditor to meet the Audit Committee Members independently, if necessary.

The Committee obtained written representations 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 Auditor's takes place periodically. A rotation of the Audit Partner took place in 2025/26

APPOINTMENT OF EXTERNAL AUDITORS

The Audit Committee has recommended to the Board of Directors that Messrs. Ernst & Young, Chartered Accountants, continue as External Auditor's for the financial year ending March 31, 2027 after evaluating the scope, delivery of the audit, resources and the quality of the assurance initiatives taken during the financial year 2025/26.

COMPLIANCE

The Committee obtained written assurances from the Managing Director and CFO 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.



P. Y. S. Perera

Chairman - Audit Committee

May 18, 2026

Statement of Directors' Responsibility

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 the Company and the Group have 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 496 to 498 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 19, 2026

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 31st March 2026, 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 2023 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 496 to 498 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.

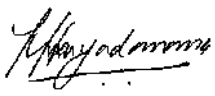
We confirm that, the Company and its subsidiaries have complied with all applicable laws, regulations and prudential requirements. There are no material non-compliances and there are no material litigations that are pending against the Group.



Mohan Pandithage
Chairman



Pushpika Janadheera
Managing Director



Amila Priyadarshana
Chief Financial Officer

May 19, 2026

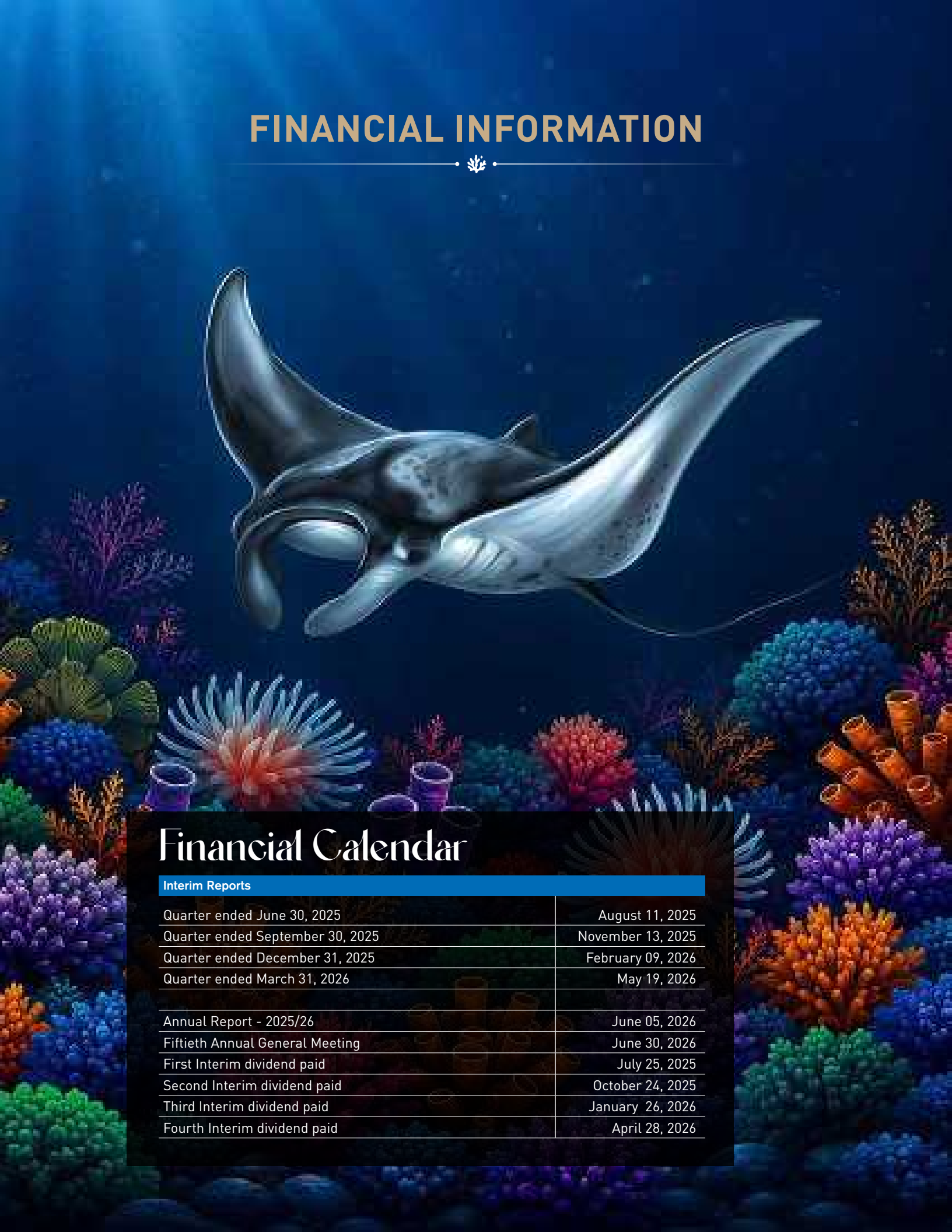


A Boundless Legacy

Among the most far-reaching contributors to a coral reef ecosystem is the manta ray, a creature that moves fluidly between the open ocean and reef environments, traversing vast distances while remaining deeply connected to the ecosystems that sustain and restore it. Feeding in the open ocean, the manta ray transports vital nutrients back to the reef, actively promoting coral growth. It returns with regularity to reef cleaning stations, where smaller fish remove parasites and maintain its health, reflecting a relationship of mutual dependence that reinforces the reef's continuity and resilience.

At DPL, our financial performance connects the ecosystem we have built in Sri Lanka to the global markets and industries we serve. Through disciplined financial stewardship, prudent investment, and sustained performance, we continue to channel value across our operations, people and partnerships, reinforcing the resilience, stability and long-term continuity of the Company.

FINANCIAL INFORMATION



Financial Calendar

Interim Reports	
Quarter ended June 30, 2025	August 11, 2025
Quarter ended September 30, 2025	November 13, 2025
Quarter ended December 31, 2025	February 09, 2026
Quarter ended March 31, 2026	May 19, 2026
Annual Report - 2025/26	June 05, 2026
Fiftieth Annual General Meeting	June 30, 2026
First Interim dividend paid	July 25, 2025
Second Interim dividend paid	October 24, 2025
Third Interim dividend paid	January 26, 2026
Fourth Interim dividend paid	April 28, 2026

Independent Auditor's Report



[redacted]

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 2026, 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 2026, 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 recognized revenue from contracts with customers amounting to Rs. 82,044Mn, as disclosed in Notes 2.17.1 and 3 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 recognized to revenue. We also assessed the adequacy of the related disclosures set out in Notes 2.17.1 and 3 to the financial statements.

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. 5,051 Mn and represented 12% of the Group's total liabilities as of 31 March 2026. The value of retirement benefit obligation was based on the actuarial valuation carried out by an external actuary engaged by the Group. This was a key audit matter due to: ▪ The materiality of the reported retirement benefit obligation balance; and ▪ Changes in Key assumptions could result material movements in the recognized liability. Key areas of assumptions, judgements 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 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.

Other Information included in the 2026 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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.

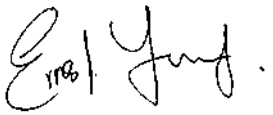
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken 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 3755.



May 19, 2026
Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), 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, 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 FCA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

Principals: T P M Ruberu FCMA FCCA MBA, 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 2026 Rs.'000	Group 2025 Rs.'000	Company 2026* Rs.'000	Company 2025 Rs.'000
Revenue from contracts with customers	3	82,044,127	79,288,552	16,514,159	9,385,267
Cost of sales		(64,065,192)	(62,724,264)	(11,339,207)	(6,689,449)
Gross profit		17,978,935	16,564,288	5,174,952	2,695,818
Other income and gains	4	958,985	1,303,493	436,515	670,535
Distribution costs		(2,170,296)	(2,012,670)	(182,051)	(87,387)
Administrative expenses		(9,961,082)	(8,683,199)	(2,542,441)	(1,612,977)
Finance cost	5.1	(1,004,114)	(972,431)	(297,640)	(169,680)
Finance income	5.2	1,010,906	629,228	131,180	70,874
Share of profit from equity accounted investee (Net of tax)	17	20,881	7,181	-	-
Profit before tax	6	6,834,215	6,835,890	2,720,515	1,567,183
Tax expense	7	(2,211,105)	(1,802,371)	(700,011)	(105,319)
Profit for the year		4,623,110	5,033,519	2,020,504	1,461,864
Attributable to:					
Equity holders of the parent		3,520,907	3,875,458	2,020,504	1,461,864
Non-controlling interest		1,102,203	1,158,061	-	-
		4,623,110	5,033,519	2,020,504	1,461,864
Basic earnings per share (Rs.)	8	5.88	6.47	3.38	2.44
Diluted earnings per share (Rs.)	8	5.88	6.47	3.38	2.44
Dividends per share (Rs.)	9	2.13	1.90	2.13	1.90

*The current period includes post amalgamation results of D P L Premier Gloves Limited (Note 15.2) which affects comparability with prior period.

Figures in brackets indicate deductions.

The Notes on pages 507 to 568 form an integral part of the Financial Statements.

Statement of Comprehensive Income

Year ended March 31,	Notes	Group 2026 Rs.'000	Group 2025 Rs.'000	Company 2026* Rs.'000	Company 2025 Rs.'000
Profit for the year		4,623,110	5,033,519	2,020,504	1,461,864
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		752,676	229,005	4	(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	25.1/26	2,807	(491,049)	(7,574)	(19,862)
Tax effect on actuarial gain/(loss)	7.2/18.2	11,974	140,252	2,272	5,959
Net gain on equity instruments designated at Fair Value through Other Comprehensive Income	16.1/16.2.1	44,215	12,447	-	-
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)		811,672	18,132	(5,298)	51,295
Total comprehensive income for the year (net of tax)		5,434,782	5,051,651	2,015,206	1,513,159
Attributable to:					
Equity holders of the parent		4,323,559	4,036,016	2,015,206	1,513,159
Non-controlling interest		1,111,223	1,015,635	-	-
Total comprehensive income for the year (net of tax)		5,434,782	5,051,651	2,015,206	1,513,159

*The current period includes post amalgamation results of D P L Premier Gloves Limited (Note 15.2) which affects comparability with prior period.

Figures in brackets indicate deductions.

The Notes on pages 507 to 568 form an integral part of the Financial Statements.

Statement of Financial Position

Year ended March 31,	Notes	Group 2026 Rs.'000	Group 2025 Rs.'000	Company 2026* Rs.'000	Company 2025 Rs.'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	10	35,656,551	30,106,785	8,908,471	2,683,620
Formers (moulds)	11	1,155,713	943,511	747,364	319,915
Biological assets	12	1,696,525	1,651,025	-	-
Right of use assets	13	2,768,459	2,226,241	982,059	218,737
Intangible assets	14	676,907	717,748	-	-
Investments in subsidiaries	15.1	-	-	7,586,052	8,886,052
Other non-current financial assets	16	2,844,038	442,049	1,347	117
Investments in equity accounted investee	17	167,920	147,039	-	-
Deferred tax assets	18.1	124,866	212,117	31,818	117,776
		45,090,979	36,446,515	18,257,111	12,226,217
Current Assets					
Inventories	19	14,862,380	13,935,238	3,408,030	1,548,835
Trade and other receivables	20	16,400,105	13,352,185	4,913,789	2,413,328
Advances and prepayments		3,682,104	1,783,066	2,120,596	271,190
Amounts due from subsidiaries	21	-	-	887,822	732,438
Cash and short term deposits		5,976,452	9,098,676	337,782	776,878
		40,921,041	38,169,165	11,668,019	5,742,669
Total assets		86,012,020	74,615,680	29,925,130	17,968,886
EQUITY AND LIABILITIES					
Equity					
Stated capital	22	598,615	598,615	598,615	598,615
Other components of equity		857,803	825,778	332,353	332,353
Revenue reserves		33,370,574	30,354,090	15,625,607	9,802,505
Equity attributable to equity holders of the parent		34,826,992	31,778,483	16,556,575	10,733,473
Non-controlling interest		8,685,221	7,852,737	-	-
Total equity		43,512,213	39,631,220	16,556,575	10,733,473
Non-Current Liabilities					
Interest-bearing loans and borrowings	23.1	7,414,612	3,820,982	2,451,008	223,250
Deferred income	24	819,037	849,174	-	-
Defined benefit obligations	25.2	5,051,048	4,736,991	1,056,289	879,453
Agents' indemnity fund	26	168,654	140,966	-	-
Deferred tax liabilities	18.2	2,998,176	2,758,394	-	-
		16,451,527	12,306,507	3,507,297	1,102,703
Current Liabilities					
Trade and other payables	27	14,828,579	13,883,559	4,220,301	2,616,698
Interest-bearing loans and borrowings	23.2	10,197,797	8,192,783	3,818,128	2,289,432
Amounts due to subsidiaries	28	-	-	1,097,554	1,123,720
Income tax payable	29.2	1,021,904	601,611	725,275	102,860
		26,048,280	22,677,953	9,861,258	6,132,710
Total liabilities		42,499,807	34,984,460	13,368,555	7,235,413
Total equity and liabilities		86,012,020	74,615,680	29,925,130	17,968,886

*The current period includes post amalgamation results of D P L Premier Gloves Limited (Note 15.2) which affects comparability with prior period.

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 507 to 568 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

Pushpika Janadheera
Managing Director

Colombo
May 19, 2026

Statement of Changes in Equity

Year ended March 31,	Attributable to Equity holders of the Parent												
	Stated Capital	Other Components of Equity				Revenue Reserves					Total	Non-Controlling Interest	Total Equity
		Reserve on Scrip Issue	Revaluation Reserves	Other Capital Reserves	Fair Value Reserve of Financial Assets at Fair Value Through Other Comprehensice Income	General Reserve	Timber Reserve	Bearer Biological Produce Reserve	Retained Earnings	Exchange Fluctuation Reserve			
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
Balance as at April 1, 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
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	-	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.

Reserve on Script Issue represents reserves capitalised in lie of bonus issues of shares.

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 507 to 568 form an integral part of the financial statements.

Year ended March 31,	Attributable to Equity holders of the Parent										Total	Non-Controlling Interest	Total Equity
	Stated Capital	Other Components of Equity				Revenue Reserves							
		Reserve on Scrip Issue	Revaluation Reserves	Other Capital Reserves	Fair Value Reserve of Financial Assets at Fair Value Through Other Comprehensice Income	General Reserve	Timber Reserve	Bearer Biological Produce Reserve	Retained Earnings	Exchange Fluctuation Reserve			
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
Balance as at April 1, 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
											-		
Profit for the year	-	-	-	-	-	-	17,409	(9,424)	3,512,922	-	3,520,907	1,102,203	4,623,110
Other comprehensive income													
Currency translation of foreign operations	-	-	-	-	-	-	-	-	-	741,944	741,944	10,732	752,676
Net gain/(loss) on equity instrument designated at fair value through OCI	-	-	-	-	32,025	-	-	-	-	-	32,025	12,190	44,215
Actuarial gain/(loss) on defined benefit plans	-	-	-	-	-	-	-	-	23,163	-	23,163	(20,356)	2,807
Tax effect on actuarial loss on defined benefit plans	-	-	-	-	-	-	-	-	5,520	-	5,520	6,454	11,974
Total other comprehensive income	-	-	-	-	32,025	-	-	-	28,683	741,944	802,652	9,020	811,672
Total comprehensive income for the year	-	-	-	-	32,025	-	17,409	(9,424)	3,541,605	741,944	4,323,559	1,111,223	5,434,782
Transactions with owners, recorded directly in equity													
Dividends to equity holders	-	-	-	-	-	-	-	-	(1,275,050)	-	(1,275,050)	(278,739)	(1,553,789)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(1,275,050)	-	(1,275,050)	(278,739)	(1,553,789)
Balance as at March 31, 2026	598,615	167,409	423,588	137,607	129,199	1,190,950	440,301	25,438	27,163,875	4,550,009	34,826,992	8,685,221	43,512,213

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.

Reserve on Script Issue represents reserves capitalised in lie of bonus issues of shares.

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 507 to 568 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, 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
Tax effect on land revaluation	-	(28,318)	-	-	-	(28,318)
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
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
Balance as at April 01, 2025	598,615	332,173	180	(878)	9,803,383	10,733,473
Profit for the year	-	-	-	-	2,020,504	2,020,504
Other comprehensive income						
Currency translation of foreign operations	-	-	-	4	-	4
Actuarial gain on defined benefit plans	-	-	-	-	(7,574)	(7,574)
Tax effect on actuarial gain/(loss) on defined benefit plans	-	-	-	-	2,272	2,272
Total other comprehensive income	-	-	-	4	(5,302)	(5,298)
Total comprehensive income for the year	-	-	-	4	2,015,202	2,015,206
Transactions with owners, recorded directly in equity						
Dividends to equity holders	-	-	-	-	(1,275,050)	(1,275,050)
Transfer on amalgamation (Note 15.2)	-	-	-	-	5,082,946	5,082,946
Total transactions with owners, recorded directly in equity	-	-	-	-	3,807,896	3,807,896
Balance as at March 31, 2026	598,615	332,173	180	(874)	15,626,481	16,556,575

Figures in brackets indicate deductions.

The Notes on pages 507 to 568 form an integral part of the Financial Statements.

Statement of Cash Flows

Year ended March 31,	Notes	Group 2026 Rs.'000	Group 2025 Rs.'000	Company 2026 Rs.'000	Company 2025 Rs.'000
Cash flows from/(used in) operating activities					
Cash generated from operations (Note A)		6,645,613	9,471,903	1,714,702	1,500,185
Interest paid	5.1	(971,518)	(791,461)	(297,640)	(169,680)
Taxes paid	29.2	(1,339,288)	(1,398,279)	(350,338)	(136,993)
Retiring gratuity paid	25.2	(517,452)	(560,086)	(60,012)	(125,909)
Release in defined benefit obligation due to employee transfers	25.2	(2,886)	244	(1,897)	314
Agents' indemnity paid	26	(1,217)	(195)	-	-
Net cash flow from operating activities		3,813,252	6,722,126	1,004,815	1,067,917
Cash flows from/(used in) investing activities					
Purchase & construction of property, plant and equipment		(7,845,344)	(4,406,581)	(3,936,098)	(758,429)
Purchase of formers (moulds)	11	(385,801)	(363,521)	(231,120)	(146,815)
Acquisition of intangible assets	14	(22,071)	(84,773)	-	-
Grants received	24	19,287	24,715	-	-
Proceeds from disposal of property, plant and equipment		58,011	88,473	7,300	280
Development cost (net) incurred on biological assets net of harvest	12	31,859	22,452	-	-
Interest received	5.2	621,397	577,097	19,125	58,931
Dividend received from subsidiary companies	4	-	-	335,500	593,500
Investments in group companies	15.1	-	-	-	(1,500,000)
Net cash and bank balance acquired on amalgamation		-	-	738,083	-
Net Investment in other non current financial assets		(2,357,774)	-	(1,147)	-
Acquisition of right of use assets		(220,925)	-	(220,924)	-
Acquisition of subsidiary net of cash and short term borrowings	15.3	-	(1,555,103)	-	-
Net cash flows from investing activities		(10,101,361)	(5,697,241)	(3,289,281)	(1,752,533)
Cash flows from/(used in) financing activities					
Long term loans obtained	23.1.1	5,075,238	986,154	2,000,000	-
Repayment of long term loans	23.1.1	(1,977,367)	(1,981,535)	(366,105)	(366,105)
Capital payment on lease liabilities	23.1.2	(105,239)	(51,322)	(62,547)	(7,641)
Dividend paid to equity holders of the parent		(1,396,825)	(771,795)	(1,396,825)	(771,795)
Dividend paid to shareholders with non-controlling interest		(278,739)	(365,918)	-	-
Net movement of short term loans	15.3/23.2	1,146,787	(729,969)	734,525	394,562
Net cash flows from financing activities		2,463,855	(2,914,385)	909,048	(750,979)
Net increase / (decrease) in cash & cash equivalents		(3,824,254)	(1,889,500)	(1,375,418)	(1,435,595)
Cash & cash equivalents at the beginning of the year		6,404,355	8,293,855	(268,300)	1,167,295
Cash & cash equivalents at the end of the year (Note B)		2,580,101	6,404,355	(1,643,718)	(268,300)

Statement of Cash Flows

Year ended March 31,	Notes	Group 2026 Rs.'000	Group 2025 Rs.'000	Company 2026 Rs.'000	Company 2025 Rs.'000
A. Cash generated from operations					
Profit before tax		6,834,215	6,835,890	2,720,515	1,567,183
Adjustments for:					
Interest cost	5.1	971,518	791,461	297,640	169,680
Share of (profit) of equity accounted investees	17	(20,881)	(7,181)	-	-
Loss/(Gain) on change in fair value of produce on bearer biological assets	19.1	16,058	(16,768)	-	-
Gain on fair value change in consumable biological assets	12	(110,291)	(142,455)	-	-
Depreciation on property, plant and equipment	10	2,788,495	2,129,513	486,139	210,252
Write off of property, plant and equipment	10	49,532	-	-	-
Depreciation on right of use assets	13	213,839	139,050	85,231	11,725
Impairment of formers	11	145,774	123,256	60,852	24,620
Write-off & breakages of formers	11	31,579	28,868	15,905	9,973
Amortisation of intangible assets	14	85,115	49,407	-	-
(Gain)/Loss on disposal of property, plant & equipment	4	(30,036)	(41,502)	(7,300)	1,858
Impairment / (reversal) on investment and other amounts due	15.1.1	-	-	(150,000)	-
Amortisation of grants	24	(49,424)	(62,244)	-	-
Impairment provision for / (reversal) of bad & doubtful debts	20.1	17,464	(118,750)	(18,308)	(25,356)
Provision for retiring gratuity	25.2	794,988	772,260	168,065	147,597
Provision for agents' indemnity fund	26	11,671	10,638	-	-
Provision for slow-moving / obsolete inventories	19.2	129,393	15,630	42,431	15,573
Interest and dividend income	4/5.2	(621,397)	(577,097)	(354,625)	(652,431)
Differences of exchange on translation of foreign entities		380,176	104,471	19,729	(878)
Gain on bargain purchase on acquisition	4	-	(370,271)	-	-
		11,637,788	9,664,176	3,366,274	1,479,796
(Increase) / decrease in trade and other receivables		(3,068,839)	(954,913)	(156,228)	99,381
(Increase) / decrease in advances and prepayments		(1,899,038)	(214,149)	(1,607,254)	45,342
(Increase) / decrease in inventories		(1,072,593)	(2,161,715)	(729,437)	(336,446)
Increase / (decrease) in trade and other payables		1,048,294	3,138,504	841,347	212,112
		(4,992,176)	(192,273)	(1,651,572)	20,389
		6,645,613	9,471,903	1,714,702	1,500,185
B Analysis of cash & cash equivalents at end of the period					
Cash at bank and in hand		1,561,695	2,380,801	337,782	776,878
Short term deposits		4,414,757	6,717,875	-	-
Bank overdraft	23.2	(3,396,351)	(2,694,321)	(1,981,500)	(1,045,178)
		2,580,101	6,404,355	(1,643,718)	(268,300)

The Notes on pages 507 to 568 form an integral part of the Financial Statements.

The figures in brackets indicate deductions

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

1.1 Reporting Entity

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.

1.2 Consolidated Financial Statement

The Consolidated Financial Statements of Dipped Products PLC, as at and for the year ended March 31, 2026 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, 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.

1.3 Nature of Operations and Principal Activities of the Company and Group

Descriptions of the nature of the operations and principal activities of the Company and its Subsidiaries are given on the pages 579 and 580. 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.

1.4 Approval of Financial Statements

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, 2026 were authorised for issue by the Directors on May 19, 2026.

1.5 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.

1.6 Basis of Preparation

1.6.1 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.

1.6.2 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.

1.6.3 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.

1.6.4 Materiality and Aggregation

Each material class of similar items is presented separately in the Consolidated Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

1.6.5 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.

1.6.6 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.

The presentation and classification of the Financial Statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.

1.6.7 Rounding

All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand (Rs'000), except when otherwise indicated.

1.6.8 Offsetting

Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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.

2.1.2 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 include 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.

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 acquire 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.

Business Combinations Under Common Control

Business combinations involving entities under common control are outside the scope of SLFRS 3 – Business Combinations. Accordingly, such transactions are accounted for using the pooling of interests (predecessor accounting) method in accordance with the accounting policy developed under LKAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

Under the pooling of interests method:

- assets and liabilities are recognised at their existing carrying amounts without any fair value adjustments;
- no goodwill or gain on bargain purchase is recognised;
- inter-company balances and transactions between the combining entities are eliminated / settled;
- the results of the combining entities are recognised from the effective date of the transaction.

Comparative information is not restated as the Group's accounting policy is to account for common control transactions prospectively from the effective date of the transaction unless otherwise determined based on the nature and materiality of the transaction.

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 ICOGUANTI 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
- It dose 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.

2.4.5 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.

2.4.6 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 contents 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 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.

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.

Basis of Measurement

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.

Useful Economic Life and Amortisation

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.

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

2.6.1 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 Other intangible assets

Other intangible assets which are acquired by the Group, with finite useful lives, are measured on initial recognition at cost. Following initial recognition ERP systems are carried at cost less accumulated amortisation and accumulated impairment losses.

2.6.3 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.

2.6.4 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.

Infilling costs that are not capitalised have been charged to the Statement of Profit or Loss in the year in which they are incurred.

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;

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.

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.

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 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.

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

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

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. Key assumptions used in determining the defined retirement benefit obligations are given in Note 25. Any changes in these assumptions will impact the carrying amount of defined benefit obligations. Actuarial gains or losses are recognised in full in the Other Comprehensive Income.

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.

2.15 Capital Commitments and Contingencies

Capital commitments and contingent liabilities of the Group are disclosed in the respective Notes 31 & 32 to the Financial Statements.

2.16 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.

2.17 Statements of Profit or Loss

For the purpose of presentation of the Statement of Profit or Loss, the function of expenses method is adopted.

2.17.1 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.

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.`

2.17.2 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.

2.17.3 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.

2.17.4 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

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.

2.18 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.

2.19 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.

2.20 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

2.21 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.

2.22 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.

2.23 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.

SLFRS 18 Presentation and Disclosure in Financial Statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations. In addition,

SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

SLFRS 19 Subsidiaries without public accountability:

Disclosures SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles.

The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high-quality, consistent, and comparable for users.

SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The entity is not eligible to apply for SLFRS 19.

Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments - particularly features such as sustainability linked terms and nature dependent electricity contracts.

These amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early application is permitted.

The amendments are not expected to have a material impact on the financial statements

2.24 Critical Accounting Estimates and Judgements

The preparation of Financial Statements in conformity with SLFRS/LKAS's requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Judgements 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 judgements 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 judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes.

2.24.1 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.

2.24.2 Measurement of the recoverable amount of cash-generating units containing goodwill

The Group tests annually whether goodwill requires impairment, in accordance with the accounting policy stated in Note 14. The basis of determining the recoverable amounts of cash generating units and key assumptions used are given in Note 14 to the Financial Statements.

2.24.3 Taxation

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 upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

On this basis, the Group has determined that it cannot recognise deferred tax assets on tax losses carried forward and described in Note 18 to the Financial Statements.

2.24.4 Measurement of the employee benefit obligations

The present value of the employee benefit obligations is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates. Further details about employee benefit obligation are provided in Note 25 to the Financial Statements.

2.24.5 Revaluation of property, plant and equipment and investment properties

The Group measures the freehold land (classified as property, plant and equipment) at revalued amounts, with changes in fair value being recognised in OCI. The freehold lands were valued by reference to transactions involving properties of a similar nature, location and condition.

The Group engaged valuation specialists to assess fair values as at 31 March 2025 for the freehold lands. The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Note 10 and 34 to the Financial Statements.

2.24.6 Valuation of inventories

The Group has applied judgment in the determination of impairment in relation to inventories that are slow moving or obsolete. The Group's impairment assessment in relation to such inventories take into account factors such as the use of significant judgement over identifying inventories requiring write down to NRV, including consideration of product life cycles, nature of inventories, future inventory demand and quality/ grading assessments, and the existence of significant estimates applied in the determination of NRV, considering expected sales prices and allowance policies based on historical sales.

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Year ended March 31,	Group 2026 Rs.'000	Group 2025 Rs.'000
Hand Protection (Note 3.1)	51,124,308	46,396,879
Plantations (Note 3.2)	31,243,579	33,143,701
	82,367,887	79,540,580
Inter-group sales/services	(323,760)	(252,028)
	82,044,127	79,288,552

3.1 Hand Protection

Year ended March 31,	Group 2026 Rs.'000	Group 2025 Rs.'000
Sale of Manufactured Goods		
Dipped Products PLC	16,445,400	9,216,846
Dipped Products (Thailand) Ltd	7,824,884	7,600,609
Hanwella Rubber Products Ltd	7,587,780	5,799,216
D P L Premier Gloves Ltd (2026 - From 01/04/2025 to 31/07/2025)	3,633,996	8,963,011
D P L Universal Gloves Ltd	4,095,233	4,032,399
Hi-Care Thai Gloves Co. Ltd	1,620,265	439,890
	41,207,558	36,051,970
Rendering of Services		
Dipped Products PLC	68,759	168,421
Dipped Products India (Private) Limited	20,863	22,269
Distribution Operations		
ICOGUANTI S.p.A	9,332,862	8,240,426
DPL France SAS	2,379,430	2,705,796
ROZENBAL POLSKA Sp.z.o.o	950,806	991,758
Dipped Products India (Private) Limited	361,003	98,142
Feltex (Pvt) Ltd	3,998	-
	54,325,279	48,278,782
Intra-group sales/services	(3,200,971)	(1,881,903)
	51,124,308	46,396,879

3.2 Plantations

Year ended March 31,	Group 2026 Rs.'000	Group 2025 Rs.'000
Sale of Plantation Produce	8,850,742	8,308,708
Sale of Manufactured Goods	22,470,171	24,797,957
Generation of Hydro Power	94,020	120,409
Hospitality Services	58,663	82,966
	31,473,596	33,310,040
Intra-group sales/services	(230,017)	(166,339)
	31,243,579	33,143,701

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 2026 Rs.'000	Group 2025 Rs.'000	Company 2026 Rs.'000	Company 2025 Rs.'000
Contract assets				
Trade receivables (Note 20)	14,345,804	12,325,178	4,533,390	2,392,801
Contract liabilities				
Advances received (Note 27)	1,605,082	1,612,434	1,065,178	1,143,160

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 2026 Rs.'000	Group 2025 Rs.'000	Company 2026 Rs.'000	Company 2025 Rs.'000
Gain on disposal of property, plant and equipment	30,036	41,502	7,300	-
Lease rental income	84,310	68,545	-	-
Amortisation of Government grants (Note 24)	49,424	62,243	-	-
Gain on fair value change in consumable biological assets (Note 12)	110,291	142,455	-	-
Dividend income	-	-	335,500	593,500
Hydro Power/ Solar Income	62,298	94,346	40,486	37,713
Sundry income	622,626	524,131	53,229	39,322
Gain on bargain purchase on acquisition (Note 15.3)	-	370,271	-	-
	958,985	1,303,493	436,515	670,535

GRI 201-1, 201-2, 201-3, 201-4

5. FINANCE COSTS/INCOME

5.1 Finance Cost

Year ended March 31,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest on short-term borrowings	385,091	283,031	202,760	89,689
Interest on long-term borrowings	246,281	225,070	44,422	74,132
Interest on leases liabilities	340,146	283,360	50,458	5,859
Exchange loss	32,596	180,970	-	-
	1,004,114	972,431	297,640	169,680

5.2 Finance Income

Year ended March 31,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest income	621,397	577,097	19,125	58,931
Exchange gain	389,509	52,131	112,055	11,943
	1,010,906	629,228	131,180	70,874

6. PROFIT BEFORE TAX

Profit before tax is stated after charging all expenses including the following.

Year ended March 31,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Directors' emoluments	774,110	602,403	311,925	234,987
Staff costs (Note 6.1)	18,840,121	16,935,156	2,575,244	1,431,788
Staff training and development cost	26,402	24,669	7,480	9,410
Depreciation and amortisation of property, plant and equipment (Note 10)	2,788,495	2,129,513	486,139	210,252
Impairment of formers (moulds) (Note 11)	145,774	123,256	60,852	24,620
Depreciation on right of use assets (Note 13)	213,839	139,050	85,231	11,725
Amortisation of intangible assets (Note 14)	85,115	49,407	-	-
Auditors' remuneration				
Audit services	67,016	63,944	5,600	3,772
Non-audit services	15,715	9,231	4,073	1,666
Provision for/(reversal of) impairment of trade receivables (Note 20.1)	17,464	(118,750)	(18,308)	(25,356)
Provision for impairment of slow moving inventories/obsolete inventories (Note 19.2)	129,393	15,630	42,431	15,573
Legal fees	82,436	84,633	7,209	2,150
Donations	2,087	3,289	-	-

GRI 201-1, 201-2, 201-3, 201-4

6.1 Staff Costs

Year ended March 31,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Defined contribution plan cost	1,460,408	1,308,575	199,705	153,904
Defined benefit plan costs	794,988	772,260	168,065	147,597
Staff costs - others	16,584,725	14,854,321	2,207,474	1,130,287
	18,840,121	16,935,156	2,575,244	1,431,788
No. of employees at year - end	18,207	18,345	1,342	516

7. TAX EXPENSE

7.1 Income Statement

Year ended March 31,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Income tax on current year profits (Note 7.3)	1,742,668	1,386,010	715,684	190,519
Under/(over) provision in respect of previous years	54,007	(14,496)	3,387	(7,764)
	1,796,675	1,371,514	719,071	182,755
Deferred tax expense / (reversal) (Note 18.2)	332,173	322,603	(19,060)	(77,436)
Withholding tax on dividends	82,257	108,254	-	-
	2,211,105	1,802,371	700,011	105,319

7.2 Statement of Other Comprehensive Income

Year ended March 31,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Deferred tax effect on actuarial (gain)/loss on defined benefit obligation (Note 18.2)	(11,974)	(140,252)	(2,272)	(5,959)
Land revaluation (Note 18.2)	-	42,268	-	28,318
	(11,974)	(97,984)	(2,272)	22,359

7.3 Reconciliation of accounting profit to income tax expense

Year ended March 31,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit before tax	6,834,215	6,835,890	2,720,515	1,567,183
Intra-group eliminations	887,224	1,252,346	-	-
	7,721,439	8,088,236	2,720,515	1,567,183
Disallowable expenses	4,722,450	5,442,425	1,080,160	322,233
Tax deductible expenses	(6,541,474)	(5,813,446)	(1,048,411)	(660,353)
Tax exempt income	(864,560)	(1,273,021)	(335,500)	(593,500)
Tax loss brought forward	(3,421,867)	(2,886,166)	-	-
Tax loss carried forward	4,282,792	1,016,404	-	-
Taxable income	5,898,780	4,574,432	2,416,764	635,563

Year ended March 31,	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Income tax - 15%	9,345	-	9,345	-
Income tax - 20%	108,223	12,502	-	-
Income tax - 30%	1,526,423	1,353,276	706,339	190,519
Income tax - other tax rates	98,677	20,232	-	-
Income tax on current year profits	1,742,668	1,386,010	715,684	190,519
Effective tax rate	25%	20%	26%	12%

According to the Inland Revenue (Amendment) Act, No. 45 of 2022, Business Income is subject to tax at the rate of 30% and foreign service income is subject to tax at the rate of 15%, other than the 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	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Amount used as the Numerator:				
Net profit attributable to the equity holders of the parent	3,520,907	3,875,458	2,020,504	1,461,864
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.)	5.88	6.47	3.38	2.44

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			
	2026		2025	
	Per share Rs.	Rs.'000	Per share Rs.	Rs.'000
First interim dividend	0.25	149,654	0.25	149,654
Second interim dividend	0.61	365,155	0.45	269,377
Third interim dividend	0.51	305,294	0.35	209,515
Fourth interim dividend	0.76	454,947	0.85	508,823
Gross dividend		1,275,050		1,137,369
Number of shares		598,615,120		598,615,120
Dividend per share	2.13		1.90	

Out of the total dividend distribution of Rs. 2.13 per share, Rs. 0.37 per share (2025: Rs. 1.90 per share) comprised redistributed dividend income received by the Company.

10. PROPERTY, PLANT & EQUIPMENT

10.1 Group

As at March 31,	Group										
	Land	Mature/ Immature Plantations	Buildings	Plant & Machinery	Stores Equipment	Laboratory Equipment	Office and Canteen Equipment	Furniture and Fittings	Motor Vehicles	2026 Total	2025 Total
	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 the beginning of the year	1,863,213	13,539,239	8,833,030	20,163,617	1,536,537	311,825	617,591	1,063,225	1,591,414	49,519,691	40,674,682
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	4,391,399
Effect of movement in foreign exchange	65,820	-	307,208	863,615	60,597	7,698	21,626	18,390	7,135	1,352,089	543,382
Additions	137,025	1,088,535	642,841	2,192,804	94,337	47,555	137,168	256,818	598,404	5,195,487	4,039,080
Revaluation	-	-	-	-	-	-	-	-	-	-	169,745
Disposals	-	(58,161)	(5,069)	(32,271)	(2,234)	-	-	(13,189)	(81,658)	(192,582)	(313,359)
Write-off during the Year	-	(49,532)	-	-	-	-	-	-	-	(49,532)	-
Reclassifications	-	-	(18,782)	18,782	-	-	-	-	-	-	
Transfers (Note 14)	-	-	-	-	-	-	-	-	-	-	(19,806)
Transfer from/(to) consumable (Note 12)	-	32,932	-	-	-	-	-	-	-	32,932	(24,752)
Borrowing cost capitalised	-	44,522	-	-	-	-	-	-	-	44,522	59,320
At the end of the year	2,066,058	14,597,535	9,759,228	23,206,547	1,689,237	367,078	776,385	1,325,244	2,115,295	55,902,607	49,519,691
Depreciation and Impairment											
At the beginning of the year	-	4,286,739	2,807,827	11,545,717	967,398	185,022	440,133	586,991	1,060,011	21,879,838	18,640,933
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	1,014,339
Effect of movement in foreign exchange	-	-	117,094	604,713	49,911	5,720	17,981	13,306	5,871	814,596	376,621
Charge for the year	-	443,165	416,672	1,291,267	161,799	51,035	79,964	205,858	138,735	2,788,495	2,129,513
Reclassifications	-	-	(474)	474	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	(15,181)
Disposals	-	(43,271)	(2,890)	(29,885)	(254)	-	-	(12,550)	(75,757)	(164,607)	(266,387)
At the end of the year	-	4,686,633	3,338,229	13,412,286	1,178,854	241,777	538,078	793,605	1,128,860	25,318,322	21,879,838
Net book value at year end	2,066,058	9,910,902	6,420,999	9,794,261	510,383	125,301	238,307	531,639	986,435	30,584,285	27,639,853
Capital work-in-progress (Note 10.3)										5,072,266	2,466,932
Carrying value of freehold property, plant and equipment										35,656,551	30,106,785

10.2 Company

As at March 31,	Company									
	Land	Buildings	Plant & Machinery	Stores Equipment	Laboratory Equipment	Office and Canteen Equipment	Furniture and Fittings	Motor Vehicles	2026 Total	2025 Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Freehold										
Cost/Valuation										
At the beginning of the year	423,760	469,531	1,940,240	171,017	147,068	199,415	92,629	145,876	3,589,536	3,218,806
Additions	-	105,029	650,846	36,715	41,557	64,921	92,540	116,169	1,107,777	376,065
Effect of movement in foreign exchange	-	-	-	-	-	-	312	-	312	-
Revaluation	-	-	-	-	-	-	-	-	-	94,394
Transfers on amalgamation	-	1,658,695	2,291,838	346,775	39,560	76,686	29,485	-	4,443,039	-
Disposals	-	-	(2,627)	-	-	-	-	(5,665)	(8,292)	(99,729)
At the end of the year	423,760	2,233,255	4,880,297	554,507	228,185	341,022	214,966	256,380	9,132,372	3,589,536
Depreciation and impairment										
At the beginning of the year	-	168,432	834,021	95,011	88,087	136,159	38,581	116,090	1,476,381	1,363,722
Effect of movement in foreign exchange	-	-	-	-	-	-	135	-	135	-
Charge for the year	-	75,934	230,678	67,853	28,019	32,282	23,552	27,821	486,139	210,252
Transfers on amalgamation	-	329,575	1,277,818	185,049	25,910	43,095	9,740	-	1,871,187	-
Disposals	-	-	(2,627)	-	-	-	-	(5,665)	(8,292)	(97,593)
At the end of the year	-	573,941	2,339,890	347,913	142,016	211,536	72,008	138,246	3,825,550	1,476,381
Net book value	423,760	1,659,314	2,540,407	206,594	86,169	129,486	142,958	118,134	5,306,822	2,113,155
Capital work-in-progress (Note 10.3)									3,601,649	570,465
Carrying value of property, plant & equipment									8,908,471	2,683,620

10.3 Capital work in progress

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	2,466,932	1,937,574	570,465	188,100
Addition during the year	5,382,425	2,451,744	3,603,701	660,941
Capitalisation of borrowing cost	69,116	-	69,116	-
Acquisition of subsidiary	-	221,177	-	-
Transfer on amalgamation	-	-	202,863	-
Capitalised during the year	(2,846,207)	(2,143,563)	(844,496)	(278,576)
At the end of the year	5,072,266	2,466,932	3,601,649	570,465

The rate used to determine the amount of borrowing costs eligible for capitalisation was 7.70%, which is the weighted average rate applicable to the general borrowings of the Group/Company outstanding during the year.

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 2026	Land in Acres 2025	Written up as at 31-Mar-26 Rs.'000	Written up as at 31-Mar-25 Rs.'000
Dipped Products PLC	Brahmanagama, Kottawa (March 31,2025)	11.12	11.12	360,499	360,499
Dipped Products (Thailand) Limited	Khuan Niang, Songkhla (March 31,2025)	13.05	13.05	42,301	42,301
Mabroc Teas (Private) Limited	New Hunupitiya Road, Kiribathgoda (March 31,2025)	1.94	1.94	109,215	109,215
Hi care - Thai Gloves Co. Ltd	Chalung (Newly acquired and not yet revalued)	8.42	6.4	-	-

(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. 2,011,887,489/- (2025 - Rs. 893,520,153/-) and for the Group is Rs. 11,161,245,216/- (2025 - Rs. 9,053,982,025/-).

(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, 2026 is Rs. 3,040,596,571/- (2025- Rs, 2,392,252,420/-) and Rs. 6,870,305,429/- (2025- Rs, 6,860,247,580/-) respectively.

11. FORMERS (MOULDS)

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost				
At the beginning of the year	1,881,032	1,380,694	523,353	386,512
Additions	385,801	363,521	231,120	146,815
Acquisition of subsidiary	-	170,657	-	-
Transfer on amalgamation	-	-	441,598	-
Write off / breakage of formers	(50,889)	(48,652)	(15,905)	(9,973)
Effect of movement in foreign exchange	27,729	14,812	-	-
At the end of the year	2,243,673	1,881,032	1,180,166	523,353
Impairment				
At the beginning of the year	937,521	651,189	203,438	178,818
Acquisition of subsidiary	-	170,657	-	-
Transfer on amalgamation	-	-	168,512	-
Write off / breakage of formers	(19,310)	(19,784)	-	-
Charge for the year	145,774	123,256	60,852	24,620
Effect of movement in foreign exchange	23,975	12,203	-	-
At the end of the year	1,087,960	937,521	432,802	203,438
Net book value				
At the beginning of the year	943,511	729,505	319,915	207,694
At the end of the year	1,155,713	943,511	747,364	319,915

12. BIOLOGICAL ASSETS

	Group	
	2026	2025
	Rs.'000	Rs.'000
At the beginning of the year	1,651,025	1,506,271
Transfer (to)/from immature plantations (Note 10.1)	(32,932)	24,752
Increase due to development	17,839	33,102
Decrease due to harvest	(49,698)	(55,555)
Gain arising from changes in fair value less cost to sell	110,291	142,455
At the end of the year	1,696,525	1,651,025

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 and 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.Fathihu- 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.

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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
			2026	2025	
Consumable managed biological assets	DCF/Market approach	Discounting Rate	12.5%-14.5%	13%-15%	Higher the discount rate, lesser the fair value
		Optimum rotation (Maturity)	15-35 Years	15-25 Years	Lower the rotation period, higher the fair value
		Volume at rotation	15-190 cu.ft	23-530 cu.ft	Higher the volume, higher the fair value
		Price per cu.ft.	Rs.60/- to Rs.2,834/-	Rs.67/- to Rs.4,020/-	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, 2026	1,546,269	1,696,525	1,846,783
As at March 31, 2025	1,500,769	1,651,025	1,801,283

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, 2026	1,736,884	1,696,525	1,666,946
As at March 31, 2025	1,691,384	1,651,025	1,621,446

13. RIGHT OF USE ASSETS

Group	Land	Building	Mature/ Immature Plantation	Machinery & Equipments	Office Equipment	2026 Total	2025 Total
Carrying value	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**	**Rs.'000**
Cost							
At the beginning of the year	2,239,539	652,424	644,550	35,452	26,850	3,598,815	3,070,447
Addition	541,689	214,211	-	-	-	755,900	562,941
Derecognitions	(32,020)	(13,442)	-	-	-	(45,462)	(38,937)
On acquisition of subsidiaries	-	-	-	-	-	-	4,366
Effects of movements in foreign exchange	-	451	-	-	-	451	-
At the end of the year	2,749,208	853,644	644,550	35,452	26,850	4,309,704	3,598,815
Depreciation and Impairment							
At the beginning of the year	317,176	398,428	594,668	35,452	26,850	1,372,574	1,271,765
Charge for the year	103,761	102,616	7,462	-	-	213,839	139,050
Derecognitions	(32,020)	(13,442)	-	-	-	(45,462)	(38,937)
On acquisition of subsidiaries	-	-	-	-	-	-	696
Effects of movements in foreign exchange	-	294	-	-	-	294	-
At the end of the year	388,917	487,896	602,130	35,452	26,850	1,541,245	1,372,574
Carrying value of right of use assets	2,360,291	365,748	42,420	-	-	2,768,459	2,226,241

Company	Land	Building	2026 Total	2025 Total
	Rs.'000	**Rs.'000**	**Rs.'000**	**Rs.'000**
Cost				
At the beginning of the year	-	230,462	230,462	-
Transfer on amalgamation	344,265	51,121	395,386	-
Additions	428,244	82,640	510,884	230,462
At the end of the year	772,509	364,223	1,136,732	230,462
Depreciation and Impairment				
At the beginning of the year	-	11,725	11,725	-
Transfer on amalgamation	54,309	3,408	57,717	-
Charge for the year	15,202	70,029	85,231	11,725
At the end of the year	69,511	85,162	154,673	11,725
Carrying value of right of use assets	702,998	279,061	982,059	218,737

14. INTANGIBLE ASSETS

	Group						Company		
Carrying value	Goodwill Rs.'000	Development Cost Rs.'000	Computer Software Rs.'000	Trade Mark Rs.'000	2026 Rs.'000	2025 Rs.'000	Computer Software Rs.'000	2026 Rs.'000	2025 Rs.'000
Cost									
At the beginning of the year	532,080	18,297	359,119	72,902	982,398	885,766	71,025	71,025	71,025
Additions	3,630	-	17,863	578	22,071	84,773	-	-	-
Transfers	-	-	-	-	-	19,806	-	-	-
Effect of movement in foreign exchange	-	-	32,230	10,780	43,010	(7,947)	-	-	-
At the end of the year	535,710	18,297	409,212	84,260	1,047,479	982,398	71,025	71,025	71,025
Amortisation									
At the beginning of the year	-	18,297	202,886	43,467	264,650	202,317	71,025	71,025	71,025
Charge for the year	-	-	66,813	18,302	85,115	49,407	-	-	-
Effect of movement in foreign exchange	-	-	14,447	6,360	20,807	(2,255)	-	-	-
Transfers	-	-	-	-	-	15,181	-	-	-
At the end of the year	-	18,297	284,146	68,129	370,572	264,650	71,025	71,025	71,025
Net book value									
At the beginning of the year	532,080	-	156,233	29,435	717,748	683,449	-	-	-
At the end of the year	535,710	-	125,066	16,131	676,907	717,748	-	-	-

Goodwill acquired through business combinations have been allocated to the following cash-generating units (CGUs) for impairment testing:

	Group	
Carrying value	2026 Rs.'000	2025 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
Hayleys Produce Marketing Limited	3,630	-
	535,710	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. 129.75 (2025 - 139.00).

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:

	2026		2025	
	Discount Rate	Terminal Growth Rate	Discount Rate	Terminal Growth Rate
Horana Plantations PLC	14.69%-15.59%	5%	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

	% Holding		No. of Shares		Carrying value	
	2026	2025	2026	2025	2026	2025
Company Name	%	%	No.	No.	Rs.'000	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	-	145,000,000	-	1,450,000
D P L Universal Gloves Ltd.	100	100	500,000,000	500,000,000	5,000,000	5,000,000
Dipped Products India (Private) Limited	100	100	1,080,900	1,080,900	38,394	38,394
					7,791,052	9,241,052
Impairment of investment in subsidiaries (Note 15.1.1)					(205,000)	(355,000)
					7,586,052	8,886,052

15.1.1 Impairment of Investments in Subsidiaries

	Company				
	D P L Universal Gloves Ltd	Dipped Products (Thailand) Ltd.	Venigros (Pvt) Ltd.	2026	2025
Carrying value	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	100,000	150,000	105,000	355,000	355,000
Impairment reversal	-	(150,000)	-	(150,000)	-
At the end of the year	100,000	-	105,000	205,000	355,000

15.1.1 Impairment of Investments in Subsidiaries (Contd.)

During the year, the Company reassessed the recoverable amount of its investment in Dipped Products (Thailand) Limited, for which an impairment provision had been recognized in prior years. Based on the latest assessment, which considered the subsidiary's improved financial performance, strengthened operating results, and updated future cash flow projections, management concluded that the recoverable amount of the investment exceeded its carrying amount after impairment. The recoverable amount of the investment was determined based on value in use of the investment.

Accordingly, an impairment reversal of Rs .150 Mn (2025: Nil) was recognized during the year and recorded in the Statement of Profit or Loss.

15.2 Amalgamation of DPL Premier Gloves Ltd with Dipped Products PLC.

D P L Premier Gloves Limited, a wholly owned subsidiary of Dipped Products PLC was amalgamated with Dipped Products PLC with effect from August 1, 2025 in accordance with the provisions of the Companies Act No. 07 of 2007. The amalgamation represents a business combination under common control and is outside the scope of SLFRS 3 – Business Combinations. Accordingly, the transaction has been accounted for using the pooling of interests method in accordance with the Group's accounting policy developed under LKAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

Under this method:

Assets and liabilities of the combining entity have been transferred at their carrying amounts, and accordingly no adjustments have been made to reflect their fair values on the transaction date.

Inter-company balances have been settled in full.

No goodwill or gain on bargain purchase arose from the transaction

The Statement of Profit or Loss of the Company's separate financial statements reflects the results of the amalgamated entity from the date of amalgamation.

No changes are applicable in the context of the consolidated financial statements of the Group as the amalgamated entity was a fully owned subsidiary of the Company.

Comparative information has not been restated as the Group's accounting policy is to account for common control transactions prospectively from the effective date of amalgamation. Accordingly, the current period figures are not directly comparable with prior periods.

Assets Acquired and Liabilities Assumed

The carrying amounts of the identifiable assets and liabilities of DPL Premier Gloves Ltd as at the date of amalgamation were:

Description	Rs.'000
Assets	
Property, Plant and Equipment	2,774,714
Right of Use Assets	337,669
Other Non-Current Assets	273,168
Inventories (net of provision)	1,172,190
Trade and Other Receivables (net of impairment)	2,487,096
Advances and Prepayments	242,152
Cash and Cash Equivalents	739,672
Total Assets	8,026,661
Liabilities	
Retirement Benefit Obligations	63,041
Deferred Tax Liabilities	107,290
Trade and Other Payables	857,865
Borrowings (including short-term)	1,589
Lease Liabilities	204,462
Income Tax Liabilities	259,468
Total Liabilities	1,493,715
Net Assets Transferred	5,082,946

15.3 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 and 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 and 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	
	2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Financial assets at fair value through OCI				
Quoted equity shares (Note 16.1)	95	81	-	-
Unquoted equity shares (Note 16.2)	479,859	435,659	-	-
Total financial assets at fair value through OCI	479,954	435,740	-	-
Loan debtors	14,084	6,309	1,347	117
Fixed deposits (Note 16.3)	550,000	-	-	-
Unsecured subordinated trust-Singer Finance (Lanka) PLC	1,800,000	-	-	-
Total non-current financial assets	2,844,038	442,049	1,347	117

16.1 Quoted Equity Shares

	Group	
	2026	2025
Royal Ceramics Lanka PLC	Rs.'000	Rs.'000
At the beginning of the year	81	68
Change in fair value	14	13
At the end of the year	95	81

16.2 Unquoted Equity Shares

	Group	
	2026	2025
	Rs.'000	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)	479,859	435,659
Total long term investments	479,859	435,659

16.2.1 Martin Bauer Hayleys (Pvt) Ltd.

Fair Value Through Other Comprehensive financial Asset.

		Group	
	No of	2026	2025
	Shares	Rs.'000	Rs.'000
At the beginning of the year	39,091,550	435,658	423,225
Change in fair value	-	44,201	12,434
At the end of the year	39,091,550	479,859	435,659

	Group	
	2026	2025
As at 31st March	Rs.'000	Rs.'000
Fair value of a share	12.28	11.14

Based on the valuation performed, per share value of Martin Bauer Hayleys (Pvt) ltd increased by Rs. 1.13 resulting a fair value gain of Rs 44.2 Mn which is recongnised in other comprehensive Income.

Information About Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Valuation technique	Unobservable inputs	Unobservable inputs	
			2026	2025
Financial Asset	Discounted Cash Flow Method	Discounting rate	16%	14%
Investment in shares of Martin Bauer Hayleys (Pvt) Ltd		Growth rate	2%	1%

Sensitivity Analysis - Based on Discounting Rate

Discount Rate	-1%	1%
	Rs.'000	Rs.'000
As at March 31, 2026	31,871	(27,715)
As at March 31, 2025	37,608	(31,843)

Sensitivity Analysis - Based on Growth Rate

Growth Rate	-1%	1%
	Rs.'000	Rs.'000
As at March 31, 2026	(15,902)	18,377
As at March 31, 2025	(19,488)	22,687

16.3 Fixed Deposits

	Group	
	2026	2025
	Rs.'000	Rs.'000
Hatton National Bank PLC	200,000	-
Pan Asia Banking Corporation PLC	350,000	-
	550,000	-

17. INVESTMENTS IN EQUITY ACCOUNTED INVESTEE

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			Group	
			2026	2025
	Holding %	No of Shares	Rs '000	Rs '000
At the beginning of the year	24	564	147,039	139,858
Group's share of profit for the year	-	-	20,881	7,181
At the end of the year	24	564	167,920	147,039

18. DEFERRED TAX ASSETS AND LIABILITIES

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
18.1 Deferred Tax Assets				
At the end of the year (Note 18.2)	124,866	212,117	31,818	117,776
18.2 Deferred Tax Liability				
At beginning of the year	2,546,277	2,292,607	(117,776)	(62,700)
Transfer on amalgamation	-	-	107,290	-
Recognised during the year				
On statement of profit or loss	332,173	322,603	(19,060)	(77,436)
On OCI - actuarial gain/(loss)	(11,974)	(140,252)	(2,272)	(5,959)
Land revaluation	-	42,268	-	28,318
Effect of movement in foreign exchange	6,834	29,051	-	-
At the end of the year	2,873,310	2,546,277	(31,818)	(117,776)
Deferred tax assets	124,866	212,117	31,818	117,776
Deferred tax liability	2,998,176	2,758,394	-	-

18.3 Recognised Deferred Tax Assets and Liabilities

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Deferred tax relates to the following:				
Tax effect of property, plant & equipment	4,710,741	4,415,555	436,609	151,295
Defined benefit obligation	(1,411,006)	(1,321,933)	(316,294)	(263,836)
Losses available for offset against future taxable income	(24,330)	(61,381)	-	-
Effect of movement in foreign exchange	29,907	(6,349)	16,776	23,165
Provision for bad debts	(27,105)	(45,412)	(16,721)	(6,637)
Right of use assets	(108,743)	(208,117)	(25,106)	(1,225)
Provision for stocks	(89,071)	(54,049)	(58,386)	(20,651)
Provision for formers	(168,964)	(141,891)	(129,841)	(61,032)
Grants received	(178,256)	(186,327)	-	-
Financial assets	207,128	130,697	-	-
Land revaluation	-	93,909	61,145	61,145
Others	(66,991)	(68,425)	-	-
Net deferred tax liability/(assets)	2,873,310	2,546,277	(31,818)	(117,776)

18.4 A deferred tax asset has not been recognised by the Group in relation to carried forward tax losses amounting to Rs. 536,145,075/- as at March 31, 2026 (2025 - Rs. 682,794,556/-) and tax losses amounting to Rs.9,050,166/- will expire in year 2026/27.

19. INVENTORIES

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Raw materials and consumables	5,661,074	4,916,259	2,002,922	950,097
Finished goods	5,667,687	5,225,005	763,889	234,925
Work-in-progress	2,795,682	2,229,671	836,558	432,649
Produce stock	1,400,288	2,081,203	-	-
Produce on bearer biological assets (Note 19.1)	55,676	71,734	-	-
	15,580,407	14,523,872	3,603,369	1,617,671
Provision for slow-moving/obsolete inventories (Note 19.2)	(718,027)	(588,634)	(195,339)	(68,836)
	14,862,380	13,935,238	3,408,030	1,548,835

19.1 Produce on Bearer Biological Assets

	Group	
	2026	2025
	Rs.'000	Rs.'000
At the beginning of the year	71,734	54,966
Change in fair value less cost to sell	(16,058)	26,418
Charge to Statement of Profit or Loss	-	(9,650)
At the end of the year	55,676	71,734

19.2 Movement in the provision for slow-moving/obsolete inventories

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	588,634	573,004	68,836	53,263
Charge for the year	129,393	15,630	42,431	15,573
Transfer on amalgamation	-	-	84,072	-
At the end of the year	718,027	588,634	195,339	68,836

20. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade receivables - Related parties	63,544	81,845	1,095,793	634,384
- Others	14,282,260	12,243,333	3,437,597	1,758,417
Total trade receivables	14,345,804	12,325,178	4,533,390	2,392,801
Impairment provision for bad and doubtful debts (Note 20.1)	(126,474)	(109,010)	(55,738)	(22,124)
	14,219,330	12,216,168	4,477,652	2,370,677
Income tax recoverable (Note 29)	238,177	241,632	-	-
Other receivables	1,942,598	894,385	436,137	42,651
	16,400,105	13,352,185	4,913,789	2,413,328

20.1 Movement in Impairment Provision

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	109,010	227,760	22,124	47,480
Charge/(Reversal) for the year	17,464	(118,750)	(18,308)	(25,356)
Transfer on amalgamation	-	-	51,922	-
At the end of the year	126,474	109,010	55,738	22,124

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, 2026	14,345,804	3,011,541	9,458,624	1,129,268	452,014	236,717	57,640
As at March 31, 2025	12,325,178	7,038,761	4,552,756	444,372	209,896	61,230	18,163

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, 2026	4,533,390	466,763	3,251,168	482,798	133,571	139,095	59,995
As at March 31, 2025	2,392,801	1,502,563	699,918	84,491	78,995	19,221	7,613

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 in 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	
	2026	2025
	Rs.'000	Rs.'000
Fully-owned subsidiaries	4,374	91,124
Partly-owned subsidiaries	883,448	641,314
	887,822	732,438

22. STATED CAPITAL

	2026		2025	
	Number	Rs.'000	Number	Rs.'000
Issued and fully-paid				
At the beginning of the year	598,615,120	598,615	598,615,120	598,615
At the 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	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Long term loans (Note 23.1.1)	4,811,958	1,638,220	1,833,333	34,203
Lease liabilities (Note 23.1.2)	2,602,654	2,182,762	617,675	189,047
	7,414,612	3,820,982	2,451,008	223,250

23.1.1 Long Term Loans

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	3,404,095	4,390,426	400,308	766,413
Obtained during the year	5,075,238	986,154	2,000,000	-
Repayments during the year	(1,977,367)	(1,981,535)	(366,105)	(366,105)
Effect of movement in foreign exchange	197,934	9,050	-	-
At the end of the year	6,699,900	3,404,095	2,034,203	400,308
Repayments due within one year from the reporting date (included under current liabilities - Note 23.2)	1,887,942	1,765,875	200,870	366,105
Repayment due after one year	4,811,958	1,638,220	1,833,333	34,203

23.1.1 Long Term Loans (Contd.)

Maturity profile of long term loans

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Long term loans repayable within one year from the reporting date	1,887,942	1,765,875	200,870	366,105
Long term loans repayable between 1-5 years from the reporting date	4,811,958	1,574,220	1,833,333	34,203
Long term loans repayable after 5 years from the reporting date	-	64,000	-	-
	6,699,900	3,404,095	2,034,203	400,308

23.1.2 Lease Liabilities

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	2,258,101	1,755,981	222,821	-
Transfer on amalgamation	-	-	204,462	-
Re-assessment/New Lease	534,975	562,940	289,960	230,462
Accretion of interest	340,139	283,360	50,457	5,859
Payments	(445,378)	(334,682)	(113,004)	(13,500)
Effects of movements in foreign exchange	24,286	(9,498)	19,837	-
At the end of the year	2,712,123	2,258,101	674,533	222,821
Repayments due within one year from the reporting date (included under current liabilities - Note 23.2)	109,469	75,339	56,858	33,774
Repayment due after one year	2,602,654	2,182,762	617,675	189,047

Maturity profile of Lease Liabilities

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Lease Liabilities repayable within one year from the reporting date	109,469	75,339	56,858	33,774
Lease Liabilities repayable between 1-5 years from the reporting date	911,535	583,504	475,582	189,047
Lease Liabilities repayable after 5 years from the reporting date	1,691,119	1,599,258	142,093	-
	2,712,123	2,258,101	674,533	222,821

The following are the amounts recognised in Statement of Profit or Loss

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Depreciation expense of right of use assets (Note 13)	213,839	139,050	85,231	11,725
Interest expense on lease liabilities (Note 23.1.2)	340,139	283,360	50,457	5,859
Total amount recognised in Statement of Profit or Loss	553,978	422,410	135,688	17,584

23.2 Interest-Bearing Borrowings - Current

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Long term loans (Note 23.1.1)	1,887,942	1,765,875	200,870	366,105
Lease liabilities (Note 23.1.2)	109,469	75,339	56,858	33,774
Short term loans	4,804,035	3,657,248	1,578,900	844,375
Bank overdrafts	3,396,351	2,694,321	1,981,500	1,045,178
	10,197,797	8,192,783	3,818,128	2,289,432

23.3 Payments relating to short term and low value lease payments of Rs. 34,170,903/- (2025 - Rs. 25,460,533/-) and Rs.16,784,516/- (2025 - Rs. 1,687,688/-) have been recognised by the Group and Company respectively, within administrative expenses.

23 INTEREST-BEARING BORROWINGS CONTD.

23.4 Details of Term Loans

Company	Lender/rate of interest (p.a.)	31-Mar-26 Rs.'000	31-Mar-25 Rs.'000
Dipped Products PLC	HSBC SLFR + 1%	34,204	400,309
	Bank of China Monthly AWPLR	2,000,000	-
DPL France SAS	HNB 3 months SOFR +2% (USD 1 million)	308,775	-
Mabroc Teas (Pvt) Ltd.	HSBC 9.48%	13,167	61,824
ICOGUANTI S.p.A	BANCO DESIO Financing 1.5% (EURO 0.5 million)	122,596	-
	BANCO BPM 1.3% (EURO 3.3 million)	158,236	377,001
	BNL 1.5% (EURO 1 million)	242,143	-
	MPS 0.95% (EURO 0.3 million)	108,964	-
	INTESA 1% (EURO 1 million)	-	9,009
	CREDEM 1.2% (EURO 1.2 million)	225,193	191,792
	UNICREDIT 1% (EURO 1.5 million)	54,482	239,740
Dipped Products (Thailand) Ltd	TMBThanachart Bank 2%	2,011,373	862,469
	TMBThanachart Bank 4.5%	141,285	164,436
Horana Plantations PLC	Amana Bank PLC AWPLR + 0.85% (Floor 9% Cap 11.75%)	500,000	-
	HNB AWPLR + 1%	142,500	199,500
	HNB AWPLR + 1%	107,560	150,520
	HNB AWPLR + 1.5%	80,180	148,940
	Sampath Bank AWPLR + 0.5%	-	15,200
	Sampath Bank AWPLR + 0.5%	366,400	400,000
	Peoples Bank For 1-5 years Monthly AWPLR -1% and for 6th year AWPLR +1%	71,250	86,250
	Commercial Bank 8.50%	-	69,967
	HNB AWPLR + 1.4%	-	6,850
	Commercial Bank 7.75%	11,592	20,288
		6,699,900	3,404,095

	Repayment		Security
	30,000 x 36 inst	Monthly - Ending 25.05.2026	Nil
	One year Grace period +24 Months	Monthly - Ending 19.01.2029	Nil
	as per schedule	Monthly - Ending 01.04.2029	Corporate Guarantee from Dipped Products PLC For USD 1Mn
	4,174 x 36 inst	Monthly - Ending 05.07.2026	Nil
	as per schedule	Monthly - Ending 31.05.2027	Nil
	Repayment over 2 years as per schedule	Monthly - Ending 31.10.2027	Nil
	Repayment over Quarterly (18 months) as per Schedule	Quarterly - Ending 31.07.2026	Nil
	Repayment over 1 year and 1 month	Monthly - Ending 31.12.2026	Nil
	Repayment over 1 year and 3 months	Monthly - Ending 12.07.2024	Nil
	Repayment over Quarterly (34 months) as per Schedule	Quarterly - Ending 31.08.28	Guaranteed "SACE
	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	
	Repayment in 36 monthly installments after a twelve (12) months grace period	Monthly - Ending 31.05.2028	Nil
	4,750 x 48 inst	Monthly - Ending 21.09.2028	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.
	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.
	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.

24. DEFERRED INCOME

Government Grants

GRI 201-3, 201-4

	Group	
	2026	2,025
	Rs.'000	Rs.'000
Grants		
At the beginning of the year	1,441,278	1,416,563
Received during the year	19,287	24,715
At the end of the year	1,460,565	1,441,278
Amortisation		
At the beginning of the year	592,104	529,860
Amortised during the year	49,424	62,244
At the end of the year	641,528	592,104
Carrying amount	819,037	849,174

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

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, 2026, 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	2026						2025					
	ICOGUANTI	DPTL	KVPL	HPSL	HPL	Other*	ICOGUANTI	DPTL	KVPL	HPSL	HPL	Other*
Discount rate (%)	3.8	1.8	10	10	10	11	3.3	2.4	10	10.5	11	11
Salary Escalation Rate (%)												
Workers (%)	1	4	8	8	8	10	1	4.5	10	9	9	10
Executive and clerical (%)	2.5	4	9	9	9	10	2.5	4.5	10	10	10	10
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	9.3	9	5	6.9	8.3	7.3	11.3	9	5	6.9	9.4	7.9
Executive and clerical	9.3	9	5	7.5	8.7	6.8	11.3	9	5	7.5	9.4	7.8

** 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	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current service cost (under administrative expense)	355,591	406,325	68,065	54,295
Interest cost (under administrative expense)	439,397	365,935	100,000	93,302
Actuarial loss/(gain) (under other comprehensive income)	(634)	491,049	7,574	19,862
	794,354	1,263,309	175,639	167,459

25.2 Movement in the Present Value of the Defined Benefit Obligations are as Follows:

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	4,736,991	4,006,969	879,453	837,590
Effect of movement in foreign exchange	40,041	4,942	65	-
On acquisition of subsidiaries	-	21,613	-	-
On Transfer from amalgamation	-	-	63,041	-
Benefits paid	(517,452)	(560,086)	(60,012)	(125,909)
Received/ (Paid) to DBO due to employee transfers	(2,886)	244	(1,897)	314
Current service cost	355,591	406,325	68,065	54,295
Interest cost	439,397	365,935	100,000	93,302
Actuarial loss/(gain)				
Experience adjustments	182,639	320,621	27,927	24,505
Change in financial assumptions	(156,492)	126,727	(5,665)	(4,643)
Change in demographic assumptions	(26,781)	43,701	(14,688)	-
At the end of the year	5,051,048	4,736,991	1,056,289	879,453

The liability as per Payment of Gratuity Act for Group and Company as at March 31, 2026 are Rs. 5,049,927,479/- (2025 - Rs. 4,524,340,014/-) and Rs.831,915,686/- (2025 - Rs.693,693,890/-) respectively.

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 2026		Company 2026	
	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	305,368	(275,051)	76,150	(69,111)
A one percentage point change in the discount rate				
- The present value of defined benefit obligation	(124,340)	155,422	(63,330)	70,840

	Group 2025		Company 2025	
	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	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Within the next 12 months	752,480	666,468	98,301	80,515
Between 1 to 5 years	1,808,661	1,682,789	441,675	335,470
Beyond 5 years	2,489,907	2,387,734	514,339	463,468
	5,051,048	4,736,991	1,054,315	879,453

26. AGENTS' INDEMNITY FUND

	Group	
	2026	2025
	Rs.'000	Rs.'000
At the beginning of the year	140,966	131,779
Provision for the year	11,671	10,638
Actuarial (gain)/Lloss	(2,173)	-
Payments during the year	(1,217)	(195)
Effect of movement in foreign exchange rate	19,407	(1,256)
At the end of the year	168,654	140,966

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	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade payables - Related parties	484,745	255,590	261,671	99,103
- Others	7,559,420	5,871,989	1,812,347	456,013
Total trade payables	8,044,165	6,127,579	2,074,018	555,116
Other payables including accrued expenses - Parent	163,864	165,792	56,829	48,376
- Others	4,595,268	5,435,779	604,076	328,071
Advance received	1,605,082	1,612,434	1,065,178	1,143,160
Unclaimed dividends/dividends payable	420,200	541,975	420,200	541,975
	14,828,579	13,883,559	4,220,301	2,616,698

28. AMOUNTS DUE TO SUBSIDIARIES

	Company	
	2026	2025
	Rs.'000	Rs.'000
Fully-owned subsidiaries	479,826	1,115,321
Partly-owned subsidiaries	617,728	8,399
	1,097,554	1,123,720

29. INCOME TAX

29.1 Income Tax Recoverable

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the end of the year	238,177	241,632	-	-

29.2 Income Tax Payable

	Group		Company	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	359,979	272,603	102,860	57,097
Income tax on current year profit (note 7.1)	1,742,668	1,386,010	715,684	190,519
Under /(over) provision in respect of previous years (note 7.1)	54,007	(14,496)	3,387	(7,764)
Transfer on amalgamation	-	-	259,468	-
WHT,ACT set-off against income tax	(18,120)	(6,193)	(5,786)	-
Withholding tax on dividends (note 7.1)	82,257	108,254	-	-
Effect of movements in exchange rates	(97,776)	12,080	-	-
Payments made during the year	(1,339,288)	(1,398,279)	(350,338)	(136,993)
Net income tax payable	783,727	359,979	725,275	102,860
Income tax recoverable (note 29.1)	238,177	241,632	-	-
At the end of the year	1,021,904	601,611	725,275	102,860

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	
	2026	2025	2026	2025
	%	%	%	%
Asia/Africa/Middle East	13.8	12.7	27.1	34.7
South America	10.7	11.6	-	-
Australia/New Zealand	2.4	1.8	2.0	1.4
Europe	55.8	54.2	6.1	3.9
North America	16.2	19.1	0.1	0.3
	98.9	99.3	35.3	40.3
Indirect exports	-	-	63.5	58.5
Sri Lanka	1.1	0.7	1.3	1.2
	100.0	100.0	100.0	100.0

30.2 Business Segment Information

	Hand Protection		Plantation		Inter - Segment		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue from contracts with customers	51,124,308	46,396,879	31,243,579	33,143,701	(323,760)	(252,028)	82,044,127	79,288,552
Operating profit	4,514,660	4,294,186	2,627,382	3,347,976	(335,500)	(470,250)	6,806,542	7,171,912
Profit before tax	4,363,010	3,857,294	2,806,705	3,448,846	(335,500)	(470,250)	6,834,215	6,835,890
Non cash Expenses								
Depreciation and impairment of property, plant & equipment and right of use assets	1,781,019	1,373,428	1,007,476	895,135	-	-	2,788,495	2,268,563
Provision for defined benefit obligation	217,555	352,605	577,433	419,655	-	-	794,988	772,260
Provision for / (reversal of) agents indemnity fund	11,671	10,638	-	-	-	-	11,671	10,638
Provision for slow moving/obsolete Inventories	144,351	8,863	(14,958)	6,767	-	-	129,393	15,630
Finance cost	531,913	437,445	472,201	534,986	-	-	1,004,114	972,431
Finance income	380,265	554	630,641	628,674	-	-	1,010,906	629,228
Tax expense	1,216,873	631,783	994,232	1,170,587	-	-	2,211,105	1,802,370
Capital expenditure	5,818,247	2,435,162	1,957,981	1,971,419	-	-	7,776,228	4,406,581
Total assets	49,887,366	41,437,220	36,343,759	33,352,195	(219,105)	(173,735)	86,012,020	74,615,680
Non - interest bearing liabilities	12,792,470	11,984,452	12,306,138	11,158,791	(211,209)	(172,548)	24,887,399	22,970,695
Cash Flows								
- Cash flows from operating activities	1,067,291	2,545,895	2,745,961	4,176,231	-	-	3,813,252	6,722,126
- Cash flows from investing activities	(5,307,348)	(3,151,152)	(4,458,513)	(2,075,839)	(335,500)	(470,250)	(10,101,361)	(5,697,241)
- Cash flows from financing activities	2,911,621	(2,000,294)	(783,266)	(1,384,341)	335,500	470,250	2,463,855	(2,914,385)

31. CAPITAL EXPENDITURE COMMITMENTS

The approximate amount of capital expenditure approved by the Directors and not contracted for as at March 31, 2026 amounts to Rs.2,066,705,958/- (2025 – Rs. 1,377,422,747/-). The approximate Capital expenditure contracted for which no provision is made in the Financial Statements as at March 31, 2026 amounts to Rs. 3,379,389,328/- (2025 – Rs. 1,984,668,177/-).

32. CONTINGENT LIABILITIES

The contingent liabilities as at March 31, 2026 amounting to Rs. 614,236,696/- (2025- Rs. 128,056,631/-). This include Letter of Credit outstanding of Rs. 557,046,368/- (2025- Rs.112,599,231/-), bank guarantees provided on behalf of the companies within the group of Rs. 57,190,328/- (2025 - Rs. 15,457,400/-).

The group has evaluated the ongoing legal cases against the company and its subsidiaries and, having discussed with the legal experts based on information available, the Board of Directors are confident that the ultimate resolution on the cases against the group are unlikely to have a material effect on the financial position of the group. Accordingly, no provisions have been recognized in respect of these matters in the financial statements.

33. RELATED PARTY DISCLOSURES

Key Managment 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 31,2026 are given in Note 7 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	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Transactions with related parties				
Subsidiaries				
Inventory transfers	-	-	130,610	309,511
Purchase of latex	-	-	(271,984)	(167,140)
Skim sales	-	-	11,240	14,560
Export sales	-	-	740,842	326,090
Export sales commission	-		(14,263)	(5,525)
Export services	-	-	68,759	168,421
Services related expenses reimbursed	-	-	876,747	977,511
Loan repayment	-	-	(185,580)	(437,263)
Reimbursement of cost (Electricity, fuel & water)	-	-	2,049	4,625
Dividend income	-	-	335,500	593,500
Fund transfers	-	-	680,574	(205,358)
Processing related expenses reimbursed	-	-	55,785	78,896
Current account interest paid	-	-	(42,948)	47,499
Sale of gloves	-	-	12,190	235
Glove purchases	-	-	(438,468)	(196,441)
Purchase of goods	-	-	(14,318)	(271)
Flock purchases	-	-	(102,751)	(42,590)
Share allotment	-	-	-	(1,538,394)
Packing material disposal	-	-	1,267	146
Parent - Hayleys PLC				
Services related expenses paid	(1,688,788)	(1,238,598)	(812,792)	(374,915)
Dividend paid	(489,722)	(512,008)	(489,722)	(512,008)
Affiliates				
Sale of gloves	2,614	1,614	1,127	419
Sale of rubber products	-	4,175	-	-
Sale of latex	56,364	46,931	-	-
Sale of teas	12,350	2,977	-	-
Sale of cinnamon and cloves	7,091	664	-	-
Services related expenses	(377,116)	(502,624)	(222,696)	(154,269)
Purchase of latex	(5,200)	(6,072)	(1,000)	(2,433)
Purchase of goods	(1,061,237)	(1,341,909)	(232,967)	(93,023)
Investment	2,410,000	-	-	-
Dividend paid	(184,720)	(180,678)	(184,720)	(180,678)

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., Agro Technica Ltd., Celonex (Pvt) Ltd., Ceva Logistics Lanka (Pvt) Ltd., Chas P Hayley & Company (Pvt) Ltd., Clarion Shipping (Pvt) Ltd., CMA-CGM Lanka (Pvt) Ltd., COSCO Shipping Line Lanka (Pvt) Ltd., Culture Clube Resorts (Pvt) Ltd., Delmeg Forsyth & Co. (Shipping) Ltd., Delmege Forsyth & Company Ltd., Energynet (Pvt) Ltd., Expelogix (Pvt) Ltd., Fentons Smart Facilities (Pvt) Ltd., Haycarb PLC., Hayleys Advantis Ltd., Hayleys Agriculture Holdings Ltd., Hayleys Agro Fertilizers (Pvt) Ltd., Hayleys Aventura (Pvt) Ltd., Hayleys Business Solutions International (Pvt) Ltd., Hayleys Consumer Products Ltd., Hayleys Engineering (Pvt) Ltd., Hayleys Fabric PLC., Hayleys Fentons Ltd., Hayleys Lifesciences (Pvt) Ltd., Hayleys Power Ltd., Hayleys Travels (Pvt) Ltd., Inovative Solutions Lanka PLC., Logiwiz Ltd., Martin Bauer Hayleys (Pvt) Ltd., MIT Global Solutions (Pvt) Ltd., Ocean Network Express Lanka (Pvt) Ltd., Pan Asia Bank PLC., Puritas (Pvt) Ltd., Quality Seed Co. (Pvt) Ltd., Ravi Industries Ltd., Royal Ceramics Lanka PLC., Singer (Sri Lanka) PLC., Singer Finance (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 & Kusuhara 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, 2025, which require additional disclosures in the 2025/26 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, 2025, which require additional disclosures in the 2025/26 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	
		2026 Rs.'000	2025 Rs.'000	2026 Rs.'000	2025 Rs.'000
Financial Assets					
Equity instrument designated at fair value through OCI					
Quoted equity shares	16.1	95	81	95	81
Unquoted equity shares	16.2	479,859	435,659	479,859	435,659
Total		479,954	435,740	479,954	435,740
Loans and Receivables					
Trade and other receivables	20	16,400,105	13,352,185	16,400,105	13,352,185
Cash and short term deposits		5,976,452	9,098,676	5,976,452	9,098,676
Total		22,376,557	22,450,861	22,376,557	22,450,861
Non-Financial Assets					
Freehold land	10.1	2,066,058	1,863,213	2,066,058	1,863,213
Biological assets	12	1,696,525	1,651,025	1,696,525	1,651,025
Total		3,762,583	3,514,238	3,762,583	3,514,238
Financial Liabilities					
Interest-bearing loans and borrowings					
Lease liabilities	23.1.2	2,712,123	2,258,101	2,712,123	2,258,101
Long term loans	23.1.1	6,699,900	3,404,095	6,699,900	3,404,095
Short term loans and bank overdraft	23.2	8,200,386	6,351,569	8,200,386	6,351,569
Trade and other payables (excluding unclaimed dividend)	27	14,408,379	13,341,584	14,408,379	13,341,584
Total		32,020,788	25,355,349	32,020,788	25,355,348

34. FAIR VALUE MEASUREMENT CONTD.

Company	Notes	Carrying Amount		Fair Value	
		2026	2025	2026	2025
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Financial Assets					
Trade and other receivables	20	4,913,789	2,413,328	4,913,789	2,413,328
Amount due from subsidiaries	21	887,822	732,438	887,822	732,438
Cash and short term deposits		337,782	776,878	337,782	776,878
Total		6,139,393	3,922,644	6,139,393	3,922,644
Non-Financial Assets					
Freehold land	10.2	423,760	423,760	423,760	423,760
Total		423,760	423,760	423,760	423,760
Financial Liabilities					
Interest-bearing loans and borrowings					
Lease liabilities	23.1.2	674,533	222,821	674,533	222,821
Long term loans	23.1.1	2,034,203	400,308	2,034,203	400,308
Short term loans and bank overdrafts	23.2	3,560,400	1,889,553	3,560,400	1,889,553
Amount due to subsidiaries	28	1,097,554	1,123,720	1,097,554	1,123,720
Trade and other payables (excluding unclaimed dividend)	27	3,800,101	2,074,723	3,800,101	2,074,723
Total		11,166,791	5,711,125	11,166,791	5,711,125

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, 2026 the Group/Company held the following financial assets carried at fair value in the Statement of Financial Position.

		Group				Company			
		2026	Level 1	Level 2	Level 3	2026	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	479,954	95	-	479,859	-	-	-	-
Freehold land	10	2,066,058	-	-	2,066,058	423,760	-	-	423,760
Biological asset	12	1,696,525	-	-	1,696,525	-	-	-	-

During the reporting period ended March 31, 2026 there were no transfers between Level 1 and Level 2 fair value measurements.

As at March 31, 2025, the Group/Company held the following financial instruments measured at fair value:

		Group				Company			
		2025	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	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, 2026 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, 2026

	Fair Value as at 31-Mar	Valuation Technique	Significant Unobservable Inputs	Estimates for Unobservable		Fair value Measurement Sensitivity to Unobservable Inputs Measurement
				2026	2025	
	Rs. '000			Rs. '000	Rs. '000	
Freehold land (DPL)	423,760	Market Comparable Approach	Estimated value per perch	Rs. 225-1,000	Rs. 225-1,000	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. 1,900	Significant increases (decreases) in estimated price per perch would result in a significantly higher (lower) fair value
Freehold land (DPTL)	224,075	Market Comparable Approach	Estimated value per rai	Rs. 6,140	Rs. 6,140	Significant increases (decreases) in estimated price per rai would result in a significantly higher (lower) fair value
Freehold land (HI-Care)	596,170	Cost Approach	Estimated value per rai	Rs. 6,380	Rs. 6,380	Significant increases (decreases) in estimated price per rai would result in a significantly higher (lower) fair value

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	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Rupees	2,931,467	1,899,005	138,544	159,514
United States Dollar	7,995,750	4,206,816	4,427,243	2,118,302
Euro	4,493,164	6,884,977	319,334	109,202
Thai Baht	519,832	197,533	-	-
Polish Zloty	355,774	-	-	-
United Arab Emirates Dirham	28,668	-	28,668	-
Chinese Yuan	3	125,417	-	26,310
Indian Rupees	75,448	38,437	-	-
	16,400,105	13,352,185	4,913,789	2,413,328

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. 5,976 million and Rs. 338 million respectively as at March 31, 2026 (Rs. 9,099 million and Rs. 777 million respectively in 2025) which represents its maximum credit exposure on these assets.

Respective credit ratings of banks which group cash balances held are as follows:

CitibaCitibank, N.A. - AAA(lka)

Standard Chartered Bank - AAA(lka)

Hongkong and Shanghai Banking Corporation Ltd. - AA(lka)

Sampath Bank PLC - AA-(lka)

Hatton National Bank PLC - AA-(lka)

Bank of Ceylon - AA-(lka)

Deutsche Bank AG - A+(lka)

NDB Bank PLC - A-(lka)

People's Bank- AA-(lka)

Commercial Bank of Ceylon PLC - AA-(lka)

Nations Trust Bank - A(lka)

Bank of China Limited - A

Amana Bank PLC BBB- (lka)

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.

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, 2026	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)	3,396,351	5,303,389	1,498,058	6,087,181	1,860,231	18,145,209
Trade payables (excluding dividend payable)	-	11,941,984	1,478,233	988,024	138	14,408,379
	3,396,351	17,245,373	2,976,291	7,075,205	1,860,369	32,553,588
Company						
Interest-bearing loans and borrowings (undiscounted)	1,981,500	1,643,332	193,296	2,675,393	-	6,493,521
Trade payables (excluding dividend payable)	-	3,539,138	238,683	22,162	117	3,800,101
Amount due to related parties	1,097,554	-	-	-	-	1,097,554
	3,079,054	5,182,470	431,979	2,697,555	117	11,391,176

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	-	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	-	5,733,792

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 advices 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 2026	
		Group Rs.'000	Company Rs.'000
Originated from Sri Lanka			
Sensitivity only using borrowings			
Increase	2%	(240,968)	(111,892)
Decrease	-2%	240,968	111,892
Sensitivity using borrowings and deposits			
Increase	2%	(151,890)	(111,892)
Decrease	-2%	151,890	111,892
Originated from outside Sri Lanka			
Sensitivity only using borrowings			
Increase	1%	(55,640)	-
Decrease	-1%	55,640	-
Sensitivity using borrowings and deposits			
Increase	1%	(55,640)	-
Decrease	-1%	55,640	-

	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	-

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 advices 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:

	2026										
	Group							Company			
	USD	EURO	THB	GBP	SGD	AED	INR	USD	EURO	GBP	AED
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Closing exchange rate (Rs.)	305.19	354.75	9.49	409.76	237.75	83.10	3.45	305.19	354.75	409.76	83.10
Increase exchange rate in 10% (Rs.)	335.71	390.23	10.44	450.73	261.53	91.40	3.79	335.71	390.23	450.73	91.40
Impact to the PBT	319,470	62,590	-	(209)	(733)	2,867	-	285,887	31,933	(198)	2,867
Impact to the Equity	-	529,763	670,661	-	-	-	2,570	-	-	-	-
Decrease exchange rate in 10% (Rs.)	274.67	319.28	8.54	368.78	213.98	74.79	3.10	274.67	319.28	368.78	74.79
Impact to the PBT	(319,470)	(62,590)	-	209	733	(2,867)	-	(285,887)	(31,933)	198	(2,867)
Impact to the Equity	-	(529,763)	(670,661)	-	-	-	(2,570)	-	-	-	-

	2025										
	Group							Company			
	USD	EURO	THB	GBP	CNY	AED	INR	USD	EURO	GBP	CNY
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	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 in exchange rate by 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 Profit before tax	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 in exchange rate by 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 Profit before tax	(309,270)	(271,067)	-	239.00	(6,289)	-	-	(114,117)	(10,888)	38	(2,631)
Impact to the Equity	-	(484,535)	(634,581)	-	-	(195)	(3,239)	-	-	-	-

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	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest-Bearing borrowing (non-current)	7,414,612	3,820,982	2,451,008	223,250
Current portion of long term interest-bearing borrowings	1,997,411	1,841,214	257,728	399,879
Short term interest-bearing borrowings	8,200,386	6,351,569	3,560,400	1,889,553
Total borrowings	17,612,409	12,013,765	6,269,136	2,512,682
Equity	43,512,213	39,631,220	16,556,575	10,733,473
Equity and debts	61,124,622	51,644,985	22,825,711	13,246,155
Gearing Ratio (%)	29%	23%	27%	19%

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, 2025 to February 28, 2026 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, 2026 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	2026 %	2025 %
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	2026 Rs.'000	2025 Rs.'000
Kelani Valley Plantations PLC	2,646,380	2,463,122
Hayleys Plantation Services (Pvt) Ltd	4,826,845	4,493,467
Accumulated Material Non - Controlling Interest	7,473,225	6,956,589

Profit Allocated to Material Non - Controlling Interest

Company Name	2026 Rs.'000	2025 Rs.'000
Kelani Valley Plantations PLC	238,601	280,764
Hayleys Plantation Services (Pvt) Ltd	557,276	769,339
Accumulated Material Non - Controlling Interest	795,877	1,050,103

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

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)	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Revenue from contracts with customers	19,436,429	23,360,753	11,808,409	11,502,909
Cost of sales	(16,865,980)	(20,682,408)	(9,707,839)	(8,985,651)
Other Income	303,863	308,405	215,809	184,623
Administrative & distribution expenses	(1,664,523)	(1,535,091)	(881,816)	(802,563)
Finance costs and income	3,224	(78,071)	150,563	168,212
Profit before tax	1,213,012	1,373,589	1,585,125	2,067,532
Tax expense	(395,250)	(438,825)	(530,776)	(719,498)
Profit for the year	817,763	934,765	1,054,349	1,348,034
Total comprehensive income	65,609	(21,873)	(37,370)	(244,190)
Attributable to non-controlling interests	(11,767)	(29,114)	(306,003)	(321,584)
Dividends paid to non-controlling interests	(8,879)	-	(120,431)	(199,898)

Summarised Statement of Financial Position as at March 31

	Kelani Valley Plantations PLC (Group)		Hayleys Plantation Services (Pvt) Ltd (Group)	
	2026	2025	2026	2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current Assets	7,865,420	7,273,577	5,571,472	6,695,124
Non-Current Assets	10,384,233	9,247,602	12,333,779	9,938,716
Current Liabilities	4,386,139	3,548,398	3,463,897	3,081,021
Non-Current Liabilities	4,526,438	4,296,477	5,279,335	5,033,085
Total equity	9,337,076	8,676,304	9,162,019	8,519,734
Attributable to:				
Equity holders of parent	9,236,026	8,578,141	6,502,842	6,039,483
Non-controlling interest	101,050	98,163	2,659,177	2,480,251

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



A Collaborative Legacy

Within the complex and interconnected environment of a coral reef, balance depends on continuous maintenance and system-wide hygiene. This role is exemplified by the Cleaner Shrimp at its dedicated cleaning stations, clearly defined reef locations where fish deliberately gather to be serviced. At these stations, the shrimp actively inspect visiting fish, removing parasites, dead tissue, and debris in a mutually beneficial symbiotic exchange. This repeated, structured interaction not only reduces biological stress on individual organisms, but also helps prevent the spread of harmful organisms across the reef. In doing so, it contributes to the broader stability, resilience, and overall health of the ecosystem.

At DPL, our SLFRS disclosures operate as a structured mechanism of clarity, consistency, and accountability within our reporting framework. Aligned with recognised sustainability and climate-related reporting standards under SLFRS S1 and S2, they ensure that relevant financial, operational, and sustainability information is systematically identified, accurately represented, and transparently communicated to reflect the value we create.

Decade at a Glance

	2026 Rs.'000	2025 Rs.'000	2024 Rs.'000	2023 Rs.'000	2022 Rs.'000
Trading Results					
Revenue	82,044,127	79,288,552	73,941,960	80,099,312	55,293,983
Profit before tax	6,834,215	6,835,890	7,567,448	11,218,692	7,596,775
Taxation	(2,211,105)	(1,802,371)	(1,788,403)	(2,716,267)	(1,185,975)
Profit after tax	4,623,110	5,033,519	5,779,045	8,502,424	6,410,800
Non-controlling interest	1,102,203	(1,158,061)	(1,307,229)	(1,995,341)	(1,028,149)
Profit attributable to equity holders of the Company	3,520,907	3,875,458	4,471,816	6,507,083	5,382,651
Non-Current Assets					
Property, plant & equipment	35,656,551	30,106,785	23,971,323	21,811,416	16,344,832
Investments	3,011,958	589,088	566,207	397,033	391,009
Other non-current assets	6,422,470	5,750,642	4,951,833	4,461,350	2,867,933
	45,090,979	36,446,515	29,489,363	26,669,799	19,603,774
Current Assets	40,921,041	38,169,165	34,424,004	36,011,260	34,445,826
Total Assets	86,012,020	74,615,680	63,913,367	62,681,059	54,049,600
Capital & Reserves					
Stated capital	598,615	598,615	598,615	598,615	598,615
Other Components of Equity	857,803	728,604	610,315	610,315	645,549
Revenue and fair value reserves	33,370,574	30,451,264	27,667,925	25,766,130	20,662,636
Shareholders' funds	34,826,992	31,778,483	28,876,855	26,975,060	21,906,800
Non-controlling interest	8,685,221	7,852,737	7,203,020	6,540,249	4,452,443
Total Equity	43,512,213	39,631,220	36,079,875	33,515,309	26,359,243
Non-Current Liabilities					
Deferred tax liability	2,998,176	2,758,394	2,526,532	2,277,368	775,949
Interest bearing borrowings	7,414,612	3,820,982	4,300,664	3,576,522	2,535,569
Other non-current liabilities	6,038,739	5,727,131	5,025,449	4,497,001	3,806,846
	16,451,527	12,306,507	11,852,645	10,350,891	7,118,364
Current Liabilities					
Current portion of interest bearing borrowings	1,997,411	1,841,214	1,845,743	2,996,234	1,779,406
Short term loans and bank overdrafts	8,200,386	6,351,569	3,444,791	4,863,945	10,094,227
Other current liabilities	15,850,483	14,485,170	10,690,313	10,954,680	8,698,360
	26,048,280	22,677,953	15,980,847	18,814,859	20,571,993
Total Equity and Liabilities	86,012,020	74,615,680	63,913,367	62,681,059	54,049,600
Ratios & Other Information					
Earnings per share (Rs.)*	5.88	6.47	7.47	10.87	8.99
Return on equity (%)	10.11	12.20	15.49	24.12	24.57
Market price per share (Rs.)	49.40	55.00	30.40	27.70	32.50
Price earnings ratio (times)*	8.40	8.50	4.07	2.55	3.61
Dividend per share (Rs.)	2.13	1.90	2.25	3.00	2.50
Net assets per share (Rs.)*	58.18	53.09	48.24	45.06	36.60
Dividend yield (%)	4.31	3.45	7.40	10.83	7.69
Dividend cover (times)	2.76	3.41	3.32	3.62	3.60
Debt to equity ratio (times)	0.40	0.30	0.27	0.34	0.55
Current ratio	1.57	1.68	2.15	1.91	1.67

Figures in brackets indicate deductions.
*Computed based on 598,615,120 shares on issue as at March 31, 2026.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.

2021 Rs.'000	2020 Rs.'000	2019 Rs.'000	2018 Rs.'000	2017 Rs.'000	
					Trading Results
46,386,667	30,562,982	30,089,318	28,484,874	24,334,423	Revenue
7,191,273	1,160,426	1,642,546	1,240,494	1,057,260	Profit before tax
(1,357,946)	(310,133)	(418,720)	(439,644)	(139,526)	Taxation
5,833,327	850,293	1,223,826	800,850	917,734	Profit after tax
(669,293)	(102,196)	(355,402)	(305,382)	(164,533)	Non-controlling interest
5,164,034	748,097	868,424	495,468	753,201	Profit attributable to equity holders of the Company
					Non-Current Assets
13,075,168	12,316,577	12,217,758	12,408,303	12,414,457	Property, plant & equipment
390,977	390,932	390,933	23	26	Investments
3,182,863	2,862,418	1,616,164	1,446,534	1,692,470	Other non-current assets
16,649,008	15,569,927	14,224,855	13,854,860	14,106,953	
27,656,383	11,709,180	11,976,799	10,775,220	9,063,244	Current Assets
44,305,391	27,279,107	26,201,654	24,630,080	23,170,197	Total Assets
					Capital & Reserves
598,615	598,615	598,615	598,615	598,615	Stated capital
585,174	585,142	573,686	447,227	478,788	Other Components of Equity
14,462,463	9,953,105	9,249,276	8,693,473	8,044,601	Revenue and fair value reserves
15,646,252	11,136,862	10,421,577	9,739,315	9,122,004	Shareholders' funds
3,495,286	2,894,169	2,791,075	2,566,261	2,312,205	Non-controlling interest
19,141,538	14,031,031	13,212,652	12,305,576	11,434,209	Total Equity
					Non-Current Liabilities
747,639	717,332	761,058	713,849	686,093	Deferred tax liability
1,819,967	1,377,134	883,102	1,397,541	2,114,650	Interest bearing borrowings
3,688,072	3,921,075	3,540,753	3,090,164	2,859,687	Other non-current liabilities
6,255,678	6,015,541	5,184,913	5,201,554	5,660,430	
					Current Liabilities
533,119	261,082	435,988	874,758	801,486	Current portion of interest bearing borrowings
8,972,762	3,124,003	3,951,213	2,767,380	2,201,582	Short term loans and bank overdrafts
9,402,294	3,847,450	3,416,888	3,480,812	3,072,490	Other current liabilities
18,908,175	7,232,535	7,804,089	7,122,950	6,075,558	
44,305,391	27,279,107	26,201,654	24,630,080	23,170,197	Total Equity and Liabilities
					Ratios & Other Information
8.63	1.25	1.45	0.83	1.26	Earnings per share (Rs.)*
33.00	6.72	8.33	6.50	8.26	Return on equity (%)
46.40	57.00	78.00	85.50	76.00	Market price per share (Rs.)
5.38	4.56	5.38	10.33	6.00	Price earnings ratio (times)*
2.30	0.40	0.45	0.30	0.25	Dividend per share (Rs.)
26.14	18.60	17.41	16.27	15.24	Net assets per share (Rs.)*
4.96	7.02	5.77	3.50	3.30	Dividend yield (%)
3.75	3.12	3.22	2.76	5.00	Dividend cover (times)
0.59	0.34	0.40	0.41	0.45	Debt to equity ratio (times)
1.46	1.62	1.53	1.51	1.49	Current ratio

Horizontal & Verfical Analysis

Statement of Profit or Loss

Profit or Loss	FY 25/26 Rs'000	FY 24/25 Rs'000	FY 23/24 Rs'000	FY 22/23 Rs'000	FY 21/22 Rs'000
Revenue from contracts with customers	82,044,127	79,288,552	73,941,960	80,099,312	55,293,983
Cost of sales	(64,065,192)	(62,724,264)	(56,882,914)	(60,490,240)	(44,561,333)
Gross profit	17,978,935	16,564,288	17,059,046	19,609,072	10,732,650
Other income and gains	958,985	1,303,493	819,820	766,748	833,407
Distribution costs	(2,170,296)	(2,012,670)	(1,956,362)	(2,660,512)	(1,402,795)
Administrative expenses	(9,961,082)	(8,683,199)	(8,193,104)	(8,087,179)	(4,803,655)
Finance cost	(1,004,114)	(972,431)	(1,466,345)	(1,054,716)	(706,458)
Finance income	1,010,906	629,228	1,296,256	2,645,279	2,943,626
Change in fair value of investment properties	-	-	-	-	-
Deemed disposal gain/loss on equity accounted investee	20,881	7,181	8,137	-	-
Profit before tax	6,834,215	6,835,890	7,567,448	11,218,692	7,596,775
Tax (expense) / reversal	(2,211,105)	(1,802,371)	(1,788,403)	(2,716,268)	(1,185,975)
Profit for the year	4,623,110	5,033,519	5,779,045	8,502,424	6,410,800

Statement of Financial Position

	FY 25/26 Rs'000	FY 24/25 Rs'000	FY 23/24 Rs'000	FY 22/23 Rs'000	FY 21/22 Rs'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	35,656,551	30,106,785	23,971,323	21,976,520	16,344,832
Formers (moulds)	1,155,713	943,511	729,505	608,431	436,494
Investment properties	-	-	-	-	-
Biological assets	1,696,525	1,651,025	1,506,271	1,313,068	599,064
Right of use assets	2,768,459	2,226,241	1,798,682	1,469,092	1,345,567
Intangible assets	676,907	717,748	683,449	646,363	315,131
Other non-current financial assets	2,844,038	442,049	426,349	397,711	393,261
Investments in equity accounted investee	167,920	147,039	139,858	-	-
Deferred tax assets	124,866	212,117	233,926	258,614	169,425
	45,090,979	36,446,515	29,489,363	26,669,799	19,603,774
Current Assets					
Inventories	14,862,380	13,935,238	11,685,227	12,648,602	12,070,081
Trade and other receivables	16,400,105	13,352,185	12,193,920	12,131,102	12,129,696
Advances and prepayments	3,682,104	1,783,066	1,568,917	1,571,793	1,201,284
Cash and short term deposits	5,976,452	9,098,676	8,975,940	9,659,763	9,044,765
	40,921,041	38,169,165	34,424,004	36,011,260	34,445,826
Total assets	86,012,020	74,615,680	63,913,367	62,681,059	54,049,600
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent	34,826,992	31,778,483	28,876,855	26,975,061	21,906,800
Non-controlling interest	8,685,221	7,852,737	7,203,020	6,540,249	4,452,443
Equity	43,512,213	39,631,220	36,079,875	33,515,310	26,359,243
Non-Current Liabilities					
Interest-bearing loans and borrowings	7,414,612	3,820,982	4,300,664	3,576,522	2,535,569
Deferred income	819,037	849,174	886,703	896,440	809,083
Defined benefit obligations	5,051,048	4,736,991	4,006,968	3,464,696	2,866,645
Agents' indemnity fund	168,654	140,966	131,779	135,865	131,118
Deferred tax liabilities	2,998,176	2,758,394	2,526,532	2,277,368	775,949
Other non current liabilities	-	-	-	-	-
	16,451,527	12,306,507	11,852,646	10,350,891	7,118,364
Current Liabilities					
Trade and other payables	14,828,579	13,883,559	10,146,063	9,742,403	8,201,624
Interest-bearing loans and borrowings	10,197,797	8,192,783	5,290,534	7,860,179	11,873,634
Income tax payable	1,021,904	601,611	544,249	1,212,276	496,735
	26,048,280	22,677,953	15,980,846	18,814,858	20,571,993
Total liabilities	42,499,807	34,984,460	27,833,492	29,165,749	27,690,357
Total equity and liabilities	86,012,020	74,615,680	63,913,367	62,681,059	54,049,600

	Horizontal Analysis					Vertical Analysis				
	FY 25/26 YoY %	FY 24/25 YoY %	FY 23/24 YoY %	FY 22/23 YoY %	FY 21/22 YoY %	FY 25/26 % of Revenue	FY 24/25 % of Revenue	FY 23/24 % of Revenue	FY 22/23 % of Revenue	FY 21/22 % of Revenue
	3	7	(8)	45	19	100	100	100	100	100
	2	10	(6)	36	29	(78)	(79)	(76)	(81)	(74)
	9	(3)	(13)	83	(9)	22	21	24	19	26
	(26)	59	7	(8)	>100	1	2	1	2	1
	8	3	(26)	90	39	(3)	(3)	(3)	(3)	(2)
	15	6	1	68	25	(12)	(11)	(10)	(9)	(8)
	3	(34)	39	49	14	(1)	(1)	(1)	(1)	(1)
	61	(51)	(51)	(10)	>100	1	1	3	5	1
	-	-	-	-	(100)	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	(0)	(10)	(33)	48	6	8	9	14	14	16
	23	1	(34)	>100	(13)	(3)	(2)	(3)	(2)	(3)
	(8)	(13)	(32)	33	10	6	6	11	12	13

	Horizontal Analysis					Vertical Analysis				
	FY 25/26 YoY %	FY 24/25 YoY %	FY 23/24 YoY %	FY 22/23 YoY %	FY 21/22 YoY %	FY 25/26 % of Assets	FY 24/25 % of Assets	FY 23/24 % of Assets	FY 22/23 % of Assets	FY 21/22 % of Assets
	18	26	9	34	25	41	40	38	35	30
	22	29	20	39	15	1	1	1	1	1
	-	-	-	-	(100)	-	-	-	-	-
	3	10	15	>100	13	2	2	2	2	1
	24	24	22	9	(6)	3	3	3	2	2
	(6)	5	6	>100	1	1	1	1	1	1
	>100	4	7	1	0	3	1	1	1	1
	14	5	>100	-	-	-	-	-	-	-
	(41)	(9)	(10)	53	29	-	-	-	-	-
	24	24	11	36	18	52	49	46	43	36
									-	
	7	19	(8)	5	9	17	19	18	20	22
	23	9	1	0	20	19	18	19	19	22
	>100	14	(0)	31	(56)	4	2	2	3	2
	(34)	1	(7)	7	>100	7	12	14	15	17
	7	11	4	5	25	48	51	54	57	64
	15	17	2	16	22	100	100	100	100	100
	10	10	7	23	40	40	43	45	43	41
	11	9	10	47	27	10	11	11	10	8
	10	10	8	27	38	51	53	56	53	49
	94	(11)	20	41	39	9	5	7	6	5
	(4)	(4)	(1)	11	0	1	1	1	1	1
	7	18	16	21	5	6	6	6	6	5
	20	7	(3)	4	54	-	-	-	-	-
	9	9	11	>100	4	3	4	4	4	1
	-	-	-		(100)	-	-	-	-	-
	34	4	15	45	14	19	16	19	17	13
	7	37	4	19	(2)	17	19	16	16	15
	24	55	(33)	(34)	25	12	11	8	13	22
	70	11	(55)	>100	(53)	1	1	1	2	1
	15	42	(15)	(9)	9	30	30	25	30	38
	21	26	(5)	5	10	49	47	44	47	51
	15	17	2	16	22	100	100	100	100	100

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, 2026 have been submitted to the Colombo Stock Exchange as required by the Listing Rules.

2. ORDINARY SHAREHOLDERS

Number of shareholders as at March 31,2026 - 12,961 (as at March 31,2025 - 11,594).

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	7,395	2,226,118	0.37	16	6,414	0.00	7411	2,232,532	0.37
1,001 -10,000	3,860	14,806,923	2.47	24	146,175	0.02	3884	14,953,098	2.50
10,001 -100,000	1,363	41,348,264	6.91	23	759,269	0.13	1386	42,107,533	7.03
100,001 -1,000,000	228	64,314,469	10.74	12	3,574,908	0.60	240	67,889,377	11.34
Over 1,000,000	39	470,252,580	78.56	1	1,180,000	0.20	40	471,432,580	78.75
Total	12,885	592,948,354	99.05	76	5,666,766	0.95	12,961	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	12,363	143,213,906	23.92	68	2,675,395	0.45	12,431	145,889,301	24.37
Institutions	522	449,734,448	75.13	8	2,991,371	0.50	530	452,725,819	75.63
	12,885	592,948,354	99.05	76	5,666,766	0.95	12,961	598,615,120	100.00

3. SHARE VALUATION

The market value of an ordinary share of Dipped Products PLC:

	2025/26	2024/25
Highest	Rs. 74.50 (October 07, 2025)	Rs. 63.00 (January 29, 2025)
Lowest	Rs. 45.90 (April 07, 2025)	Rs. 28.90 (April 19, 2024)
Closing	Rs.49.40 (March 31,2026)	Rs.55.00 (March 28,2025)

4 SHARE TRADING

	2026	2025
Number of transactions	71,032	72,413
Number of shares traded	224,469,761	225,925,599
Value of shares traded (Rs.)	13,580,375,253	10,184,760,237

5. FIRST TWENTY SHAREHOLDERS AS AT MARCH 31, 2026

	Name of the Shareholder	No.of Shares as at 31/03/2026	%	No.of Shares as at 31/03/2025	%
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	Mr. D. P. Pieris	12,500,000	2.09	-	-
6	Mr. R. P. Weerasooriya	6,128,462	1.02	-	-
7	Ravi Industries Limited	5,670,000	0.95	5,670,000	0.95
8	Mrs. T. T. A. De Silva Weerasooria	5,101,236	0.85	-	-
9	Dr. Dilesh Jayanntha	5,080,000	0.85	5,080,000	0.85
10	Mr. R. C. D. De Silva	4,946,423	0.83	-	-
11	Seylan Bank PLC / JN Lanka Holdings Company (Pvt) Ltd	4,898,835	0.82	350,000	0.06
12	DFCC Bank PLC A/C No .02	4,596,515	0.77	2,048,323	0.34
13	Employees Trust Fund Board	4,533,596	0.76	5,758,545	0.96
14	Mr.H.S.R. Kariyawasan & Mrs.K.H.S. Kariyawasan	4,150,850	0.69	4,150,850	0.69
15	Finco Holdings (Private) Limited	4,054,748	0.68	-	-
16	Mr.H.A.R.Pieris	3,400,000	0.57	3,400,000	0.57
17	Mr. Nihal Samarasuriya	3,175,860	0.53	3,175,860	0.53
18	Mr. Sivagurunathan Rameshan	2,377,480	0.40	2,377,480	0.40
19	Renuka Hotels PLC	2,013,626	0.34	2,013,626	0.34
20	Seylan Bank PLC / Mr. S. K. Wijekoon	1,926,019	0.32	-	-
	TOTAL	443,637,997	74.11	403,109,031	67.34

6. SHARES HELD BY THE PUBLIC

Public Holding as at 31.03.2026	
Percentage of Public Holding	40.99%
Total number of shareholders representing the public holding	12,949
Total Number of shares held by public	245,376,170
Float - Adjusted Market Capitalization (Rs.)	12,121,582,798

The Company complies with option 1 of the Listing Rules 7.13.1 (i) (a) more than Rs.10.0Bn Float Adjusted Market Capitalization which no minimum Public Holding % required.

7. HISTORY OF DIVIDEND AND SCRIP ISSUES (LAST 36 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	01:05	1,000	6,000	3.3	19,800
1992				6,000	2.6	15,600
1993				6,000	2.6	15,600
1994	Share Trust (at Rs. 41.00)		600	6,600	3	19,800
1995				6,600	3.5	23,100
1996	Bonus	01:05	1,320	7,920	1.75	13,860
	Rights (at Rs. 60.00)	01:05	1,584	9,504	17.5	16,632
1997	Bonus	01:05	1,901	11,405	3.5	39,917
1998	Bonus	01:05	2,281	13,686	4	54,743
1999	Bonus	01:05	2,737	16,423	3.5	57,480
2000	Bonus	01:08	2,053	18,476	3	55,427
2001				18,476	4	73,903
2002				18,476	3.5	64,665
2003	Bonus	01:08	2,309	20,785	3.5	72,748
2004	Bonus	01:05	4,157	24,942	4	99,769
2005	Bonus	01:05	4,988	29,931	–	–
	Bonus	01:01	29,931	59,861	4	239,446
2006				59,861	3	179,585
2007				59,861	4.5	269,377
2008				59,861	3	179,585
2009				59,861	3	179,585
2010				59,861	3.75	224,480
2011				59,861	3	179,585
2012				59,861	6	359,169
2013				59,861	7	419,031
2014				59,861	5.5	329,238
2015				59,861	7	419,031
2016				59,861	2	119,723
2017				59,861	2.5	149,653
2018				59,861	3	179,585
2019				59,861	4.5	269,374
2020				59,861	4	239,444
2021	Share Split	01:10		598,615	2.3	1,376,815
2022				598,615	2.5	1,496,538
2023				598,615	3	1,795,845
2024				598,615	2.25	1,346,884
2025				598,615	1.9	1,137,369
2026				598,615	2.13	1,275,050

MARKET CAPITALISATION (LAST 36 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
2026	29,573	34,827

8 SRI LANKAN EQUITY MARKET

Sri Lanka's equity market continued its positive momentum in 2025/26. The All Share Price Index and the Standard & Poor's Sri Lanka 20 (S&P SL20) index of the Colombo Stock Exchange recorded further gains of approximately 18% and 14% respectively during the year. Market capitalisation also increased by around 12% to reach Rs. 6,279.2 billion as at 31st March 2026, reflecting sustained investor confidence.

CSE's average daily turnover in share trading showed moderate improvement, rising to about Rs. 2.5 billion in 2025/26 compared with Rs. 2.2 billion in 2024/25. Despite this growth, turnover levels remained below the peaks observed in earlier years, such as Rs. 2.97 billion in 2022 and Rs. 4.88 billion in 2021, indicating that while market activity is recovering, it has yet to fully return to historically high levels

9 DIPPED PRODUCTS PLC SHARE PRICE PERFORMANCE

Dipped Products PLC share price decreased by 10.2% to Rs.49.40 as at March 31, 2026. Meanwhile, the beta value for of Dipped products PLC share amounted to 0.66 over the last 5 years. That means Dipped Products's price volatility has been lower than the market average.

Month ended	Share price (Rs)
Apr-25	54.00
May-25	52.90
Jun-25	60.00
Jul-25	60.60
Aug-25	60.80
Sep-25	66.50
Oct-25	68.50
Nov-25	63.90
Dec-25	60.40
Jan-26	58.00
Feb-26	57.60
Mar-26	49.40

10 SUMMARY OF SHAREHOLDER RETURNS OVER THE LAST 5 YEARS

Discription	2025/26	2024/25	2023/24	2022/23	2021/22
Closing price (Rs.)	**49.40**	55.00	30.40	27.70	32.50
Price to earnings ratio	**8.40**	8.50	4.07	2.55	3.61
Net assets per share (Rs.)	**58.18**	53.09	48.24	45.06	36.6
Earnings per share (Rs.)	**5.88**	6.47	7.47	10.87	8.99
Dividend per share (Rs.)	**2.13**	1.90	2.25	3.00	2.50
Dividend Yield (%)	**4.31**	3.45	7.40	10.83	7.69
ROE (%	**10.11**	13.30	15.49	24.12	24.57

Group Structure

DPL
Handling you with care

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

N A R R S Nanayakkara

K D G Gunaratne

K M D I Prasad

B K C R Ratnasiri

(Ms.) K A D B Perera

M N R Fernando

Prof. A P De Silva

P Y S Perera - Senior Independent Director

(Ms.) A I Wanigasekera

T A B Speldewinde (appointed w.e.f. April 01, 2025)

Dr. R M U N Ratnayake (appointed w.e.f. April 01, 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

(Ms.) S V Wanigasekera (appointed w.e.f. April 01, 2026)

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

S A N Pushpakumara (appointed w.e.f. May 01, 2026)

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 (resigned w.e.f. April 25, 2025)

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

ICOGUANTI 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 LIMTED

Incorporated in 2024 in India

Stated capital - INR 10,809,000

Group interest - 100%

Group Structure

Directors:

A M Pandithage - Chairman (appointed w.e.f. September 02, 2025)

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

R H P Janadheera

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

R H P Janadheera

S C Ganegoda

K M D I Prasad

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

S B Alawattegama - Chief Executive Officer

F Mohideen

S C Ganegoda

N Ekanayake

S P Peiris

S Amarasekera

M C B Talwatte

T M Hewagama (appointed w.e.f. September 15, 2025)

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

J D N Gunasekera (alternate to Mr. M J Fernando - appointed w.e.f. October 28, 2025)

N P Abeysinghe (appointed w.e.f. September 01, 2025)

Glossary

ACCOUNTING POLICIES

Specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting Financial Statements.

ACTURIAL 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 SECNARIO ANALYSIS

A process for identifying and assessing a potential range of outcomes of future climate relted 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

DEFFERED 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 amortization (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 BARGIAN PURCHASE

The amount of the identifiable assets acquired and liabilities assumed exceeds the aggregate consideration transferred

GRARING

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.

Glossary

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 CAPITALIZATION

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).



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INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF DIPPED PRODUCTS PLC ON THE INTEGRATED ANNUAL REPORT 2025/26

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 the Dipped Products PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2026 (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) initially developed by the International Integrated Reporting Council (IIRC) and currently maintained by the Integrated Reporting and Connectivity Council (IRCC) of the IFRS Foundation. (the "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 28 April 2026. 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 International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, 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.

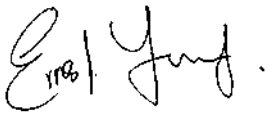
Emphasis of matter

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 2026, in order for it to be in accordance with the Criteria.



June 05, 2026

Colombo

Partners: D K Hulangamuwa FCA FCMA LLB (London), 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, 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 FCA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA, M U M Mansoor ACA

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

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Independent Practitioner's Assurance Report

Building a better working world

[redacted]

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 2025/26

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 2026 (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

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 28 April 2026. 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 International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, 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.

Independent Practitioner's Assurance Report

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 organization 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 organization'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.

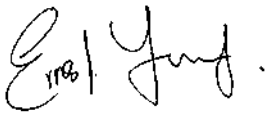
Emphasis of matter

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 2026, in order for it to be in accordance with the Criteria.



June 05, 2026

Colombo

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GRI Content 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	20	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	5,13				
	2-3 Reporting period, frequency and contact point	4,9				
	2-4 Restatements of information	4				
	2-5 External assurance	7				
	2-6 Activities, value chain and other business relationships	312				
	2-7 Employees	245				
	2-8 Workers who are not employees	N/A		Not applicable	Company does not have workers who are not employees by the company.	
	2-9 Governance structure and composition	91,94				
	2-10 Nomination and selection of the highest governance body	96				
	2-11 Chair of the highest governance body	99				
	2-12 Role of the highest governance body in overseeing the management of impacts	91, 94, 99, 110				
	2-13 Delegation of responsibility for managing impacts	99				
	2-14 Role of the highest governance body in sustainability reporting	110				
	2-15 Conflicts of interest	103				
	2-16 Communication of critical concerns	91,140				
	2-17 Collective knowledge of the highest governance body	94, 214, 162				
	2-18 Evaluation of the performance of the highest governance body	97,104				
	2-19 Remuneration policies	104				
	2-20 Process to determine remuneration	104				
	2-21 Annual total compensation ratio	N/A		Due to confidentiality, data not disclosed		
	2-22 Statement on sustainable development strategy	49				
	2-23 Policy commitments	93,242				
	2-24 Embedding policy commitments	93,242				
	2-25 Processes to remediate negative impacts	106,242				
	2-26 Mechanisms for seeking advice and raising concerns	72,75				
	2-27 Compliance with laws and regulations	92				
	2-28 Membership associations	425				
	2-29 Approach to stakeholder engagement	72				
	2-30 Collective bargaining agreements	272				

GRI Content Index

GRI Standard/ Other Source	Disclosure	Page No.	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Explanation	Explanation	
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	84	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	86				
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
	101-1 Policies to halt and reverse biodiversity loss	465				
	101-2 Management of biodiversity impacts	465				
	101-3: Access and benefit sharing	N/A				
	101-4: Identification of biodiversity impacts	465				
	101-5: Locations with biodiversity impacts	N/A				
	101-6: Direct drivers for biodiversity loss	465				
	101-7: Changes to the state of biodiversity	N/A				
	101-8: Ecosystem services	465,448				
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	23				
	201-2 Financial implications and other risks and opportunities due to climate change	150				
	201-3 Defined benefit plan obligations and other retirement plans	552				
	201-4 Financial assistance received from government	233				
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	260				
	202-2 Proportion of senior management hired from the local community	247				
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	381				
	203-2 Significant indirect economic impacts	348				
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	316				
Anti corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	431				
	205-2 Communication and training about anti-corruption policies and procedures	431,432				
	205-3 Confirmed incidents of corruption and actions taken	431,432				
Anti-competitive behaviour						

GRI Standard/ Other Source	Disclosure	Page No.	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Explanation	Explanation	
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	106,431				
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 207: Tax 2019	207-1 Approach to tax	235				
	207-2 Tax governance, control, and risk management	235				
	207-3 Stakeholder engagement and management of concerns related to tax	235				
	207-4 Country-by-country reporting	235				
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	438				
	301-2 Recycled input materials used	438				
	301-3 Reclaimed products and their packaging materials	438				
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	442				
	302-2 Energy consumption outside of the organization	436				
	302-3 Energy intensity	442				
	302-4 Reduction of energy consumption	443,444				
	302-5 Reductions in energy requirements of products and services	444				
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	456				
	303-2 Management of water discharge-related impacts	456,461				
	303-3 Water withdrawal	456				
	303-4 Water discharge	456,461				
	303-5 Water consumption	456				
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
305-1 Direct (Scope 1) GHG emissions	305-1 Direct (Scope 1) GHG emissions	447				
305-2 Energy indirect (Scope 2) GHG emissions	305-2 Energy indirect (Scope 2) GHG emissions	447				
	305-3 Other indirect (Scope 3) GHG emissions	447,448				
	305-4 GHG emissions intensity	447,449				
	305-5 Reduction of GHG emissions	449,453				
	305-6 Emissions of ozone-depleting substances (ODS)	451				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	451				

GRI Content Index

GRI Standard/ Other Source	Disclosure	Page No.	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Explanation	Explanation	
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 306: Waste 2020	3-3 Management of material topics	462				
	306-1 Waste generation and significant waste-related impacts	462				
	306-2 Management of significant waste-related impacts	462				
	306-3 Waste generated	462				
	306-4 Waste diverted from disposal	462				
	306-5 Waste directed to disposal	306, 248				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	330				
	308-2 Negative Environmental impact in supply chain and action taken	332,334				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	248				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	260				
	401-3 Parental leave	261				
Labor/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	250,273				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	263				
	403-2 Hazard identification, risk assessment, and incident investigation	263,287				
	403-3 Occupational health services	263				
	403-4 Worker participation, consultation, and communication on occupational health and safety	263				
	403-5 Worker training on occupational health and safety	263				
	403-6 Promotion of worker health	263				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	263,287				
	403-8 Workers covered by an occupational health and safety management system	263				
	403-9 Work-related injuries	263				
	403-10 Work-related ill health	263				

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	88				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	252				
	404-2 Programs for upgrading employee skills and transition assistance programs	252				
	404-3 Percentage of employees receiving regular performance and career development reviews	257				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	276				
	405-2 Ratio of basic salary and remuneration of women to men	280				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	250,277				
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
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	272, 332, 334				
Child Labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	243,332,334				
Forced or Compulsory Labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	250, 332, 334				
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	250,251				
Rights of indigenous peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	247				

GRI Content Index

GRI Standard/ Other Source	Disclosure	Page No.	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Explanation	Explanation	
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	348				
	413-2 Operations with significant actual and potential negative impacts on local communities	348				
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	330				
	414-2 Negative social impacts in the supply chain and actions taken	332,334				
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 415: Public Policy 2016	415-1 Political contributions	92,447				
Customer health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	300				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	300				
Marketing and labeling						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	303				
	417-2 Incidents of non-compliance concerning product and service information and labeling	303				
	417-3 Incidents of non-compliance concerning marketing communications	303				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	88				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	304				

Sustainability Accounting Standards Board (SASB) Index

AGRICULTURAL PRODUCTS SUSTAINABILITY ACCOUNTING STANDARD (VERSION: 2023-12)

TABLE 1: SUSTAINABILITY DISCLOSURE TOPICS & METRICS

SASB Code	Topic	Accounting Metric	Unit	Category	Disclosure / Page Reference
FB-AG-110a.1	Greenhouse Gas Emissions	Gross global Scope 1 emissions	MT CO_2 e	Quantitative	7,224 metric tons CO_2 e (FY 2024/25: 7,498 metric tons CO_2 e). Pages 447–449
		Year-on-year changes in emissions	N/A	Discussion & Analysis	Discussion of changes: Reduction primarily attributable to thermal energy optimisation, biomass utilisation, combustion efficiency improvements, fleet optimisation and refrigerant management initiatives. No material acquisitions, divestments or methodology changes affected comparability. Pages 442–446, 448
		Emissions calculation methodology	N/A	Discussion & Analysis	Calculated using the operational control approach in accordance with the GHG Protocol using activity data and applicable emission factors. Emissions are reported as CO_2 e and include applicable Kyoto Protocol greenhouse gases. Pages 447–448
FB-AG-110a.2		Long-term and short-term strategy or plan to manage Scope 1 GHG emissions	N/A	Discussion & Analysis	The Group manages Scope 1 emissions through renewable biomass utilisation, energy-efficiency initiatives, thermal energy optimisation, fleet fuel management, refrigerant controls, and operational improvement programmes. Pages 442–451
		Emission reduction targets and performance against targets	N/A	Discussion & Analysis	The Group monitors GHG emissions and decarbonisation performance through climate-related targets, renewable energy initiatives, and annual environmental performance reviews. Pages 443-444
		Activities and investments required to achieve plans or targets, including risks and limiting factors	N/A	Discussion & Analysis	Investments in renewable energy, biomass systems, energy-efficient technologies, and process improvements support emissions reduction objectives. Achievement may be influenced by market, regulatory, technology, and operational factors. Pages 444-445
		Scope of strategies, plans or reduction targets across business units, geographies or emission sources	N/A	Discussion & Analysis	The strategy applies across manufacturing operations in Sri Lanka and Thailand and covers direct emissions from owned or controlled sources.Pages 444-445
		Relationship of strategies or targets to emissions regulations, programmes or reporting frameworks	N/A	Discussion & Analysis	The emissions management approach is aligned with ISO 14064-1, the GHG Protocol, customer requirements, and relevant climate-related commitments supporting low-carbon operations. Page 436 and 447
FB-AG-110a.3		Fleet fuel consumed, percentage renewable	GJ %	Quantitative	Not applicale - The Group's operations are primarily manufacturing-based and do not maintain a dedicated fleet of vehicles that is material to operations. Accordingly, fuel consumption by fleet vehicles and renewable fleet fuel usage are not considered material operating metrics for the Group.

SASB Standard

SASB Code	Topic	Accounting Metric	Unit	Category	Disclosure / Page Reference
FB-AG-130a.1	Energy Management	Total energy consumed (excluding fleet vehicles)	GJ	Quantitative	Total energy consumed (excluding fleet vehicles): 2,221 Mn GJ. Page 442
		Percentage of energy consumed supplied from grid electricity	%	Quantitative	Energy supplied from grid electricity: 85%. Page 442
		Percentage of energy consumed that was renewable energy	%	Quantitative	Renewable energy contribution: 94% of total energy consumed. Page 442
FB-AG-140a.1		Total water withdrawn from all sources	m^3	Quantitative	Total water withdrawn from all sources: 2,334,702 thousand m^3. Page 444
		Water withdrawal by source	m^3	Quantitative	Water withdrawals comprise surface water, groundwater, rainwater harvesting , municipal water and other sources. No significant non-freshwater withdrawals were recorded. Page 444
		Total water consumed in operations	m^3	Quantitative	Total water consumed in operations: 2,334,702 thousand m^3. Page 444
		Description of water risks and operations located in High (40–80%) or Extremely High (>80%) Baseline Water Stress areas	N/A	Discussion & Analysis	The Group's operations are not located in High or Extremely High Baseline Water Stress areas as classified by the WRI Aqueduct Water Risk Atlas. Page 444
		Water withdrawn in High or Extremely High Baseline Water Stress areas as a percentage of total water withdrawn	%	Quantitative	Water withdrawn from High or Extremely High Baseline Water Stress areas: 0%. Page 444
		Water consumed in High or Extremely High Baseline Water Stress areas as a percentage of total water consumed	%	Quantitative	Water consumed in High or Extremely High Baseline Water Stress areas: 0%. Page 444
FB-AG-140a.2	Water Management	Description of water management risks associated with water withdrawals, water consumption and wastewater discharge	N/A	Discussion & Analysis	Key water-related risks include water availability, water quality, regulatory compliance, wastewater management, and increasing water costs. These risks are managed through water stewardship, efficiency initiatives, wastewater treatment, rainwater harvesting, and treated water reuse programmes. Pages 444-445
		Short- and long-term strategies or plans to mitigate water management risks	N/A	Discussion & Analysis	The Group mitigates water-related risks through rainwater harvesting, treated water reuse, wastewater treatment, process efficiency improvements, and long-term water resilience initiatives. Pages 444–449
		Water management targets	N/A	Discussion & Analysis	Water management targets include increasing sustainable water sourcing, expanding treated water reuse, and improving water-use efficiency across operations. Pages 444–449
		Discussion of life-cycle effects or trade-offs arising from water management practices	N/A	Discussion & Analysis	Water management initiatives may require additional capital investment and operational resources; however, they improve water security, resource efficiency, climate resilience, and long-term operational sustainability. Pages 444–449
FB-AG-140a.3		Number of incidents of non-compliance: Associated with: Water quality permits Water quality standards Water quality regulation	Number	Quantitative	Total number of incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations: 0. No material water-related regulatory non-compliance incidents were recorded during FY2025/26. Page 424 and Page 444

SASB Code	Topic	Accounting Metric	Unit	Category	Disclosure / Page Reference
FB-AG-250a.1	Food Safety	Non-conformance rates with Global Food Safety Initiative (GFSI)-recognised food safety certification programmes (major and minor non-conformances), corrective action rates, and certification programme used	Rate	Quantitative	Not Applicable – The Group does not operate food manufacturing or food processing facilities subject to GFSI-recognised food safety certification programmes. Therefore, GFSI-related non-conformance rates, corrective action rates, and certification disclosures are not applicable.
FB-AG-250a.2		Percentage of agricultural products sourced from Tier 1 supplier farms or facilities certified to a GFSI-recognised certification programme and the certification programme used	% by Cost	Quantitative	Not Applicable – The Group does not source agricultural products requiring GFSI-recognised certification programmes and does not utilise GFSI-recognised certification schemes for supplier qualification. Therefore, this metric is not applicable.
FB-AG-250a.3		Total number of food-safety-related recalls issued during the reporting period, total weight of products subject to recalls, percentage of recalls that were voluntary and involuntary, and discussion of notable recalls	MT	Quantitative	Not Applicable – The Group does not manufacture or sell food products; therefore, food-safety-related recalls and associated disclosure requirements are not applicable.
FB-AG-320a.1	Workforce Health & Safety	Total Recordable Incident Rate (TRIR), fatality rate and Near Miss Frequency Rate (NMFR) for direct employees and contract employees	Rate	Quantitative	TRIR: 3.4%; Fatality Rate: 0; NMFR: 4.4% (reported separately for direct and contract employees where applicable). Pages 263-264
FB-AG-430a.1	Environmental & Social Impacts of Ingredient Supply Chain	Details of the computation of the % of agricultural products, by cost, that it sourced that are certified to a third-party environmental or social standard.	%	Quantitative	Third-party environmental and social certifications are disclosed; however, cost-based certified sourcing percentages are not currently reported. Page 310
		Details of computation of the % of agricultural products, by cost, that it sourced that are certified to a third-party environmental or social standard, by standard	%	Quantitative	Third-party environmental and social certifications are disclosed; however, cost-based certified sourcing percentages are not currently reported. Page 310
FB-AG-430a.2		Major supplier social/ environmental non-conformance rate	Rate	Quantitative	Major non-conformance rate: 0% Page 330
		Minor supplier social/ environmental non-conformance rate	Rate	Quantitative	Minor non-conformance rate: 0% Page 330
		Corrective action closure rate	Rate	Quantitative	No corrective actions were required during FY2025/26. Page 330
		Standards used for supplier assessment	N/A	Discussion & Analysis	Supplier assessments are conducted using the Group's Supplier Code of Conduct and responsible sourcing requirements. Page 330
FB-AG-430a.3		Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	N/A	Discussion & Analysis	The Group manages sourcing-related environmental and social risks through responsible sourcing policies, supplier due diligence, certification requirements, traceability initiatives, supplier monitoring, and diversification of key raw material sources. Page 322

SASB Standard

SASB Code	Topic	Accounting Metric	Unit	Category	Disclosure / Page Reference
FB-AG-430b.1	GMO Management	Discussion of strategy to manage the use of genetically modified organisms (GMOs), GMO-related regulations, labelling requirements, consumer preferences, risks and opportunities	N/A	Discussion & Analysis	Not Applicable – The Group does not produce, process, or market products subject to GMO-related regulations or labelling requirements.
		Jurisdictions that restrict, ban or suspend imports due to GMO regulations	N/A	Discussion & Analysis	Not Applicable – The Group's products are not subject to GMO-related import restrictions.
		Products or product categories subject to GMO labelling requirements	N/A	Discussion & Analysis	Not Applicable – The Group does not manufacture products subject to GMO labelling requirements.
		Risks and opportunities associated with GMO labelling requirements and changing consumer preferences	N/A	Discussion & Analysis	Not Applicable – GMO-related consumer preferences and labelling requirements are not relevant to the Group's operations.
FB-AG-440a.1	Ingredient Sourcing	Details of principal crops that accounted for 10% or more of consolidated revenue in any of the last three reporting periods, as disclosed in FB-AG-000.A.	N/A	Discussion & Analysis	Tea and natural rubber are the Group's principal plantation crops. Climate-related risks and opportunities are assessed using recognised climate scenarios and managed through climate-resilient agricultural practices, biodiversity conservation, water stewardship, and adaptive plantation management programmes. Page 186
		Details of crops cultivated directly by the entity, grown on a contract basis or sourced as a commodity.	N/A	Discussion & Analysis	
		Risks and opportunities presented to principal crops by climate change scenarios	N/A	Discussion & Analysis	Climate-related risks to tea and rubber include rainfall variability, rising temperatures, water stress, and supply disruptions, while opportunities arise through climate-smart agriculture, biodiversity conservation, and sustainable resource management initiatives. Page 186
		Methods or models used to develop climate change scenarios	N/A	Discussion & Analysis	Climate scenario analysis was developed using IPCC AR6 climate scenarios, transition pathways, and jurisdiction-specific climate assumptions relevant to plantation operations and natural rubber sourcing. Page 206
		Efforts to assess, monitor and adapt to climate-related risks and opportunities	N/A	Discussion & Analysis	The Group applies climate-resilient agricultural practices, biodiversity conservation programmes, water stewardship initiatives, and continuous climate monitoring to manage climate-related risks and support long-term agricultural resilience. Page 186
FB-AG-440a.2		Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress and discussion of Tier 1 suppliers operating in such regions.	% by Cost	Quantitative	Agricultural products sourced from High or Extremely High Baseline Water Stress regions: 0%. Based on the WRI Aqueduct assessment, no key Tier 1 suppliers were identified in High or Extremely High Baseline Water Stress locations. No material sourcing regions were classified as unknown. Page 456

Table 2: Activity Metrics

SASB Code	Topic	Accounting Metric	Unit	Category	Disclosure / Page Reference
FB-AG-000.A	Activity Metrics	Production by principal crop	MT	Quantitative	Production by principal crop: Tea: 12,108 MT Rubber: 3,200 MT Page 380
FB-AG-000.B		Number of processing facilities	Number	Quantitative	Number of processing facilities: Hand Protection - 7 Plantation 43 Page 380
FB-AG-000.C		Total land area under active production	Hectares	Quantitative	Total land area under active F69production: 14,738 Ha Page 380
FB-AG-000.D		Cost of agricultural products sourced externally	Presentation Currency	Quantitative	Cost of agricultural products sources externally - Rs. 7,187 Mn Page 438

HOUSEHOLD & PERSONAL PRODUCTS SUSTAINABILITY ACCOUNTING STANDARD (VERSION: 2023-12)

TABLE 1: SUSTAINABILITY DISCLOSURE TOPICS & METRICS

SASB Code	Topic	Accounting Metric	Unit	Category	Disclosure / Page Reference
CG-HP-140a.1		Total water withdrawn from all sources	m^3	Quantitative	Total water withdrawn from all sources: 2,334,702 thousand m^3 (2,334 ML) Page 456
		Water withdrawal by source	m^3	Quantitative	Water withdrawals comprise surface water, groundwater, rainwater harvesting , municipal water and other sources. No significant non-freshwater withdrawals were recorded. Page 456
		Total water consumed in operations	m^3	Quantitative	Total water consumed in operations: 2,334,702 thousand m^3. Page 456
		Description of water risks and operations located in High (40–80%) or Extremely High (>80%) Baseline Water Stress areas	N/A	Discussion & Analysis	The Group's operations are not located in High or Extremely High Baseline Water Stress areas as classified by the WRI Aqueduct Water Risk Atlas. Page 456
		Water withdrawn in High or Extremely High Baseline Water Stress areas as a percentage of total water withdrawn	%	Quantitative	Water withdrawn from High or Extremely High Baseline Water Stress areas: 0%. Page 456
		Water consumed in High or Extremely High Baseline Water Stress areas as a percentage of total water consumed	%	Quantitative	Water consumed in High or Extremely High Baseline Water Stress areas: 0%. Page 456
CG-HP-140a.2	Water Management	Description of water management risks associated with water withdrawals, water consumption and wastewater discharge	N/A	Discussion & Analysis	Key water-related risks include water availability, water quality, regulatory compliance, wastewater management, and increasing water costs. These risks are managed through water stewardship, efficiency initiatives, wastewater treatment, rainwater harvesting, and treated water reuse programmes. Pages 456-457
		Short- and long-term strategies or plans to mitigate water management risks	N/A	Discussion & Analysis	The Group mitigates water-related risks through rainwater harvesting, treated water reuse, wastewater treatment, process efficiency improvements, and long-term water resilience initiatives. Pages 456–461
		Water management targets	N/A	Discussion & Analysis	Water management targets include increasing sustainable water sourcing, expanding treated water reuse, and improving water-use efficiency across operations. Pages 456–461
		Discussion of life-cycle effects or trade-offs arising from water management practices	N/A	Discussion & Analysis	Water management initiatives may require additional capital investment and operational resources; however, they improve water security, resource efficiency, climate resilience, and long-term operational sustainability. Pages 456–461
		Number of incidents of non-compliance: Associated with: Water quality permits Water quality standards Water quality regulation	Number	Quantitative	Total number of incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations: 0. No material water-related regulatory non-compliance incidents were recorded during FY2025/26. Page 436 and Page 456

SASB Code	Topic	Accounting Metric	Unit	Category	Disclosure / Page Reference
CG-HP-250a.1	Product Environmental, Health and Safety Performance	Total revenue generated from products that contain substances or chemicals of high concern	Reporting Currency	Quantitative	Not Applicable – The Group manufactures protective gloves and plantation products and does not generate revenue from household or personal care products containing substances or chemicals of high concern as contemplated under this SASB metric
CG-HP-250a.3	Product	Strategy for identifying and managing materials, chemicals and substances that may pose hazards to human health or the environment	N/A	Discussion & Analysis	The Group manages chemical-related risks through product stewardship, supplier qualification, product testing, and regulatory compliance programmes. Page 440
		Use of chemicals in beauty, personal care and hygiene products	N/A	Discussion & Analysis	Not Applicable – The Group does not manufacture beauty, personal care, or consumer hygiene products.
		Use of chemicals identified as chemicals of concern under applicable laws or regulatory frameworks	N/A	Discussion & Analysis	Chemical inputs are assessed against regulatory requirements, customer restricted substance requirements, and product safety standards. Page 440
		Use of emerging materials and chemicals of concern	N/A	Discussion & Analysis	The Group monitors emerging regulatory developments and industry expectations relating to materials and chemicals used in its operations. Page 440
CG-HP-250a.4		Revenue from products designed with green chemistry principles	Reporting Currency	Quantitative	Revenue from products designed with green chemistry or lower-impact formulation principles amounted to Rs. 875 Mn during FY2025/26. Page 302

SASB Code	Topic	Accounting Metric	Unit	Category	Disclosure / Page Reference
CG-HP-410a.1	Packaging Lifecycle Management	Total weight of packaging purchased during the reporting period	MT	Quantitative	Total packaging purchased: 38,002 MT Page 439
		Percentage of packaging, by weight, made from recycled or renewable materials	%	Quantitative	Packaging made from recycled or renewable materials: 90% Page 439
		Percentage of packaging, by weight, that is recyclable, reusable, or compostable	%	Quantitative	Recyclable, reusable, or compostable packaging: 97% Page 439
CG-HP-410a.2		Strategy to reduce the environmental impact of product packaging throughout its lifecycle	N/A	Discussion & Analysis	The Group reduces packaging-related environmental impacts through sustainable packaging design, responsible sourcing, material optimisation, and increased use of recycled and renewable materials. Pages 439 and 440
		Use of recycled and renewable packaging materials, including supply availability, customer preferences, and packaging durability considerations	N/A	Discussion & Analysis	The Group promotes the use of recycled and renewable packaging materials while maintaining packaging performance, durability, and customer requirements. Pages 439 and 440
		Use of recyclable and compostable packaging, including regulatory requirements, end-of-life considerations, customer demand, and packaging durability	N/A	Discussion & Analysis	The Group promotes recyclable packaging solutions and considers end-of-life impacts, customer expectations, regulatory developments, and packaging performance requirements. Pages 439 and 440
		Packaging-related targets and performance against targets	N/A	Discussion & Analysis	The Group monitors sustainable packaging targets and performance through ongoing improvements in recycled, renewable, and sustainable packaging solutions. Pages 439 and 440
		Use of Life Cycle Assessment (LCA) analysis to reduce environmental impacts and maximise product efficiency	N/A	Discussion & Analysis	Packaging optimisation decisions are based on sustainability, customer, operational, and regulatory considerations rather than formal Life Cycle Assessment methodologies. Pages 439 and 440
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 - The Group does not source palm oil as a principal input for Hand Protection manufacturing operations. Accordingly, RSPO supply chain certification categories such as Identity Preserved, Segregated, Mass Balance and Book & Claim are not materially applicable to the Hand Protection Sector during FY2025/26. The Group will continue to monitor applicability where palm oil-derived inputs may be introduced or identified in the supply chain.

Table 2: Activity Metrics

SASB Code	Topic	Accounting Metric	Unit	Category	Disclosure / Page Reference
CG-HP-000.A	Activity Metrics	Units of products sold, total weight of products sold	% of Products	Quantitative	Not disclosed due to confidentiality.
CG-HP-000.B		Number of manufacturing facilities	Number	Quantitative	Number of processing facilities: Hand Protection - 7 Plantation 43 Page 380

SLFRS S1 and S2 Disclosure Content Index

Disclosure Reference	Disclosure Requirement	SLFRS S1/S2 Reference	Disclosure Format	Page Reference
GENERAL REQUIREMENTS (S1 – FOUNDATIONAL DISCLOSURES)				
GR-1:	Disclosure of information about sustainability-related risks and opportunities that could reasonably affect cash flows, access to finance or cost of capital	S1 1–4	Narrative	150
GR-2:	Disclosure of the reporting entity and value chain coverage, including upstream and downstream activities.	S1 5–9	Narrative	150–151
GR-3	Disclosure of how material sustainability risks and opportunities are identified.	S1 17–19	Narrative + Table	152, 167–168
GR-4	Disclosure explaining linkages between sustainability disclosures and financial statements.	S1 21	Narrative + Connectivity Table	154–155, 177–178, 184, 189, 195
GR-5	Disclosure ensuring information is complete, neutral and free from error.	S1 11–16	Narrative	156–159
GR-6	Disclosure of comparative data for prior periods (where required).	S1 70	Tables + Footnotes	177–195
GR-7	Explicit statement of compliance with SLFRS S1 and S2.	S1 72	Narrative	150, 159
GR-8	Disclosure of key judgements, assumptions and estimation uncertainty used.	S1 74–82	Narrative + Tables	156–159, 203
SG – Governance Disclosures				
SG – 1	Disclosure of identity of governance body(s) or individual(s) responsible for oversight of sustainability-related risks and opportunities (including climate-related risks and opportunities)	S1 26	Governance Structure, Narrative, Diagram	160–161
SG – 1.1	Disclosure of how responsibilities for sustainability-related risks and opportunities (including climate-related risks and opportunities) are reflected in terms of reference, mandates, role descriptions and other related policies applicable to responsible body(s) or individual(s)	S1 26	Governance Roles & Accountability Tables	160–162
SG – 1.2	Disclosure of the governance bodies or individuals responsible for oversight of sustainability and climate related risks and opportunities.	S1 26	Governance Framework Diagram + Narrative	160–161
SG – 1.3	Disclosure of how the responsible bodies determine whether appropriate skills and competencies are available or will be developed to oversee sustainability and climate related matters.	S1 26	Narrative, Skills Assessment, Competency Matrix	163–164
SG – 1.4	Disclosure of how and how often the governance body or individuals are informed about sustainability and climate-related risks and opportunities.	S1 26	Governance Framework Diagram, Narrative	160–162
	Whether the responsible body(s) or individual(s) considered trade-offs associated with climaterelated risks and opportunities		Narrative	161–162
SG – 1.5	Disclosure of how sustainability and climate related risks and opportunities are considered in strategic decision-making, risk management processes, and major transactions.	S1 27	Narrative, Governance Framework, Accountability Matrix	112–113, 160–162
SG – 1.6	Disclosure of how the governance body oversees the setting of sustainability and climate related targets and monitors progress against them.	S1 27	Narrative, KPI Monitoring Framework	112–113, 160–162
SG – 1.7	Disclosure of management's role in assessing and managing sustainability and climate related risks and opportunities, including delegated authority and accountability.	S1 27	Management Role Section, Narrative	161–162

SLFRS S1 and S2 Disclosure Content Index

Disclosure Reference	Disclosure Requirement	SLFRS S1/S2 Reference	Disclosure Format	Page Reference
SS – Strategy Disclosures				
SS-1.1	Disclosure of the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	S1 28–30	Narrative, SRRO/CRRO Tables	171–177
SS-1.2	Disclosure of the nature and source of those risks and opportunities.		SRRO/CRRO Analysis Tables	171–177
SS-1.3	Disclosure of how those risks and opportunities arise across the value chain.		Value Chain Mapping, Narrative	152–156, 171–177
SS-2.1	Disclosure of the time horizons (short, medium and long term) over which sustainability-related risks and opportunities may affect the entity.	S1 31	Narrative	157
SS-2.2	Disclosure of how the entity defines those time horizons, including the basis and assumptions used.		Narrative	157
SS-3.1	Disclosure of the current effects of sustainability-related risks and opportunities on the business model and value chain.	S1 32–33	Narrative, Impact Assessment	171–177, 178–182
SS-3.2	Disclosure of the anticipated future effects on the business model and value chain.		Narrative, Future Outlook	171–177, 178–182
SS-4.1	Disclosure of how sustainability-relatedrisks and opportunities affect the entity's strategy.	S1 34	Narrative, Strategy Integration Tables	183–186
SS-4.2	Disclosure of how those risks and opportunities affect decision-making processes, including: capital allocation, investments and resource planning		Narrative, Capital Allocation Discussion	183–186
SS-5.1	Disclosure of the resilience of the entity's strategy and business model to sustainability-related risks and opportunities.	S1 35	Scenario Analysis Summary	187–194
SS-5.2	Disclosure of the approach used to assess resilience, including scenario analysis where applicable.		Scenario Analysis Methodology	187–194
SS-5.3	Disclosure of key assumptions and uncertainties used in resilience analysis.		Scenario Analysis Assumptions	187–194
SS-5.4	Disclosure of the results of resilience analysis, including how the strategy performs under different conditions.		Scenario Analysis Results	187–194
SS-6.1	Disclosure of the current financial effects of sustainability-related risks and opportunities on: financial position, financial performance and cash flows	S1 36–37	Financial Effects Tables	195–198
SS-6.2	Disclosure of the anticipated financial effects over short, medium, and long term.		Quantification Tables, Narrative	195–198
SS-7.1	Disclosure of how sustainability risks and opportunities are integrated into the overall strategy.	S1 38–42	Strategy Integration Mapping	183–186, 199–200
SS-7.2	Disclosure of any changes to business strategy due to sustainability factors.		Narrative, Strategic Response	183–186, 199–200
SS-8.1	Disclosure of physical risks (acute and chronic).	S2 9–10 / S1 38–42	Narrative, CRRO Analysis, Scenario Analysis	173–175, 187–194
SS-8.2	Disclosure of transition risks (regulatory, technological, market).	S2 9–10 / S1 38–42	Narrative, SRRO Analysis, Scenario Analysis	171–173, 187–194
SS-9.1	Disclosure of climate-related opportunities that could affect the entity	S2 11	Narrative, Opportunity Assessment	172–177
SS-10.1	Disclosure of the entity's transition plan toward a lower-carbon economy.	S2 13–15	Narrative, Roadmap, Metrics & Targets	183–186, 199–200
SS-10.2	Disclosure of actions, timelines and resources allocated for transition.	S2 13–15	Narrative, Targets Table, Financial Effects	183–186, 195–198, 199–200
SS-11.1	Disclosure of the resilience of the entity's strategy under climate scenarios.	S2 22	Scenario Analysis, Narrative	187–194

Disclosure Reference	Disclosure Requirement	SLFRS S1/S2 Reference	Disclosure Format	Page Reference
SS-11.2	Disclosure of climate scenarios used, including assumptions.	S2 22	Scenario Analysis Methodology	187–194
SS-11.3	Disclosure of impacts of scenarios on strategy and business model viability.	S2 22	Scenario Results Tables, Narrative	187–194
RM : Risk Management				
RM-1.1	Disclosure of the processes used to identify sustainability-related risks and opportunities.	S1 43	Narrative, Process Flow Diagram	165–168
RM-1.2	Disclosure of the sources of information used (internal data, external factors, value chain inputs).	S1 43	Narrative	152–156, 165–168
RM-1.3	Disclosure of how risks and opportunities are identified across the value chain (upstream and downstream).	S1 43	Value Chain Mapping, Narrative	152–156, 165–168
RM-2.1	Disclosure of the processes used to assess sustainability-related risks and opportunities.	S1 43	Narrative, Assessment Framework	167–168
RM-2.2	Disclosure of the criteria used to evaluate risks, such as: likelihood, magnitude of impact and time horizon	S1 43	Narrative, Materiality Assessment	157, 167–168
RM-2.3	Disclosure of how the entity determines which risks are material.	S1 43	Narrative, Materiality Process	152, 167–168
RM-3.1	Disclosure of the processes used to prioritise sustainability-related risks and opportunities.	S1 43	Narrative, Prioritisation Framework	167–168
RM-3.2	Disclosure of how the entity identifies significant or critical risks.	S1 43	Narrative	167–168, 171–177
RM-4.1	Disclosure of whether and how sustainability-related risk processes are integrated into the overall risk management framework.	S1 44	Narrative, Governance & Risk Management Framework	112–113, 160–162, 165–168
RM-4.2	Disclosure of the extent of integration between sustainability risks and traditional financial/operational risks.	S1 44	Narrative	112–113, 165–168, 183–186
RM-4.3	Disclosure of any differences between sustainability risk processes and other risk management processes.	S1 44	Narrative	165–168
RM-5.1	Disclosure of how the entity monitors sustainability-related risks and opportunities over time.	S1 44	Narrative, Governance Reporting Structure	160–162, 165–168
RM-5.2	Disclosure of the processes used to manage or mitigate risks, including controls and procedures.	S1 44	Narrative, SRRO/CRRO Response Actions	171–177, 183–186
RM-5.3	Disclosure of how the entity updates risk assessments in response to new information or changes.	S1 44	Narrative	160–162, 165–168
RM-6.1	Disclosure of processes used to identify climate-related risks, including: physical risks and transition risks	S2 24	Narrative, Risk Identification Process, SRRO/CRRO Assessment	165–168, 171–177
RM-7.1	Disclosure of how climate risks are assessed, including consideration of: severity and likelihood, financial impact and time horizon	S2 25	Narrative, Risk Assessment Methodology, Financial Effects Analysis	157, 167–168, 171–177, 195–198
RM-8.1	Disclosure of how climate-related risks are integrated into overall risk management processes.	S2 26	Narrative, Governance Framework, Risk Management Framework	112–113, 160–162, 165–168
MT – Metrics and targets				
MT-1.1	Disclosure of the metrics used to measure and monitor sustainability-related risks and opportunities.	S1 45	Metrics & Targets Tables	199–206
MT-1.2	Disclosure of how the entity uses these metrics to assess performance over time.	S1 45	Metrics & Targets Tables, Narrative	199–206
MT-1.3	Disclosure of whether the metrics are entity-specific or derived from industry standards (e.g., SASB).	S1 45	Metrics & Targets Tables, SASB Cross-Reference	199–206, 207–215
MT-2.1	Disclosure of the measurement methodologies used to calculate sustainability metrics.	S1 46	Metrics Methodology Tables	199–206

SLFRS S1 and S2 Disclosure Content Index

Disclosure Reference	Disclosure Requirement	SLFRS S1/S2 Reference	Disclosure Format	Page Reference
MT-2.2	Disclosure of the inputs, assumptions, and estimation techniques used.	S1 46	Narrative, Methodology Notes	156–159, 199–206
MT-2.3	Disclosure of any changes in methodologies and their impact on comparability.	S1 46	Footnotes, Basis of Preparation	150, 177–178, 195–198
MT-3.1	Disclosure of industry-based metrics, where applicable, to enhance comparability.	S1 47	SASB Disclosure Tables	207–215
MT-3.2	Disclosure of how these metrics are aligned with recognised frameworks or standards.	S1 47	Metrics & Targets Tables, SASB Index	199–215
MT-4.1	Disclosure of the targets set by the entity to manage sustainability-related risks and opportunities.	S1 48	Targets Tables	199–206
MT-4.2	Disclosure of the scope and time horizon of each target.	S1 48	Targets Tables	199–206
MT-4.3	Disclosure of the basis for setting targets (e.g., science-based, regulatory, internal goals).	S1 48	Targets Tables, Narrative	199–206
MT-5.1	Disclosure of whether targets are: Required by law or regulation, or Voluntarily set by the entity	S1 49	Targets Tables, Narrative	199–206
MT-6.1	Disclosure of performance against targets in the current reporting period.	S1 50–53	Targets Performance Tables	199–206
MT-6.2	Disclosure of progress over time, including trends and comparisons.	S1 50–53	Targets Tables, Comparative Performance Data	199–206
MT-6.3	Disclosure of revisions to targets, including reasons for changes.	S1 50–53	Narrative, Targets Tables	199–206
CLIMATE-SPECIFIC METRICS & TARGETS (SLFRS S2 ADDITIONS)				
MT-7.1	Disclosure of Scope 1 greenhouse gas emissions (direct emissions).	S2 27–29	GHG Emissions Table, Narrative	216–219
MT-7.2	Disclosure of measurement basis aligned with GHG Protocol or equivalent.	S2 27–29	Methodology Narrative	216–217
MT-8.1	Disclosure of Scope 2 emissions (indirect emissions from purchased energy).	S2 30–31	GHG Emissions Table	216–219
MT-8.2	Disclosure of calculation methods (location-based or market-based if applicable).	S2 30–31	Methodology Narrative	216–217
MT-9.1	Disclosure of Scope 3 emissions (value chain emissions) where material.	S2 33–35	Scope 3 Emissions Table	219–221
MT-9.2	Disclosure of categories included and estimation methodologies used.	S2 33–35	Scope 3 Methodology Narrative	219–221
MT-10.1	Disclosure of energy consumption and energy mix.	S2 36	Energy Performance Tables, Narrative	222–225
MT-10.2	Disclosure of emissions intensity metrics (e.g., emissions per unit of output).	S2 36	Performance Metrics Tables	222–225
MT-10.3	Disclosure of internal carbon pricing, if used.	S2 36	Narrative	Not Identified
MT-10.4	Disclosure of capital expenditure or investment aligned with climate strategy.	S2 36	Narrative, Metrics & Targets, Financial Effects Tables	183–186, 199–206
MT-11.1	Disclosure of climate-related targets (e.g., emissions reduction targets).	S2 37–38	Climate Metrics & Targets Tables	199–206, 222–225
MT-11.2	Disclosure of whether targets are science-based or aligned with global frameworks (e.g., Paris Agreement).	S2 37–38	Narrative, Targets Tables	199–206, 225
MT-11.3	Disclosure of time horizons and baseline years for targets.	S2 37–38	Targets Tables	199–206
MT-12.1	Disclosure of progress toward climate-related targets.	S2 39	Performance Against Targets Tables	199–206, 222–225
MT-12.2	Disclosure of trends, variances, and explanations for under/over-performance.	S2 39	Narrative, Performance Commentary	222–225

Notice of Annual General Meeting

DIPPED PRODUCTS PLC - COMPANY REGISTRATION NUMBER - PQ 60

NOTICE OF MEETING - ANNUAL REPORT 2025/ 2026

NOTICE IS HEREBY GIVEN THAT THE FIFTIETH ANNUAL GENERAL MEETING OF DIPPED PRODUCTS PLC, will be held on **Tuesday, 30th June, 2026 at 9:00 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 2026, with the Report of the Auditors thereon.

2) To re-elect as a Director Mr. H. S. R. Kariyawasan, 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. M. N. R. Fernando, 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. K. D. G. Gunaratne, 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 Mr. K. M. D. I. Prasad, 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 Prof. A. P. De Silva, who retires by rotation at the Annual General Meeting in terms of Article 29 (1) of the Articles of Association of the Company.

7) 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.'

8) To authorise the Directors to determine donations and contributions to charities for the ensuing year.

9) To re-appoint Messrs Ernst & Young, Chartered Accountants as the Auditors of the Company for the year 2026/27 and to authorise the Directors to determine their remuneration.

10) To consider and if thought fit, to pass the following Special Resolution to amend the existing Article 50(1) in the Articles of Association of the Company;

SPECIAL RESOLUTION (1)

IT IS HEREBY RESOLVED THAT Article 50 (1) of the Articles of Association of the Company be amended by the inclusion of the following paragraph at the end of Article 50 (1) ;

'The Company may serve any notice or document by electronic mail to an electronic mail account notified by a shareholder in writing or by any other acceptable means to the Company or to the Central Depository System (Pvt) Ltd. Where electronic mail is used, the notice or document shall be deemed to have been received by the shareholder upon the dispatch of same by the Company or by the Central Depository System (Pvt) Ltd, through electronic mail.'

11) 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

June 2, 2026

Notes to shareholders:

1. A Shareholder is entitled to appoint a proxy to attend and vote instead of him/her and a proxy need not be a Shareholder of the Company. A Form of Proxy is enclosed for this purpose. The instrument appointing a proxy must be deposited at the office of the Company Secretaries at No. 400, Deans Road, Colombo 10, Sri Lanka not less than forty-eight (48) hours before the time fixed for the Meeting.

2. The Annual Report of the Company for 2025/26 is available on the corporate website https://www.dplgroup.com/investor-relation and on the Colombo Stock Exchange website - www.cse.lk. If you wish to have a printed copy of the Annual Report, please forward the duly completed 'Request Form - Annexure A' to the office of the Secretaries within 60 days from the date of the Annual General Meeting.

Form of Proxy

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 Fiftieth Annual General Meeting of the Company to be held on Tuesday, 30th June 2026 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 31st March, 2026 with the Report of the Auditors thereon.		
2. To re-elect as a Director Mr. H. S. R. Kariyawasan, as set out in the Notice.		
3. To re-elect as a Director Mr. M. N. R. Fernando, as set out in the Notice.		
4. To re-elect as a Director Mr. K. D. G. Gunaratne, as set out in the Notice.		
5. To re-elect as a Director Mr. K. M. D. I. Prasad, as set out in the Notice.		
6. To re-elect as a Director Prof. A. P. De Silva, as set out in the Notice.		
7. To re-appoint Mr. A. M. Pandithage in terms of Section 211 of the Companies Act No.07 of 2007.		
8. To authorize the Directors to determine donations and contributions to charities for the ensuing year.		
9. To re-appoint Messrs. Ernst & Young, Chartered Accountants as the Auditors of the Company for the year 2026/27 and to authorise the Directors to determine their remuneration.		
10. To pass the Special Resolution to amend Article 50(1) of the Articles of Association of the Company as set out in the Notice.		

Signed on this ..... day of ..... 2026.

.....

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 Infomation

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
Dr. Upul Ratnayake

AUDIT COMMITTEE

Mr. Yohan Perera (Chairman)
Mr. Nanda Fernando
Mrs. Anomi Wanigasekera

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Mr. Yohan Perera (Chairman)
Mr. Nanda Fernando
Mr. Gamini Gunaratne
Mr. Sarath Ganegoda
Mrs. Anomi Wanigasekera

REMUNERATION COMMITTEE MR. YOHAN PERERA (CHAIRMAN)

Mr. Nanda Fernando
Mr. Gamini Gunaratne
Mr. Sarath Ganegoda
Prof. Arjuna De Silva

NOMINATION AND GOVERNANCE COMMITTEE

Mr. Yohan Perera (Chairman)
Mr. Nanda Fernando
Mr. Gamini Gunaratne
Mr. Sarath Ganegoda
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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