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elpitiya



# TRANSFORMATIVE EVOLUTION

At Elpitiya Plantations, we forge onward, driven by the belief that transformation is integral towards unlocking a brighter, more sustainable future for the world around us. Underscored by principles of continuous evolution, we actively seek to stay ahead of the curve by pursuing new opportunities for expansion and progress.

We understand that true success is achieved in embracing change, pushing boundaries, and daring to reinvent ourselves – ensuring that we are not merely surviving, but thriving, no matter what challenges may come our way.

At the core of our DNA lies an unwavering commitment to sustainability and societal growth. Led by these fundamentals, we continuously expand and diversify our capabilities; determined to create a lasting, positive impact on both the environment and the communities we serve. We know that real progress requires a profound sense of responsibility and stewardship – ensuring we measure our progress not just through numbers, but through a future in which the transformation of both people and planet go hand in hand.

This is the power of transformative evolution.



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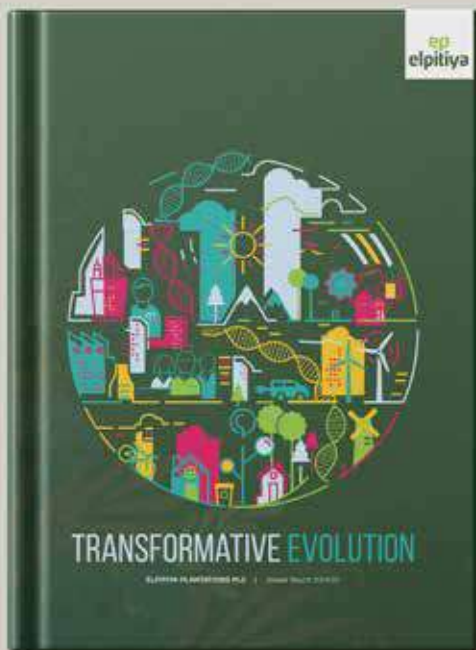




# ABOUT OUR REPORT



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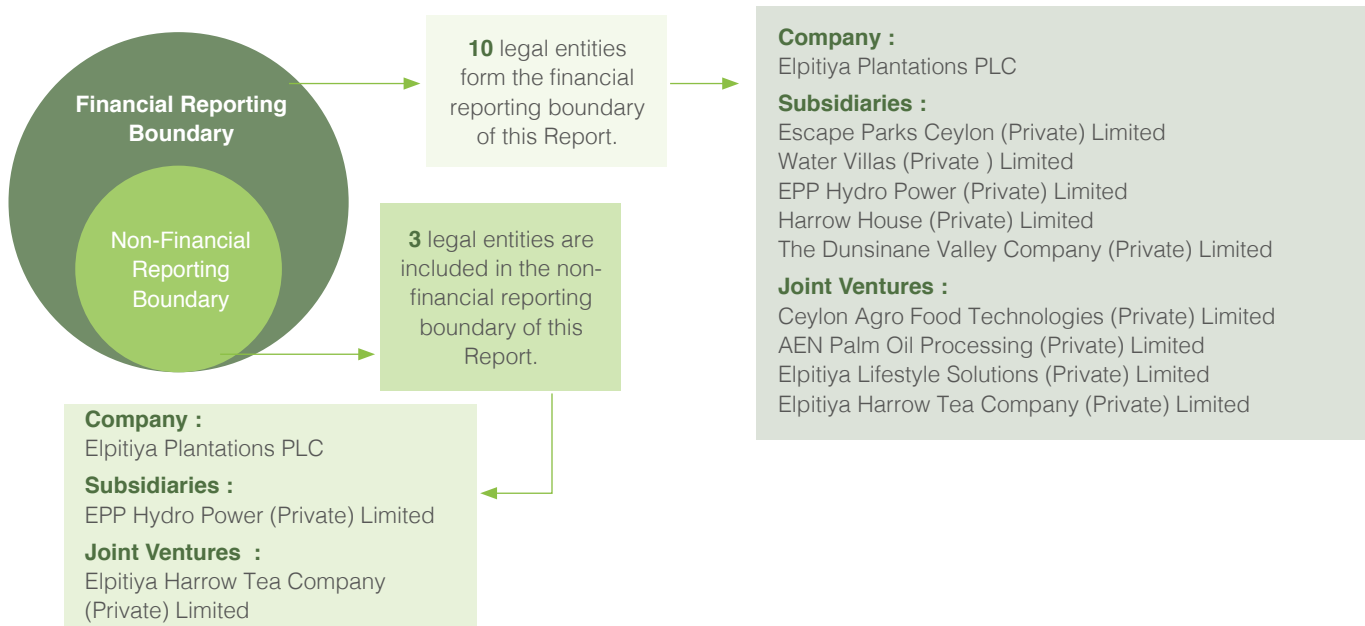
Our 7th Integrated Annual Report for 2024/25 presents our integrated approach to value creation, comprehensively detailing our performance across economic, environmental, social, and governance (EESG) dimensions. Reflecting our commitment to continuous improvement, we refine our reporting practices by aligning with global best practices and applying the GRI Reporting Principles – including accuracy, balance, clarity, comparability, completeness, context, timeliness, and verifiability. This ensures our stakeholders receive decision-useful, transparent, data-driven, and timely information, building upon the progress of our previous year’s report.

## SCOPE AND BOUNDARY

GRI 2-1, 2-2, 2-3, 2-4, 2-6

The scope of this Integrated Annual Report encompasses Elpitiya Plantations PLC (EPP) and its subsidiaries and joint venture companies as indicated below.

The reporting period covers 1 April 2024 to 31 March 2025, adhering to our established annual cycle for both financial and sustainability disclosures. This report serves as a continuation of our previous Annual Report (FY 2023/24). All information presented relates to the Group unless specified otherwise. Importantly, no significant changes occurred regarding the Group’s structure, size, or supply chain, and there are no material restatements from the previous year’s report.



### Reasons for Divergence

The remaining entities have been excluded due to one or more of the following reasons:

- They are non-operational and do not contribute to the Group's financial or non-financial performance
- EPP does not exercise significant management control over these entities

### REPORTING IMPROVEMENTS DURING FY 2024/25

- Alignment with SLFRS Sustainability Disclosure Standards S1 and S2.
- Revisited and clearly defined the boundaries for financial and non-financial reporting, providing transparent justifications for any exclusions in line with global best practices.
- Material topics were re-evaluated and refined to provide a sharper focus on environmental impacts.
- Voluntarily established Board Sustainability Committee contributed its first report this year, strengthening governance oversight and accountability.

### REPORTING FRAMEWORKS

We are committed to high-quality reporting, guided by leading international standards and frameworks. These are selected for being widely trusted, comprehensive across relevant ESG topics, aligned with global best practices, and tailored with industry-specific considerations for EPP where applicable. Our reporting complies fully with the following frameworks.

Reporting Framework	
Financial Reporting	<ul style="list-style-type: none"> <li>• Sri Lanka Financial Reporting Standards (SLFRS)</li> <li>• Sri Lanka Accounting Standards (LKAS)</li> <li>• Companies Act No. 7 of 2007</li> </ul>
Governance and Compliance Reporting	<ul style="list-style-type: none"> <li>• Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021</li> <li>• Code of Best Practices on Corporate Governance (2023) issued by CA Sri Lanka</li> <li>• Listing Rules of the Colombo Stock Exchange</li> </ul>
Narrative Reporting	<ul style="list-style-type: none"> <li>• International &lt;IR&gt; Framework of the International Integrated Reporting Council (IIRC)</li> </ul>
Sustainability Reporting	<ul style="list-style-type: none"> <li>• Global Reporting Initiative (GRI) Standards (2021)</li> <li>• Sustainability Accounting Standards Board (SASB) - Agricultural Products Standards</li> <li>• United Nations Sustainable Development Goals (SDG's)</li> <li>• Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)</li> <li>• Gender Parity Reporting Framework Published by CA Sri Lanka</li> <li>• Communicating Sustainability issued by the Colombo Stock Exchange</li> </ul>

- Mandatory
- Voluntary

## NAVIGATING OUR REPORT

### CAPITALS



Intellectual Capital



Financial Capital



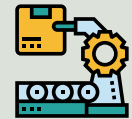
Human Capital



Natural Capital



Social and Relationship Capital



Manufactured Capital

### STAKEHOLDERS



Customers



Employees



Business Partners



Community



Regulators



Investors

## FORWARD-LOOKING STATEMENT

This report contains forward-looking statements based on our current expectations, assumptions, and analysis of internal and external information available at the time of preparation. These statements involve inherent risks and uncertainties, as they pertain to future events and circumstances largely beyond the Group's control. Consequently, actual future performance and outcomes may differ materially from those expressed or implied in these statements.

Therefore, the readers are cautioned not to place undue reliance on forward-looking statements. This information is provided without recourse, and the Board of Directors and preparers of this report accept no liability for any decisions made based upon it.

## ASSURANCE

The Group applies a combined assurance model in its reporting.

GRI 2-5

Internal Assurance	External Assurance
Financial Reporting	<ul style="list-style-type: none"> <li>Integrity and adequacy of financial reporting processes and internal controls evaluated by the Audit Committee and Internal Audit function</li> </ul> Messrs. Ernst and Young
Narrative Reporting	<ul style="list-style-type: none"> <li>The integrity of the Sustainability and ESG information assessed through review by the Aitken Spence PLC Group Sustainability Unit</li> </ul> Messrs. Ernst and Young
Sustainability Reporting	<ul style="list-style-type: none"> <li>GRI Standards (2021)</li> <li>UN Sustainability Development Goals (SDGs)</li> <li>Sustainability Accounting Standards Board – Agricultural Products Standards</li> </ul> Messrs. Ernst and Young
Gender Reporting	<ul style="list-style-type: none"> <li>Information verified by the Aitken Spence PLC Sustainability Unit</li> </ul>
Corporate Governance	<ul style="list-style-type: none"> <li>Listing Requirements of the Colombo Stock Exchange</li> <li>Code of Best Practice on Corporate Governance (2017) issued by CA Sri Lanka</li> </ul>

## BOARD RESPONSIBILITY FOR CORPORATE REPORTING

The Board of Directors acknowledge its responsibility to ensure the integrity of this Report. The Board hereby confirm that the 2024/25 Report addresses all relevant material matters and fairly represents the Group's integrated performance. The Board 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 acknowledgment of the Boards' responsibility for the Annual Report and its contents are given in the Annual Report of the Board of Directors on page 207.

## STRATEGY



### Agriculture and Processing Strategy



### Sustainability Strategy



### Design 2020 Strategy



GRI 2-3

## FEEDBACK & INQUIRIES

We are committed to consistently improving the quality and readability of our Annual Report and value your feedback. Please forward any suggestions, comments, or inquiries regarding the Annual Report to:

Chief Operating Officer – Finance  
 Elpitiya Plantations PLC  
 Level 09, Aitken Spence Tower I,  
 No. 315, Vauxhall Street, Colombo 02,  
 Sri Lanka

E-mail: [info@elpitiya.com](mailto:info@elpitiya.com)

# ABOUT US

**As one of Sri Lanka’s top three most profitable Regional Plantation Companies (RPCs), Elpitiya Plantations PLC (EPP) manages over 8,800 hectares, driven by diversification and sustainable practices. We have strategically shifted from commodities to focus on non-traditional crops, renewable energy, eco-tourism, and value-added manufacturing.**

Our triple-bottom-line approach integrates economic, social, and environmental goals, enhancing resilience and stakeholder value. This marks a significant turnaround over 25 years; upon acquisition by Aitken Spence Plantation Managements PLC in 1997, we faced Rs. 305 million in accumulated losses and ranked 22nd out of 23 RPCs. Our success today is built on visionary leadership, innovative strategies, and team dedication.

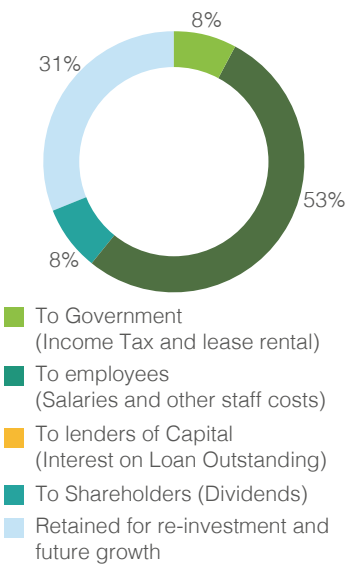
**GRI** 201 -1, 201-2, 203 - 2, 13.9.1

## OUR SOCIAL AND ECONOMIC IMPACT

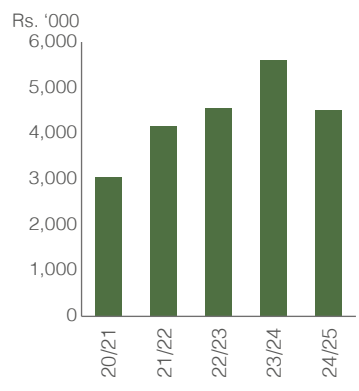
We contribute significantly to Sri Lanka’s economy, well beyond export earnings and taxes. By employing over 4,000 individuals, primarily from vulnerable communities, we provide essential livelihoods. Furthermore, as custodians of over 8,800 hectares of biodiverse land, we conserve vital national resources for future generations.

## Economic Value Added

Value Distributed - 2024/25



Value Distributed



## OUR VISION

***“We will strive to be the No.1 plantation company - A model for Sri Lanka”.***

### No.1 in...

- Profitability growth per hectare of each crop
- Process productivity improvement per unit of each crop
- Number of approved value addition projects and their annual contribution per unit of each crop

## OUR CREDO

- We will continuously enhance shareholders’ value
- We are committed to continuously enhancing strategic HRD initiatives
- We encourage positive and innovative initiatives to improve the competitive advantage of the company
- We will continuously explore opportunities for value addition to our resource base
- We are committed to enhancing employee quality of life
- We strive to bring high quality in all aspects of our activities
- We will always pursue environment-friendly operations

## Group Value Creation

Value Created	2024/25 Rs. Mn.	2023/24 Rs. Mn.
Turnover	7,692	7,204
Other income	387	557

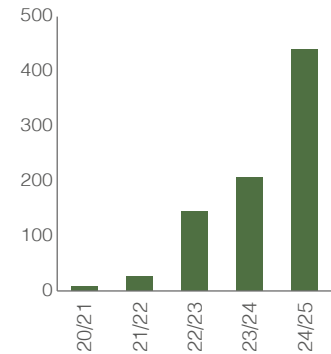
## Group Value Distribution

Value Distributed	2024/25 Rs. Mn.	2023/24 Rs. Mn.
To the Government - income tax and lease rental	357	276
To the employees – Salaries and related payments	2,385	2,192
To lenders of capital – interest on loan outstanding	4	17
To Shareholders - dividends	364	1,384
To Suppliers – purchase of goods / services	3,613	2,157
Retained for re-investment and future growth	1,361	1,735

## Value to Government

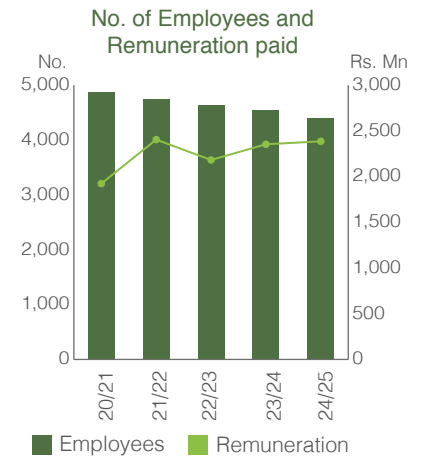
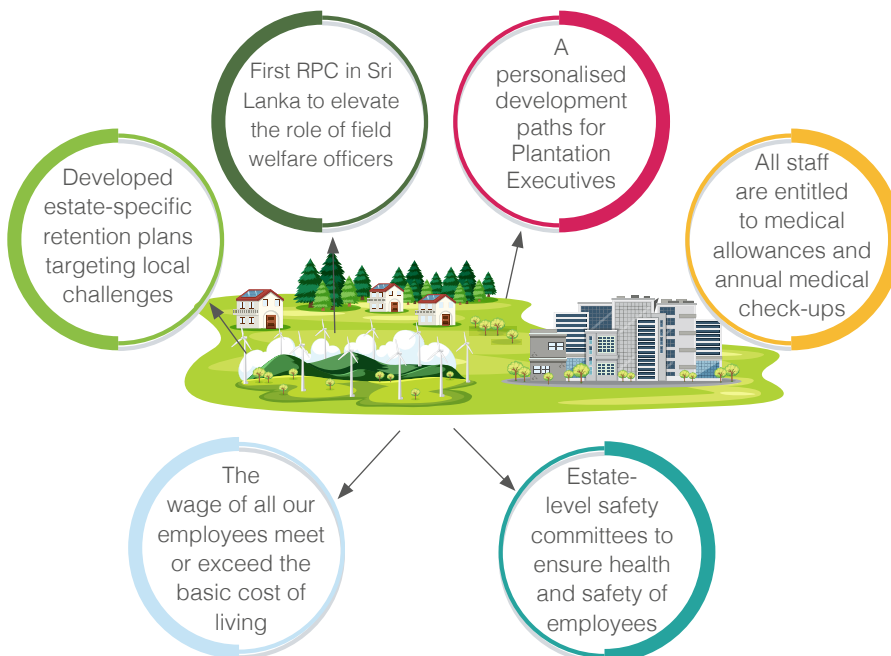
We remained a substantial contributor to Sri Lanka's revenue and reserves.

Income Tax (Rs. Mn)



## Generating Sustainable Livelihoods

We generate substantial employment opportunities across the nation through our widespread operations. Beyond job creation, we invest in the socio-economic development of our estate communities through ongoing community initiatives.



## Women Empowerment

We foster a supportive, secure, and rewarding work environment for women, actively increase their representation, ensure equal pay, and empower their advancement into leadership.



**49%**  
Female Employees

**15%**  
Female Employees Promoted

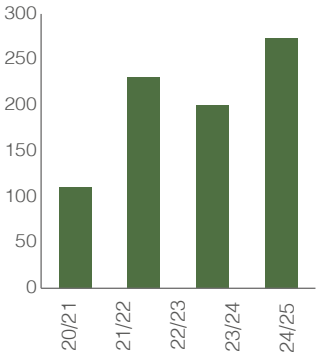
**41%**  
Female Employees Trained

**46%**  
New Recruits are Female Employees

## Uplifting Communities

Serving a community of over 30,000 individuals residing within the territories of our plantations, we prioritise the well-being of our community, enhancing their livelihoods, and empowering them towards Independence. During the year under review Rs. 274 Mn. was invested in community development projects.

**Investment in Community Development (Rs. Mn)**





**Improving Access to Healthcare**

534 Beneficiaries



**Supporting Quality Childcare**

25 Beneficiaries



**Expanding Educational Opportunities**

2,568 Beneficiaries



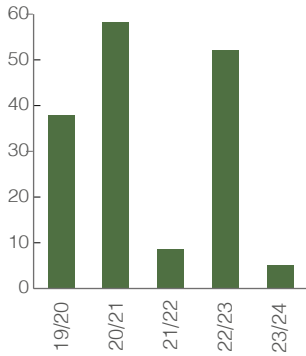
**Tackling Pressing Social Issues**

750 Beneficiaries

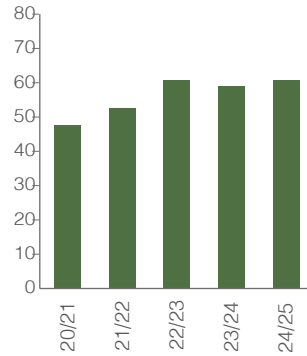
## Boosting Renewable Energy (RE) Generation and Enhancing Estate Productivity

Aligning with the National 2030 RE strategy, we increased renewable energy generation, thus cutting our dependence on fossil fuels. Moreover, implementing sustainable production methods boosted estate productivity.

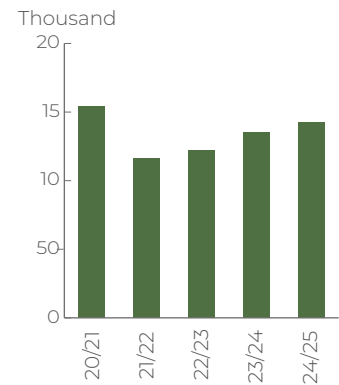
**Investment in renewable energy (Rs. Mn)**



**Renewable energy generation (kWh. Mn)**



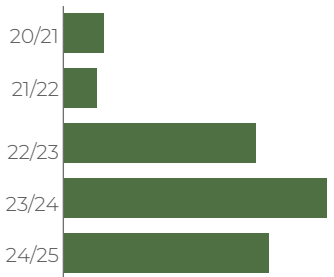
**Application of Chemical Weedicides (Liters)**



## Foreign currency earning and savings

Our foreign exchange earnings and savings positively impact Sri Lanka's foreign currency position.

**Foreign currency earning (USD)**




## Supporting Food Security



**OUR SCALE OF OPERATIONS**

**Tea**




We cultivate 1,775 hectares of high, medium, and low-grown teas across our 13 estates.

**63%**  
Revenue

**31%**  
Land Allocation

**Rubber**



We cultivate 775 hectares of rubber

**3%**  
Revenue

**11%**  
Land Allocation

**Oil Palm**




Driven by our diversification strategy, the Group began oil palm cultivation in 2014, now covering 1,620 hectares.

**27%**  
Revenue

**29%**  
Land Allocation

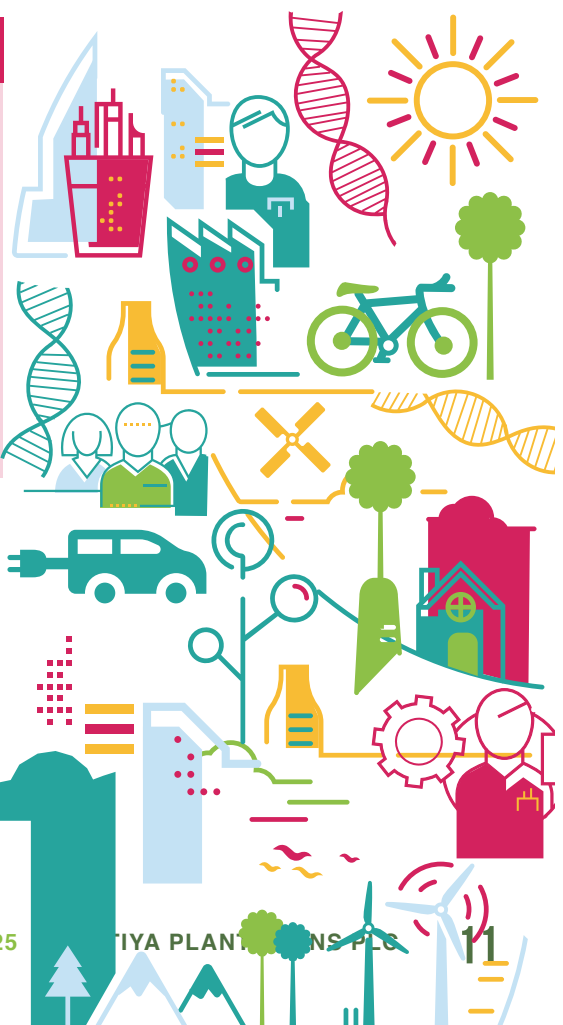
**Other**



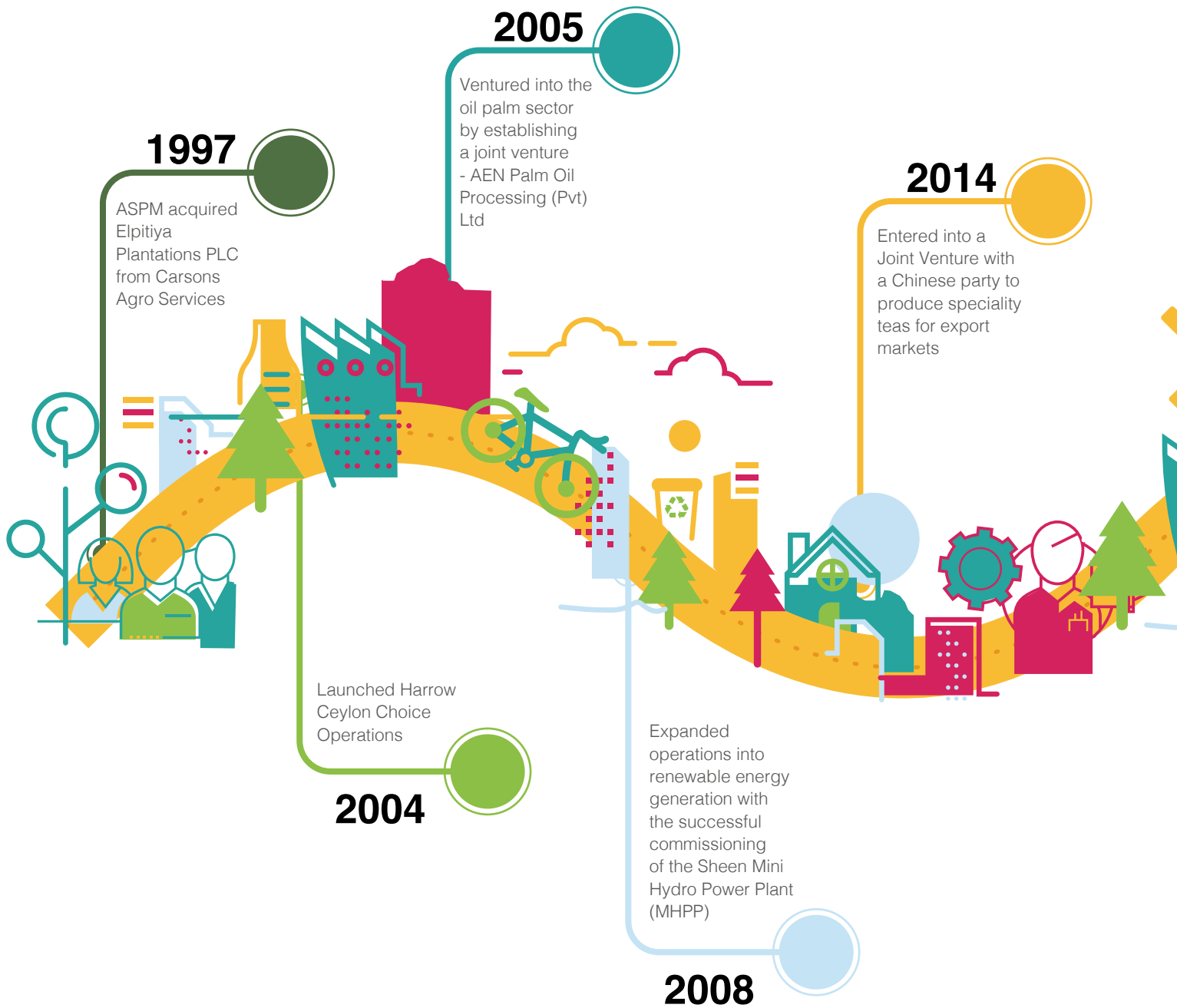
Our diversification strategy extends into various sectors, including renewable energy, commercial forestry, cinnamon and berry cultivation, and value-added product

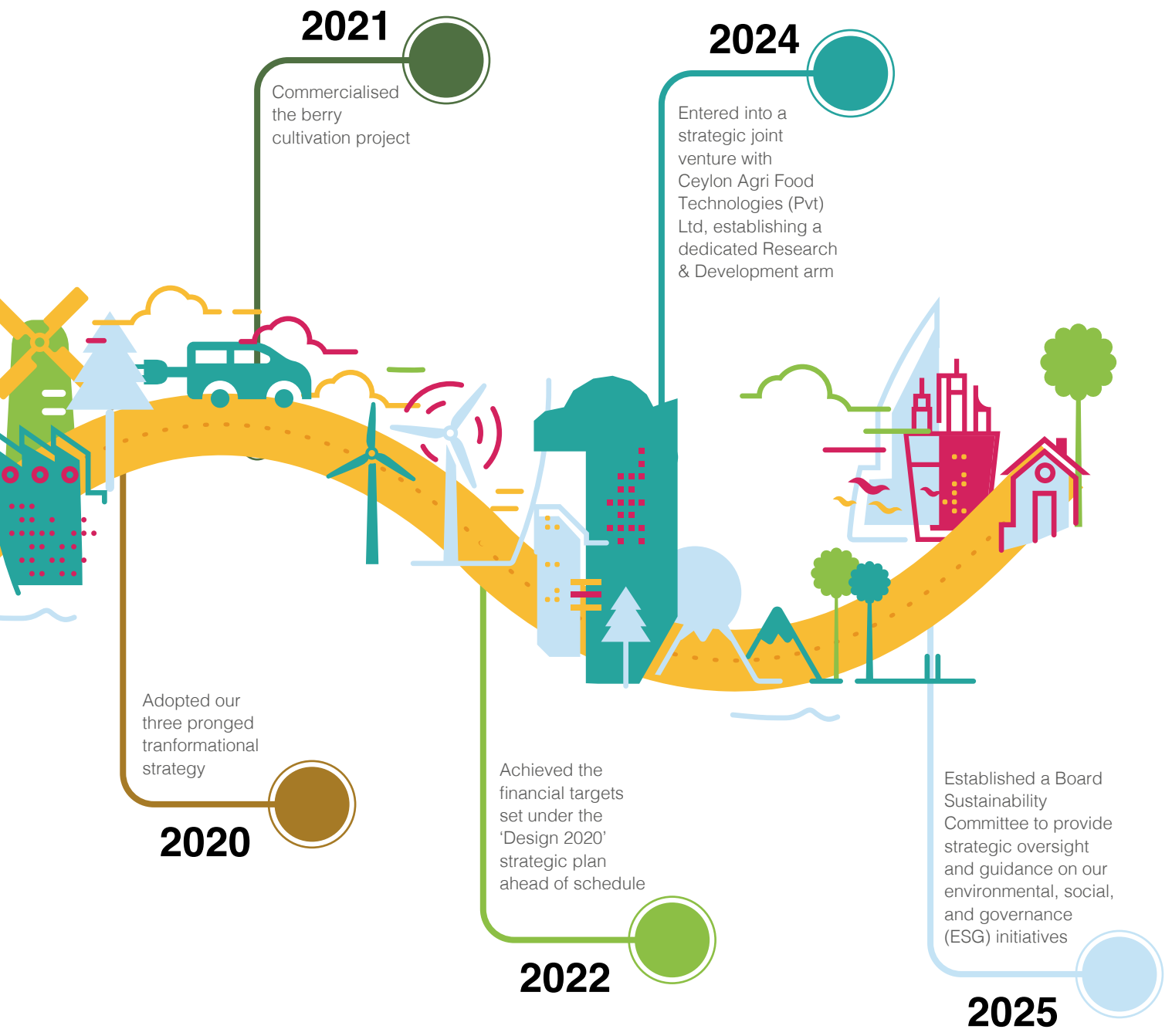
**7%**  
Revenue

**29%**  
Land Allocation



# OUR JOURNEY OF GROWTH AND DISCOVERY





# OUR ESTATES

GRI 2-6

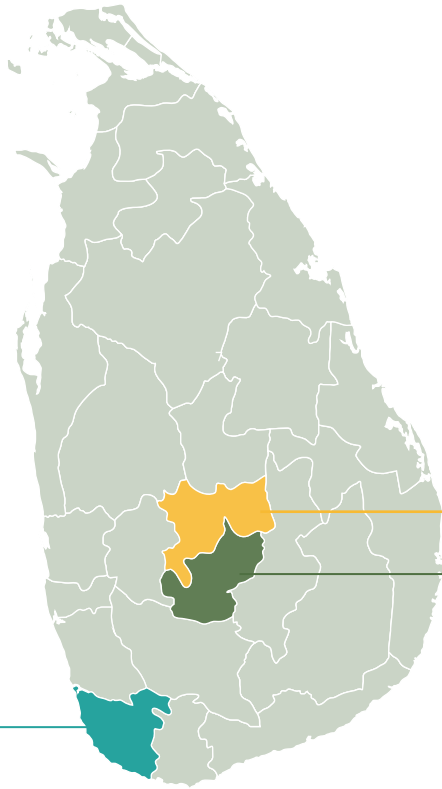
## GALLE DISTRICT



Divitura		Thalgaswella		Ketandola		Bentota	
Extent (Ha)		Extent (Ha)		Extent (Ha)		Extent (Ha)	
Tea	17.48	Tea	20.06	Tea	1.15	Tea	-
Rubber	112.88	Rubber	65.12	Rubber	27.04	Rubber	141.87
Oil Palm	269.63	Oil Palm	568.38	Oil Palm	256.11	Oil Palm	110.27
Others	168.19	Others	53.36	Others	35.89	Others	48.85
Total cultivated area	568.18	Total cultivated area	706.92	Total cultivated area	320.19	Total cultivated area	300.99
Total Extent	896.22	Total Extent	1,033.85	Total Extent	832.69	Total Extent	726.14
Crop (Kgs'000)		Crop (Kgs'000)		Crop (Kgs'000)		Crop (Kgs'000)	
Tea	10	Tea	28	Tea	3	Tea	-
Rubber	48	Rubber	26	Rubber	16	Rubber	57
Oil Palm	3,781	Oil Palm	9,207	Oil Palm	3,575	Oil Palm	1,164



Gulugahakande		Lelwala		Elpitiya	
Extent (Ha)		Extent (Ha)		Extent (Ha)	
Tea	-	Tea	2.70	Tea	-
Rubber	29.70	Rubber	52.10	Rubber	183.16
Oil Palm	102.46	Oil Palm	67.11	Oil Palm	302.67
Others	60.80	Others	32.07	Others	68.46
Total cultivated area	192.96	Total cultivated area	153.98	Total cultivated area	554.29
Total Extent	418.18	Total Extent	240.35	Total Extent	910.36
Crop (Kgs'000)		Crop (Kgs'000)		Crop (Kgs'000)	
Tea	-	Tea	4	Tea	-
Rubber	10	Rubber	15	Rubber	68
Oil Palm	1,471	Oil Palm	1,277	Oil Palm	4,078



NUWARA ELIYA DISTRICT			
Dunsinane		Sheen	
Extent (Ha)		Extent (Ha)	
Tea	430.52	Tea	190.44
Rubber	-	Rubber	-
Oil Palm	-	Oil Palm	-
Others	170.79	Others	219.70
Total cultivated area	601.31	Total cultivated area	410.14
Total Extent	790.00	Total Extent	503.75
Crop (Kgs'000)		Crop (Kgs'000)	
Tea	1,359	Tea	497
Rubber	-	Rubber	-
Oil Palm	-	Oil Palm	-

KANDY DISTRICT			
New Peacock		Nayapane	
Extent (Ha)		Extent (Ha)	
Tea	265.29	Tea	235.40
Rubber	-	Rubber	-
Oil Palm	-	Oil Palm	-
Others	236.27	Others	182.25
Total cultivated area	501.56	Total cultivated area	417.65
Total Extent	535.73	Total Extent	576.50
Crop (Kgs'000)		Crop (Kgs'000)	
Tea	812	Tea	501
Rubber	-	Rubber	-
Oil Palm	-	Oil Palm	-

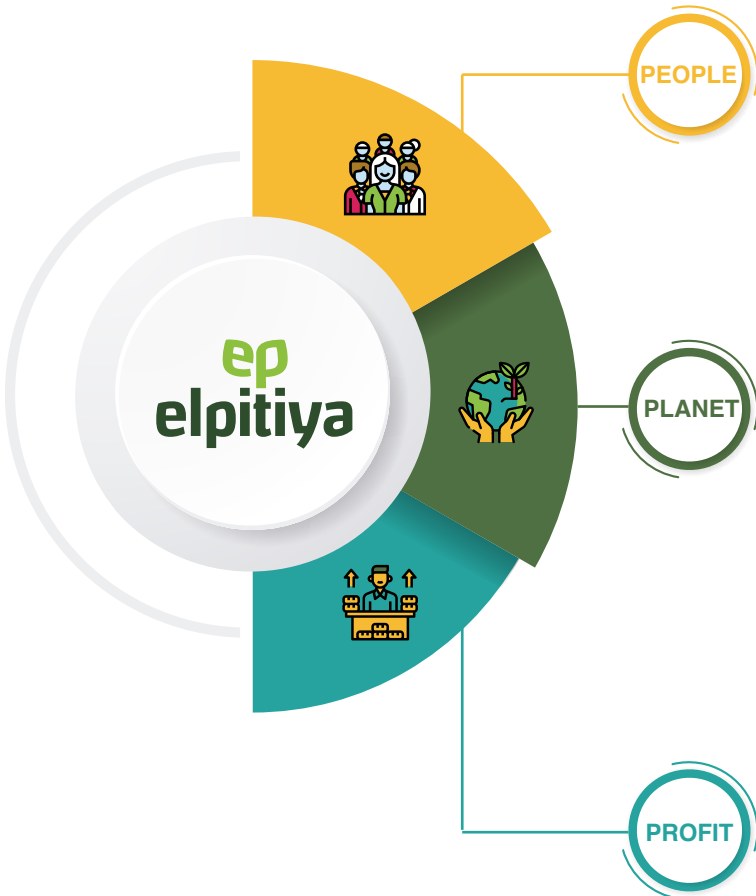
Meddecombra		Fernlands	
Extent (Ha)		Extent (Ha)	
Tea	333.22	Tea	278.46
Rubber	-	Rubber	-
Oil Palm	-	Oil Palm	-
Others	389.14	Others	130.68
Total cultivated area	722.36	Total cultivated area	409.14
Total Extent	890.00	Total Extent	484.25
Crop (Kgs'000)		Crop (Kgs'000)	
Tea	518	Tea	445
Rubber	-	Rubber	-
Oil Palm	-	Oil Palm	-

# PERFORMANCE SCORE CARD

		Group		Company	
		2024/25	2023/24	2024/25	2023/24
<b>Financial Performance</b>					
Revenue	Rs. Million	7,692	7,204	7,683	7,192
Gross profit	Rs. Million	2,384	2,197	2,389	2,198
Operating profit	Rs. Million	1,277	1,365	1,323	1,413
Profit before tax	Rs. Million	1,935	1,988	1,874	1,958
Taxation	Rs. Million	(606)	(422)	(594)	(412)
Profit for the year	Rs. Million	1,329	1,566	1,280	1,546
EBIT	Rs. Million	1,785	1,690	1,724	1,660
EBITDA	Rs. Million	2,273	2,094	2,202	2,055
GP margin	%	31	30	31	31
OP margin	%	17	19	17	20
Net profit margin	%	17	22	17	21
Return on equity	%	15	18	15	19
Return on assets	%	9	13	9	13
Return on capital	%	14	18	14	19
<b>Financial Position</b>					
Total assets	Rs. Million	14,063	12,446	13,665	12,102
Long term investments	Rs. Million	582	510	314	299
Short term investments	Rs. Million	2,999	2,347	2,999	2,347
Cash and cash equivalents	Rs. Million	258	104	255	100
Non-current assets	Rs. Million	9,300	8,574	8,874	8,196
Current assets	Rs. Million	4,763	3,872	4,791	3,906
Working capital	Rs. Million	3,603	3,073	3,635	3,108
Shareholders' funds	Rs. Million	9,505	8,539	9,115	8,198
Total equity	Rs. Million	9,500	8,533	9,115	8,198
Borrowings	Rs. Million	-	72	-	72
Debt to equity ratio	Times	-	0.01	-	0.01
Equity to assets ratio	Times	0.68	0.69	0.67	0.68
Interest cover	Times	21	20	21	20
Current ratio	Times	4	5	4	5
<b>Investor information</b>					
Earnings per share	Rs.	18.24	21.49	18.24	21.49
Dividend per share	Rs.	5.50	5.00	5.50	5.00
Net Asset Value per share	Rs.	130.38	117.11	125.09	112.51
Market value per share					
Highest value	Rs.	140	106	140	106
Lowest value	Rs.	90	70	90	70
Closing as at 31st March	Rs.	118	105	118	105
Market capitalisation as at 31st March	Rs. Million	8,580	7,615	8,580	7,615
Dividend pay out	%	30	23	31	24
Dividend cover	Times	5	4	5	4
Dividend yield	%	5	5	5	5
Price Earnings Ratio	Times	6	5	7	5
Return on Capital Employed	%	14	15	14	15

## Non - Financial Performance

		Group		Company	
		2024/25	2023/24	2024/25	2022/23
<b>Human Capital</b>					
Total employees	No.	4,407	4,547	4,403	4,543
Payments to employees	Rs. Million	2,385	2,192	2,382	2,189
Employee retention rate	%	79%	80%	79%	80%
Female representation	%	49%	49%	49%	49%
New recruits	No.	784	839	784	839
Investment in training	Rs. Million	14	15	14	15
Total training hours	Hours	85,178	72,330	85,178	72,330
Average training hours/employee	Hours	18	16	18	16
Union representation	%	82%	82%	82%	82%
<b>Manufactured Capital</b>					
Property, plant and equipment	Rs. Million	2,055	1,998	1,898	1,834
Investment in capex	Rs. Million	657	707	656	707
Investment in automation and digitisation	Rs. Million	68	41	68	41
<b>Intellectual Capital</b>					
R&D investment	Rs. Million	20	67	20	67
Innovations	No.	9	20	9	20
Certifications and standards	No.	4	6	4	6
<b>Natural Capital</b>					
Raw material consumption	MT	30,152	27,135	30,152	27,135
Energy consumption	GJ	163,548	240,346	163,548	240,346
Water consumption	M3	81,101	60,826	81,101	60,826
Solid waste generation	MT	299	2,262	299	2,262
Carbon footprint	tCO2e	6,817	7,462	6,817	7,462
<b>Social &amp; Relationship Capital</b>					
Investment in community	Rs. Million	274	200	274	200
Payments to suppliers	Rs. Million	3,883	2,761	3,883	2,761
Proportional spending to local suppliers	%	41%	40%	41%	40%



New hires | Training hours  
**784** | **85,178**

Staff Promotions  
**84%** | **15%**  
 Male | Female

Harvested | Reliance on Rainwater  
**312 Mn** | **82%**  
 litres of Rainwater

Generated  
**6,089,722 KWh**  
 of renewable energy

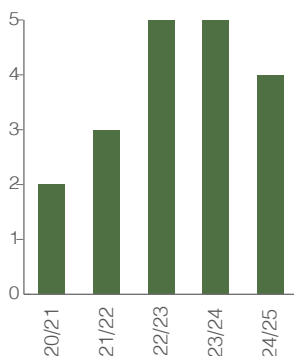
**82%** Increased green cover compared to last year

Assets  
**Rs. 14 Bn**

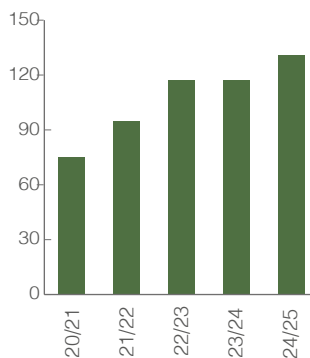
PBT  
**Rs. 1.9 Bn**

Earnings Per Share | Return on Assets  
**Rs. 18** | **9%**

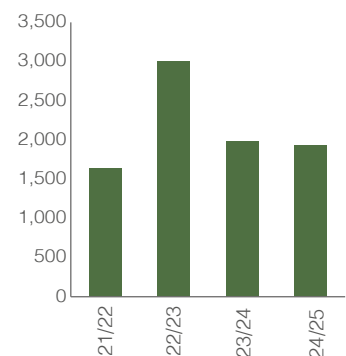
Current Ratio (Times)



Net Assets per Share (Rs.)



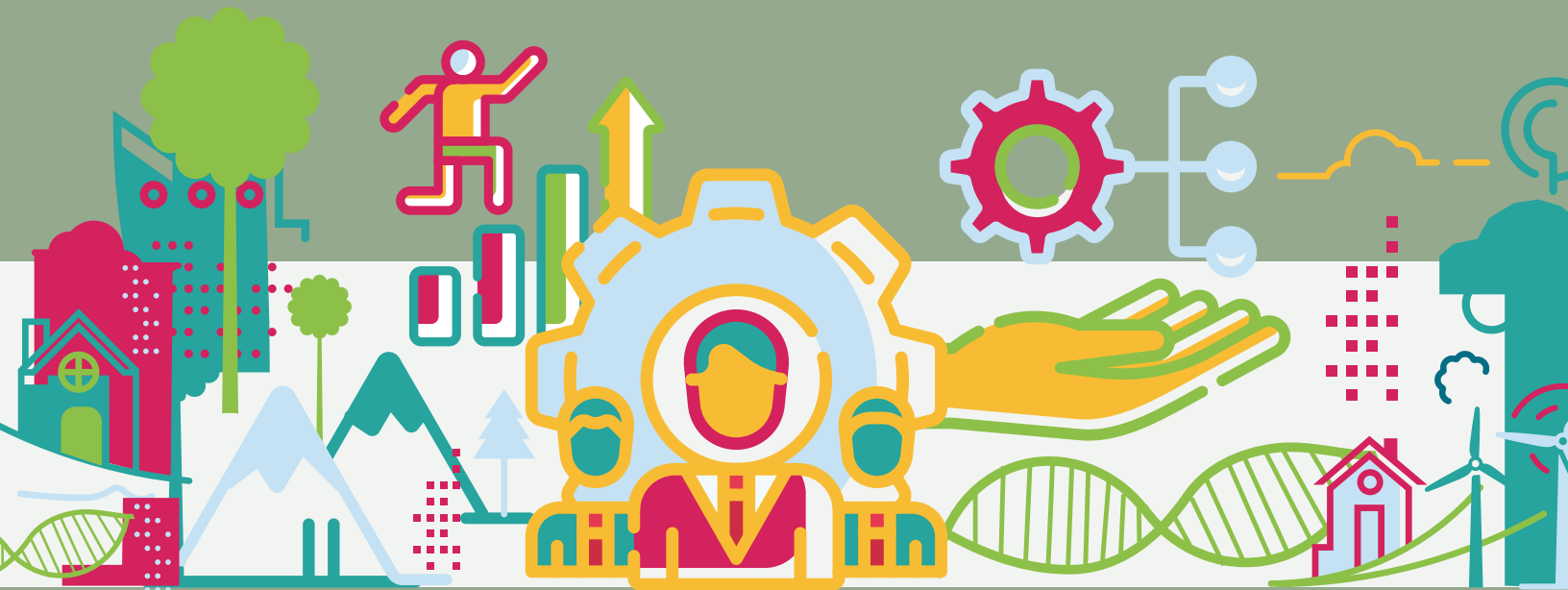
Profit Before Tax (Rs. Mn.)



# COHESIVE COLLABORATION

## MANAGEMENT DISCUSSION & ANALYSIS

Harnessing the power of synergy across our diversified portfolio, we foster collaboration that delivers high-impact results and propels our sustainable growth vision forward.



# OPERATING CONTEXT

## GLOBAL ECONOMY

Global economic growth in 2024 was stable but modest and is projected to slow significantly in 2025 due to swiftly escalating trade tensions and high policy uncertainty. Global growth is projected to drop from an estimated 3.3% in 2024 to 2.8% in 2025 and recover slightly to 3.0% in 2026.

This slowdown is broad-based, affecting nearly all countries. Advanced economies are projected to decelerate from 1.8% in 2024 to 1.4% in 2025, with significant downgrades for the US and a slowdown in the Euro Area primarily driven by policy uncertainty and trade tensions.

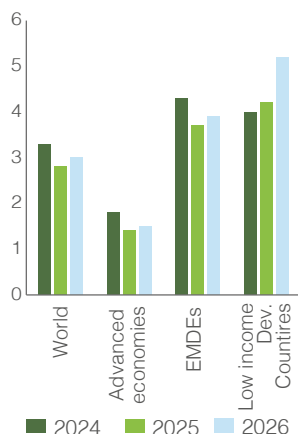
Growth in emerging markets and developing economies is also expected to slow, projected to reach 3.7% in 2025. Emerging and developing Asia, particularly ASEAN countries and China are among those most affected by recent trade measures imposed by the USA.

## SRI LANKAN ECONOMY

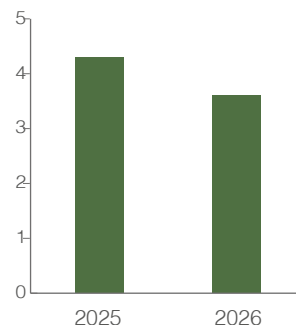
Sri Lanka's economy showed continued resilience in 2024, recovering notably from its severe downturn and surpassing the pace of many other debt-distressed countries. This progress was underpinned by effective post-crisis reforms, reduced political uncertainty following elections, and nearing the conclusion of external debt restructuring efforts, all of which significantly enhanced confidence among investors and stakeholders. After two years of annual decline, the economy posted a 5.0% real growth rate in 2024. Key contributions to this expansion included a revitalised industrial sector (driven by manufacturing and construction), strong performance in the services sector (supported by accommodation and transport), and positive input from agriculture.

Global headline inflation is expected to decline more slowly, reaching 4.3% in 2025 and 3.6% in 2026.

Global economic growth (%)



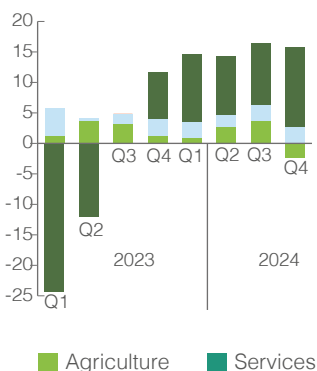
Global inflation (%)



Source: IMF

possibly businesses absorbing some cost increases due to low consumer demand. This easing of price pressures offered relief from previously high living expenses. By the close of 2024, headline inflation, as measured by the CCPI, stood at -1.7% (a significant drop from 4.0% at end-2023), and the annual average rate slowed to 1.2% from 17.4% in 2023.

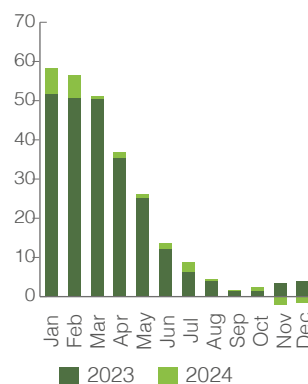
GDP Growth (%)



Source: CBSL

Despite an initial rise in inflation early in 2024, influenced by VAT adjustments and food costs, Sri Lanka experienced a pronounced disinflationary trend throughout the year. This resulted in prices falling into deflation from September 2024 onwards. Several factors contributed to this reversal: significant reductions in electricity tariffs implemented in March and July, the appreciation of the Sri Lankan rupee, cooling global commodity prices, and

Inflation based on CCPI

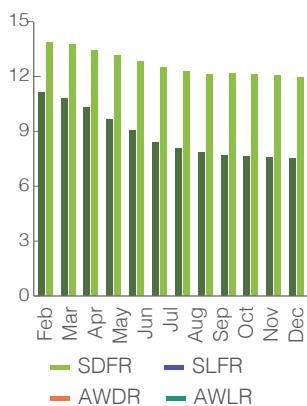


Source: CBSL

Driven by an accommodative monetary policy that began in June 2023, market interest rates in Sri Lanka fell significantly in 2024 due to cumulative policy rate reductions nearing 775 basis points. Approximately 125 basis points of these cuts occurred within 2024. A notable change implemented in late November was the consolidation of the dual policy rate system into a single Overnight Policy Rate (OPR), which effectively added about 50 basis points to the rate reduction.

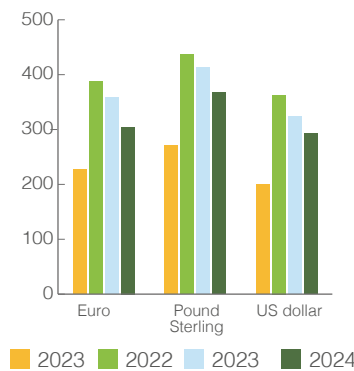
By end-2024, Sri Lanka's Gross Official Reserves (GOR) showed substantial improvement, rising to USD 6.1 billion from USD 4.4 billion a year earlier. This increase was largely facilitated by the Central Bank's record net purchases of USD 2.85 billion domestically, enabled by the Sri Lankan rupee's appreciation for the second consecutive year. The rupee's strength reflected enhanced economic fundamentals, such as a persistent surplus in the external current account (driven by remittances, tourism, and service inflows) and contained foreign exchange outflows. The Central Bank continued to manage the exchange rate based on market dynamics, with interventions focused on reserve building and limiting excessive volatility.

**Interest Rates - 2024**



Source: CBSL

**Exchange Rate (Rs.)**



Source: CBSL

### Revitalising the Plantation Sector

The agriculture sector grew moderately by 1.2% in 2024 (down from 1.6% in 2023). Growth was supported by animal production and fruits but limited by a prolonged contraction in coconut and the impact of extreme weather in Q4 on rice, cereals, and fishing, which dampened overall expansion.

Recognised as the backbone of the rural economy, the agriculture sector is crucial for Sri Lanka, providing employment to approximately 30% of the labour force. Elevating the potential of this sector is therefore key to enhancing economic opportunities for a large segment of the population.

Accordingly, Government policy is strategically aimed at increasing the sector's productivity, competitiveness, and resilience. Key initiatives and allocated resources include:

- The fertiliser subsidy for paddy farmers will be maintained, with a dedicated Government allocation of Rs. 35 billion for 2025.
- Priority areas identified for support through budgetary allocation include the development of quality seeds, effective cascade management, and efficient water use in agriculture.

Driven by increasing global demand, the coconut industry anticipates a national nut requirement of 4,500 million nuts by 2030. To leverage this, a proposed allocation of Rs. 500 million aims to support the planting of 16,000 acres of new coconut land in the Northern region by providing high-yielding seedlings, based on Coconut Research Institute (CRI) recommendations.

Measures will be implemented to enhance value addition in traditional export crops such as cinnamon. Marketing and promotion will be boosted via Sri Lanka's embassies abroad. The Government will provide technical assistance to farmers to improve quality and facilitate connections with value-added exporters, encouraging international joint ventures. To aid integration into global value chains, a proposed allocation of Rs. 250 million is planned for an integrated product development and trade promotion program for Ceylon cinnamon and other key export crops.



### Impact of climate change on the agricultural sector

Climate change, which is widely recognised as having a direct impact on plantations, is occurring globally, and affecting Sri Lanka's agricultural sector. Given that plantation crops are closely tied to specific geographical and climatic conditions, changes brought by climate disruptions pose severe challenges to the industry's sustainability.

In particular, climate change poses significant threats to Sri Lanka's plantation sector, potentially impacting productivity, quality, and operational costs. Key environmental stresses include temperature increases reducing tea and rubber yields and causing heat stress for labour, and unpredictable monsoon cycles leading to water scarcity and drought. These environmental changes are projected to result in soil erosion, degraded soil fertility, and the salinisation of coastal lands, particularly affecting coconut farms.

Furthermore, climate change is expected to disrupt planting and harvesting cycles, leading to disrupted growing seasons and lowered crop quality, which can negatively impact export prices and market competitiveness against global producers. Warmer conditions are likely to increase the prevalence of pests and diseases and reduce pollinator activity, further suppressing yields. These environmental challenges necessitate increased investment in climate adaptation infrastructure, such as irrigation systems, driving up operational costs and potentially leading to climate-induced migration and rural labour shortages.

## Tea



Globally, tea production increased by approximately 2.6%, slightly exceeding the growth in global consumption, which stands at around 2.5%.

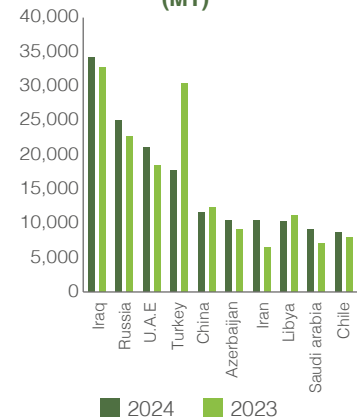
Sri Lanka's cumulative tea production for January-December 2024 totalled 262.16 million kilograms. This represents an increase of 6.07 million kilograms (+2.4%) from the 256.09 million kilograms produced during the corresponding period in 2023. By elevation, High Grows experienced a decline in 2024 compared to the previous year, whereas both Medium and Low Grows increased output, contributing to the overall gain.

From Sri Lanka's perspective, total cumulative tea exports for January-December 2024 reached 245.78 million kilograms, recording an increase of 3.87 million kilograms (+1.6%) compared to the 241.91 million kilograms exported in the same period of 2023.

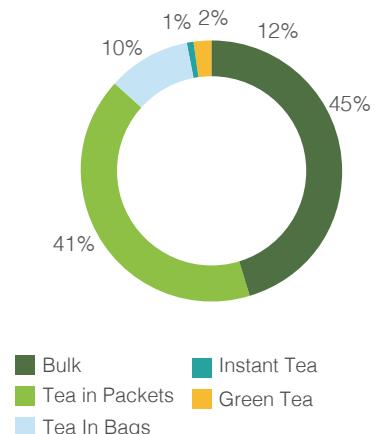
Major importers of Ceylon Tea in January-December 2024:

- Iraq maintained its position as the top importer with 34.26 million kilograms, indicating a 5% increase YoY.
- Russia ranked second, witnessing a significant 10% increase YoY, with imports totalling 24.98 million kilograms.
- The U.A.E. followed with 21.13 million kilograms, recording a substantial 14% increase YoY.
- Conversely, imports by Türkiye decreased by 42% to 17.37 million kilograms, and China experienced a 6% decrease to 11.56 million kilograms.
- Azerbaijan secured the 6th position with 10.43 million kilograms.
- Notably, Iran showed significant growth, with imports reaching 10.43 million kilograms, representing a substantial 60% increase YoY, positioning it as another key market alongside Azerbaijan.

### Major Exporters of Sri Lankan Tea (MT)



### Composition of Tea Exports - 2024



### Impact on EPP

EPP is well positioned to benefit from the anticipated tight supply of Orthodox Large Leaf teas, which is expected to drive higher auction prices in the near term. As a producer of Orthodox teas, the company stands to realise improved revenue per kilogram during this period of favourable market conditions.

The prevailing SLR/USD exchange rate may further enhance Rupee-denominated returns, particularly if global demand remains strong and buyers continue to take advantage of Sri Lanka's price competitiveness.

While challenges such as climate variability, rising input costs, labour pressures, and policy uncertainties persist, the company will strategically align its production with peak pricing periods and maintain a strong focus on quality differentiation to maximise margins and sustain operational resilience in a dynamic market environment.

### OUTLOOK

For Sri Lanka, a tight supply situation for Orthodox Large Leaf teas is anticipated, resulting from several years of local crop decline and the 2024 deficit in Indian production. Combined with the seasonally lean Q1 and Sri Lanka's Western quality season, this outlook suggests buoyant tea prices during Q1 and possibly into early Q2. Subsequent price trends will be contingent on global supply dynamics.

The SLR/USD exchange rate parity is also expected to influence Rupee tea prices, especially with potential import liberalisation.

While challenges such as climate change, input costs, mechanisation, wages, and government policies affecting production persist, Sri Lanka's total tea output for 2025 is projected at approximately 280 million kilograms.

## Rubber



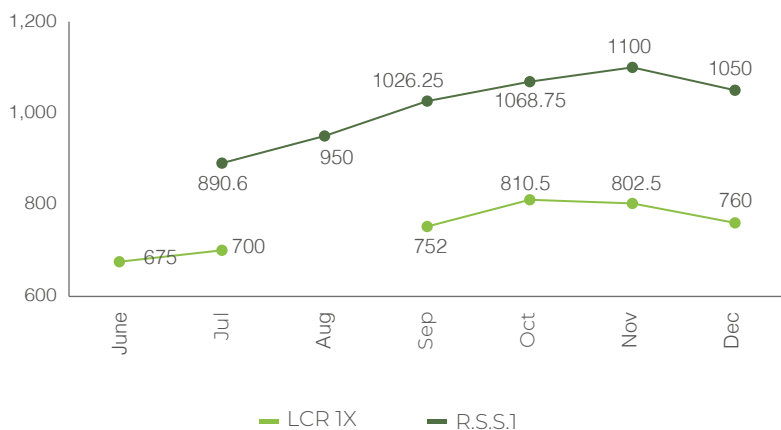
Export earnings for Sri Lanka increased by 7.0% YoY, reaching USD 11.67 billion in the eleven months ending November 2024. This growth was partially attributed to stronger revenues generated by rubber products.

The export earnings from Rubber & Rubber finished products increased by 8.25 %, to US\$ 920.81 million in January – November 2024 compared to the same period in 2023. This positive performance was primarily driven by a 21.74 % increase in the exports of Industrial & Surgical Gloves of Rubber.

However, provisional data for November 2024 indicated a monthly decrease in export earnings from Rubber and Rubber finished products by 1.96 % YoY to US\$ 77.2 million. This monthly decline was attributed to a negative performance (-22.95 %) in the exports of Pneumatic & Retreated Rubber Tyres & Tubes.

The global Natural Rubber production up to November 2024 reached 12.7 million tons, recording a growth of 2.4% YoY. Global demand for Natural Rubber also increased to 13.9 million tons, reflecting an increase of 0.5% compared to the same period in 2023.

Monthly average price (Rs.) - 2024



Source: Forbes & Walker Commodity Brokers (Pvt) Limited

### Impact on EPP

In addition to the partial recovery from Pestalotiopsis leaf disease, The Company's rubber segment benefited from the positive momentum in Sri Lanka's rubber export earnings. This growth, largely driven by increased demand for industrial and surgical rubber gloves, highlights favourable conditions for value-added rubber products, a segment the Company has been actively exploring through its diversification strategy. Moving forward, the Company will continue to focus on enhancing field productivity and evaluating opportunities to maximise the long-term potential of the rubber sector.

### OUTLOOK

Sri Lanka's rubber sector achieved USD 1 billion in revenue in 2024, and the industry strategises to increase exports to USD 2 billion by 2030.

### Oil Palm



In 2024-2025, Sri Lanka's palm oil sector navigated a landscape of significant challenges alongside potential opportunities. A primary constraint remained the stark disparity between low local production and high domestic demand. The country currently produces only around 32,000 tonnes of palm oil annually, falling far short of the demand which necessitates substantial imports. This reliance on imports results in a considerable foreign exchange outflow, estimated by the industry to be around US\$ 57 million annually for edible oils.

A central issue preventing local production from meeting demand is the existing ban on oil palm cultivation. The Palm Oil Industry Association (POIA) highlights this as a unique policy inconsistency, noting Sri Lanka is reportedly the only country globally that bans

cultivation while still permitting consumption. Sri Lanka's annual palm oil consumption is 220,000 metric tonnes, with local production from approximately 12,000 hectares covering only 12% of this demand. This cultivation ban carries significant economic costs, contending that without it, Sri Lanka could have potentially met at least 50% of its edible oil demand by 2025.

Expanding cultivation is presented as a key opportunity to reduce import dependency and boost the national economy. Increasing local production, particularly in suitable low-grown areas with increased rainfall, could significantly enhance supply. Furthermore, expanding cultivation could contribute to economic growth through job creation and potentially future exports.

### Impact on EPP

EPP's Oil Palm operations continue to be constrained by the national ban on Oil Palm cultivation, limiting the Company's ability to scale production despite strong domestic demand. With Sri Lanka producing only a fraction of its palm oil requirements, the sector remains reliant on imports, resulting in significant foreign exchange outflows. This policy inconsistency hampers growth, despite considerable potential for expansion, particularly in rain-fed, low-grown areas.

Despite these constraints, the Company remains committed to responsible production within its existing plantations and continues to monitor policy developments that may enable future local expansion. EPP also recognises opportunities to explore growth in international markets as part of its long-term diversification strategy.

### Cinnamon



Sri Lanka's spice and concentrate sector has demonstrated robust growth in export earnings recently. In December 2024, these earnings saw a significant 50.1% year-on-year increase, reaching USD 47.16 million, primarily driven by exceptional growth in Pepper exports (195.11%) and a solid 17.89% increase in Cinnamon exports. This positive trend continued into early 2025, with earnings from spices and essential oils rising by 64.98% in February, a growth to which cinnamon also contributed.

To further leverage this potential, the European Union is actively supporting efforts to boost Ceylon Cinnamon exports to lucrative high-value markets such as Australia, Brazil, Germany, the United

Kingdom, and the United States. Initiatives include support for GI (Geographical Indication) certification and targeted market research.

Looking at the broader context, the global cinnamon market is projected for steady expansion, expected to grow at a Compound Annual Growth Rate (CAGR) of 3.08% between 2025 and 2033, potentially reaching a value of USD 1.8 billion by 2033. A key factor driving this growth, particularly in household consumption, is the increasing global awareness of cinnamon's health benefits, including its recognised anti-inflammatory and blood sugar-regulating properties.

### Impact on EPP

EPP’s diversified investments in cinnamon have shown encouraging potential. With global demand for Ceylon Cinnamon on the rise, driven by increasing health-conscious consumption and expanding export markets, the Company is well positioned to leverage these trends. The support from international initiatives, including EU-backed GI certification and access to high-value markets, further strengthens the outlook. EPP will continue to invest in quality enhancement, certification, and market linkages to maximise returns from this segment in this favourable global environment.

## Renewable Energy



Sri Lanka is committed to a significant shift towards renewable energy, targeting 70 percent of its energy needs from clean sources by 2030 and aligning with a 2050 goal for 100 percent renewable electricity generation under the Climate Vulnerable Forum.

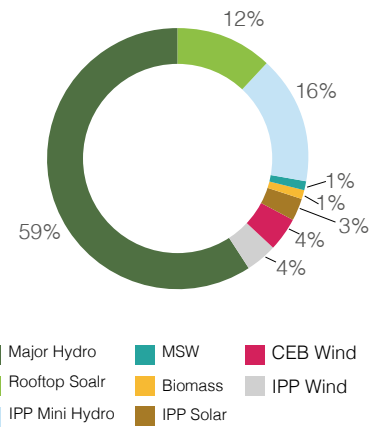
The government policy supports this through a target of adding 2,000 megawatts of renewable capacity to the national grid by 2030. Currently, the island utilises around 80,000 rooftop solar plants, indicating substantial potential for further renewable energy integration.

To serve as the strategic framework for achieving these goals, the Ministry of Energy launched the five-year “Green Energy Acceleration Plan 2025-2030” on February 27, 2025. This plan outlines

strategies for identifying, implementing, and ensuring the efficient, sustainable use of renewable energy and digital innovations, while highlighting their economic and financial stability benefits.

The plan’s primary aims are to reduce electricity demand and costs by promoting renewables, with the overarching goal of expanding production within five years to provide affordable electricity nationwide. It encompasses reforms across three pillars: ensuring affordable, reliable clean energy supply (solar, wind, hydro, low carbon), public education on clean energy technologies, and modernising the sector with advanced conversion methods. Success is deemed dependent on robust local and international partnerships.

Annual Renewable Energy Generation - 2024



Source: Public Utilities Commission of Sri Lanka




### Impact on EPP




The Green Energy Acceleration Plan 2025-2030 of the Sri Lankan Government offers a strategic framework aligning directly with EPP’s sustainability objectives. Its focus on affordable, reliable, clean energy and sector modernisation positions EPP to leverage policy support and partnerships, accelerating the growth of its renewable energy projects.







## PESTEL ANALYSIS

We operate within a dynamic market presenting both opportunities and challenges. The following PESTEL and SWOT analyses provide a comprehensive overview of these key factors.

	Key Developments	Potential Impact on EPP	Our Response
<b>Political</b> 	<ul style="list-style-type: none"> <li>Subject to a high degree of government policy and political intervention across areas such as land use, land ownership, environmental standards, and taxation.</li> <li>Shifts in international trade dynamics, including import/export policies, tariffs, and trade agreement terms.</li> <li>Labour management faces potential challenges from politically influenced union activities.</li> </ul>	<ul style="list-style-type: none"> <li>Demand from key buying markets could be negatively impacted</li> <li>Affect operational efficiency and costs.</li> <li>Can drive up wages, lead to strikes, or impose regulatory burdens</li> </ul>	<ul style="list-style-type: none"> <li>Diversifying revenue by focusing on value-added products</li> </ul>
<b>Economic</b> 	<ul style="list-style-type: none"> <li>Exposure to volatility in global commodity prices.</li> <li>Sensitivity to macroeconomic factors such as inflation and exchange rate fluctuations.</li> <li>Impact of changes in interest rates on financing costs and investment decisions.</li> <li>Increasing consumer and market demand for ethically sourced and sustainably produced agricultural products.</li> </ul>	<ul style="list-style-type: none"> <li>Impact revenue generation and profitability margins.</li> <li>Impact on cost of production and profit margins</li> <li>Impact on cost of borrowing</li> <li>Impact on market access and requiring adaptation of practices</li> </ul>	<ul style="list-style-type: none"> <li>Move up the value chain to improve margins</li> <li>Drive cost and operational efficiencies to maintain margins</li> </ul>
<b>Social</b> 	<ul style="list-style-type: none"> <li>Labour shortages, particularly in low-country estates, stemming from a declining interest in plantation work among younger generations.</li> <li>Community relations and Corporate Social Responsibility (CSR) initiatives.</li> <li>Adaptation of production strategies influenced by the increasing market demand for organic and sustainably produced tea and rubber products.</li> <li>Rising awareness of workplace safety and employee well-being.</li> </ul>	<ul style="list-style-type: none"> <li>Shortages of skilled labour</li> <li>Increased demand for tea as a healthy beverage</li> <li>Increased demand for value-added product offerings</li> <li>Enhanced company reputation and long-term workforce stability</li> <li>Investment required in improving working conditions</li> </ul>	<ul style="list-style-type: none"> <li>Holistic strategy to improve the employee value proposition.</li> <li>Maintain focus on creating new product offerings</li> </ul>

	Key Developments	Potential Impact on EPP	Our Response
<b>Environmental</b> 	<ul style="list-style-type: none"> <li>• Vulnerability to climate change and weather variability (unpredictable rainfall, droughts, rising temperatures),</li> <li>• Sustainable land and water management practices, such as reforestation and efficient water use, for long-term environmental sustainability.</li> <li>• Compliance with environmental regulations and obtaining certifications.</li> <li>• Initiatives in waste management and carbon footprint reduction.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased threat of adverse weather on quality and yields</li> <li>• EPP's long-standing reputation as a sustainable operation</li> <li>• Increases the competitive advantage</li> <li>• Growing opportunities in the renewable sector</li> <li>• Enhancing the company's sustainability positioning</li> </ul>	<ul style="list-style-type: none"> <li>• Diversify into weather-resilient sectors</li> <li>• Continued focus on climate action</li> <li>• Continue to integrate ESG considerations into corporate strategy</li> <li>• Expand renewable energy capacity.</li> <li>• Adopting climate-resilient strategies for crop yield protection</li> <li>• Obtaining Rainforest Alliance, Organic) as key drivers for market advantages</li> </ul>
<b>Legal</b> 	<ul style="list-style-type: none"> <li>• Navigating labour laws and wage regulations.</li> <li>• Susceptibility to changes in land ownership and lease policies.</li> <li>• Mandatory adherence to occupational health and safety regulations.</li> <li>• Securing legal safeguards for intellectual property, branding, and export rights.</li> </ul>	<ul style="list-style-type: none"> <li>• Direct implications on the Group's financial performance</li> <li>• Impact of the Increased VAT and Corporate tax rates on the bottom-line performance</li> <li>• Requires strict compliance with minimum wage standards, employee rights, and working conditions to avert legal challenges.</li> <li>• Impact long-term operational viability, given the reliance on leased plantation lands.</li> <li>• Impact on minimising operational hazards and fostering employee well-being.</li> <li>• Impacts on the competitive market position.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to engage with the industry to arrive at a mutually acceptable way forward for the oil palm industry</li> </ul>
<b>Technological</b> 	<ul style="list-style-type: none"> <li>• Adoption of advanced agricultural technologies, including precision agriculture, AI-driven plantation management, and mechanisation</li> <li>• Strategic investments in green technologies such as mini-hydropower and biomass energy, aligning the sector with global sustainability trends.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased mechanisation of operations helps to address prevalent labour shortages in the industry</li> <li>• Increase operational efficiencies, including productivity gains</li> <li>• Boost operational efficiency and decision-making through enhanced tracking, automation, and data analytics</li> </ul>	<ul style="list-style-type: none"> <li>• Strategically leveraging technology across operations through increased innovation efforts</li> </ul>

## SWOT ANALYSIS

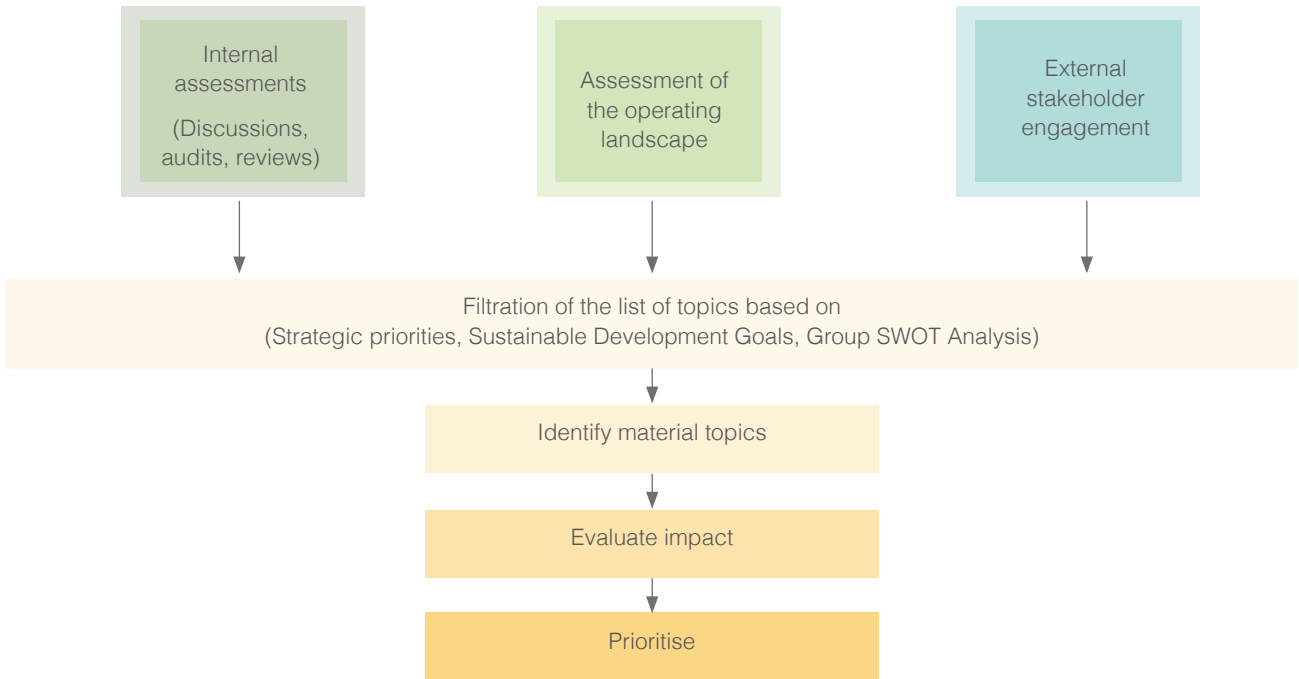
 <b>S</b> Strengths	 <b>W</b> Weaknesses	 <b>O</b> Opportunities	 <b>T</b> Threats
<ul style="list-style-type: none"> <li>• Robust shareholder backing and visionary leadership provide clear strategic direction and enable sustainable growth.</li> <li>• A talented workforce across functions enhances adaptability and drives operational excellence.</li> <li>• Significant land holdings form a strong foundation for operations and facilitate future expansion or diversification.</li> <li>• A healthy balance sheet with minimal debt and strong cash reserves ensures financial stability and supports growth investments.</li> <li>• Reduced dependence on traditional commodities through a portfolio including renewable energy, branding, and value-added agricultural ventures.</li> <li>• A strong, established position in the plantation sector reinforces business leadership and supports long-term sustainability.</li> <li>• Sound decision-making and strong governance provided by an experienced Board.</li> </ul>	<ul style="list-style-type: none"> <li>• Crop yields and profitability are highly vulnerable to unpredictable weather patterns and climate variability.</li> <li>• High reliance on manual labour creates challenges in workforce management, costs, and operational efficiency.</li> <li>• Labour-related disruptions, often influenced by political factors, can negatively impact productivity and create operational challenges.</li> <li>• A significant segment of the workforce lacks specialised skills, potentially limiting overall operational efficiency and innovation adoption.</li> <li>• Difficulties in recruiting and retaining workers in certain low-country areas impact operational capacity.</li> </ul>	<ul style="list-style-type: none"> <li>• Growing recognition, particularly in sustainability leadership, attracts opportunities for further growth and innovation.</li> <li>• Spread-out estates offer potential for diversification into areas such as mini-hydropower or eco-tourism across different regions.</li> <li>• Availability of resources such as water streams and dolomite provides opportunities for diversification into sustainable energy or mineral-based products.</li> <li>• Ability to shift between various crops allows adaptation to market demand and mitigation of single-crop risks.</li> <li>• Capitalising on the growing market for environmentally sustainable and green agricultural products provides a competitive edge.</li> <li>• Further adoption of modern technologies (AI, automation) can significantly increase efficiency and potentially reduce labour costs.</li> <li>• Opportunities to explore and enter new international markets to broaden the customer base and increase sales volume.</li> </ul>	<ul style="list-style-type: none"> <li>• Risks from unpredictable government policies, regulations, and potential interference impacting operations and financial performance.</li> <li>• Potential negative impact on profitability and competitiveness from unexpected increases in raw material, labour, and energy costs.</li> <li>• Exacerbated weather unpredictability (droughts, erratic rainfall) poses risks to crop yields and increases production costs.</li> <li>• Risk of operational disruptions and increased costs due to potential labour disputes or strikes from a unionised workforce.</li> <li>• High initial investment costs and internal resistance can hinder the effective adoption of advanced agricultural technologies.</li> <li>• Fluctuations in the international market prices of tea, rubber, and other key agricultural products directly impact revenue and profitability.</li> </ul>

# MATERIALITY AND MATERIAL TOPICS

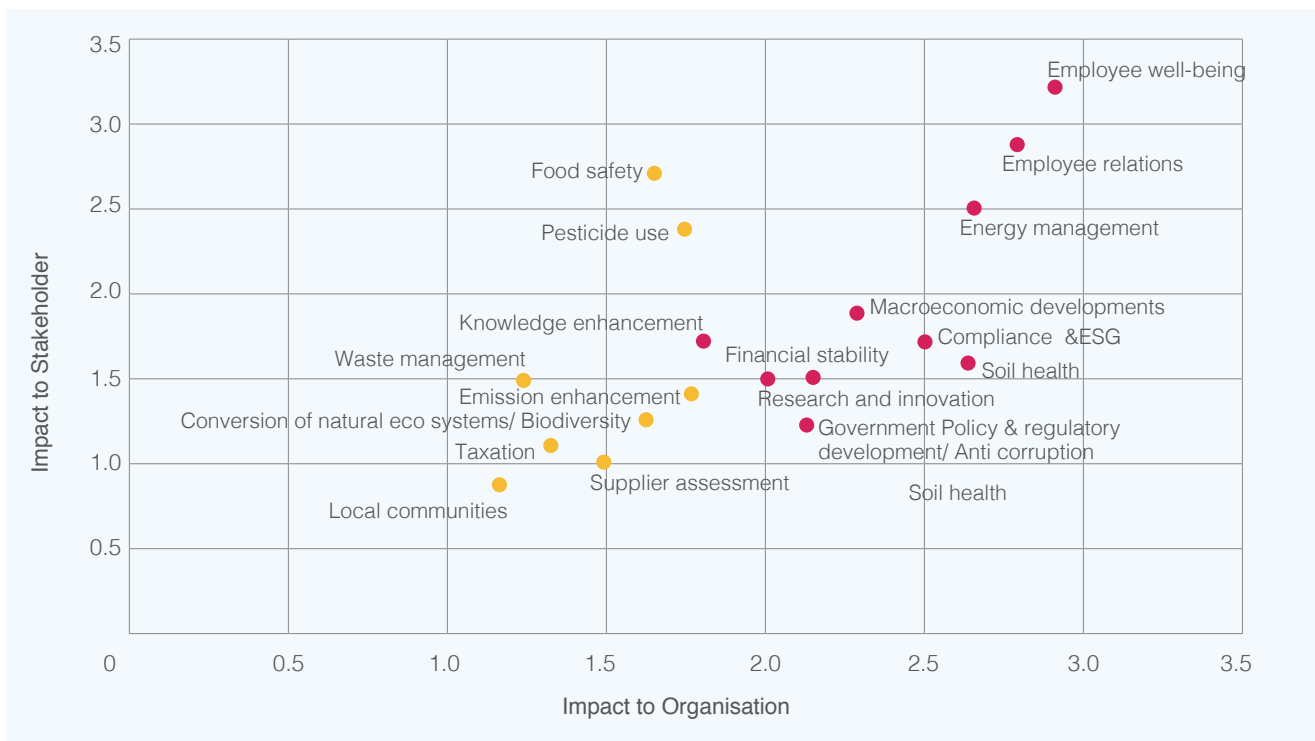
GRI 3-1, 3-2
















The Group identifies material topics as those with the most significant short, medium, and long-term impact on the economy, environment, and people, including their human rights. This identification is achieved through a collaborative process involving ongoing dialogue with a diverse range of stakeholders, supported by in-depth analysis to carefully evaluate and prioritise these issues based on their importance.

## Our materiality assessment process










## MATERIALITY MATRIX



Material Topic	Significance	Materiality Compared to the Previous Year	Relevant GRI/SASB Standard	Relevant Strategy	Our Response
Financial stability	●				 Financial Capital
Government policy & regulatory development	●		GRI Topic 13.26		Operating Context
Compliance and ESG	●	New topic		 Sustainability Strategy	 Natural Capital  Intellectual Capital  Social and Relationship Capital
Research & Innovation	●			 Design 2020 Strategy	 Intellectual Capital
Macroeconomic development	●				Operating Context
Energy management	●		GRI 302 FB-AG-130a.1	 Sustainability Strategy	 Natural Capital
Soil health	●		GRI Topic 13.5	 Agriculture and Processing Strategy	 Natural Capital
Employee well-being	●		GRI Topic 13.9, 401/ FB-AG-320a.1	 Sustainability Strategy	 Human Capital
Employee relations	●		GRI Topic 13.5, 13.8, 405, 406, 407	 Sustainability Strategy	 Human Capital

● High ● Medium ● Low

Material Topic	Significance	Materiality Compared to the Previous Year	Relevant GRI/SASB Standard	Relevant Strategy	Our Response
Knowledge enhancement	●		GRI 404	 Design 2020 Strategy	 Human Capital
Taxation	●		GRI 207		 Financial Capital
Waste management	●		GRI 306	 Sustainability Strategy	 Natural Capital
Pesticide use	●		GRI Topic 13.6	 Agriculture and Processing Strategy	 Natural Capital
Emission control	●		GRI 305 FB-AG-110a.1-3	 Sustainability Strategy	 Natural Capital
Conservation of natural ecosystems	●		GRI Topic 13.4 GRI 304	 Sustainability Strategy	 Natural Capital
Supplier assessment	●		GRI 308, 414/ FB-AG-430a.1 - 3	 Sustainability Strategy	 Social and Relationship Capital
Local communities	●		GRI Topic 13.12, 403	 Sustainability Strategy	 Social and Relationship Capital
Food safety	●		GRI Topic 13.10, 416/ FB-AG-250a.1 - 3	 Design 2020 Strategy	 Social and Relationship Capital

● High ● Medium ● Low

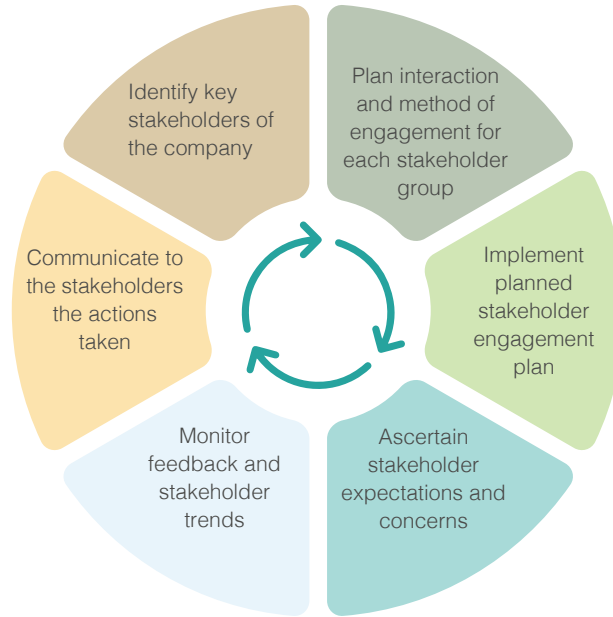
# STAKEHOLDER ENGAGEMENT

GRI 2-29





We build strong, collaborative relationships with our stakeholders through ongoing, proactive engagement. By connecting with those most impacted by and influential to our operations, we gain a clear understanding of their evolving priorities and concerns. This insight is essential for effective decision-making, enabling us to identify and manage risks proactively, shape relevant strategies, drive meaningful innovation, and ensure transparent reporting. This mutually beneficial dialogue strengthens our business resilience, fosters continuous improvement, and aligns our actions with stakeholder expectations, creating shared value.



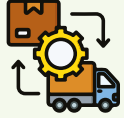









## Stakeholder engagement process

Our stakeholder engagement process is given below:



The following section details the stakeholder engagement mechanisms used, the concerns raised, and our responses during 2024/25.

Customers		
Method of engagement and frequency	Link to Capitals	Value Created
<ul style="list-style-type: none"> <li>One-to-one meetings (continuous)</li> <li>Interaction through digital platforms including social media (ongoing)</li> <li>Regular Customer visits</li> </ul>	 <b>Link to SDGs</b>  	<b>Rs. 20Mn.</b> Investment in Research and innovation  <b>14</b> New products launched
Key concerns raised	Our response	 Customers
<ul style="list-style-type: none"> <li>Quality of product</li> <li>Supply reliability</li> <li>Competitive pricing</li> <li>Sustainable business practices</li> <li>Operational efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Submitting relevant information as mentioned in the SPPAs</li> <li>Adhering to the regulations determined by the customer in the relevant countries</li> </ul>	

Suppliers		
Method of Engagement and Frequency	Link to Capitals	Value Created
<ul style="list-style-type: none"> <li>One-to-one meetings (continuous)</li> <li>Site visits (continuous)</li> </ul>		<p><b>24</b> One-to-one supplier discussions</p>
	<p><b>Link to SDGs</b></p> 	<p><b>41%</b> Sourced from local suppliers</p>
Key concerns raised	Our response	
<ul style="list-style-type: none"> <li>Timely payments</li> <li>Prices</li> <li>Quality</li> <li>Opportunities for growth</li> <li>Mitigating risks to supply chain disruptions</li> </ul>	<ul style="list-style-type: none"> <li>Appointment of a special procurement team</li> <li>Preparation of a dedicated procurement plan</li> </ul>  <p>Suppliers</p>	
Community		
Method of Engagement and Frequency	Link to Capitals	Value Created
<ul style="list-style-type: none"> <li>Village forums (continuous)</li> <li>One-to-one meetings with Estate Managers and General Managers (continuous)</li> <li>CSR initiatives</li> </ul>		<p>Medical camps in <b>13</b> estates</p>
	<p><b>Link to SDGs</b></p>   	
Key concerns raised	Our response	
<ul style="list-style-type: none"> <li>Access to food and other essentials</li> <li>Meaningful employment</li> <li>Impact on the environment from operations</li> <li>Impactful community development projects</li> </ul>	<ul style="list-style-type: none"> <li>Community investment programmes</li> </ul>  <p>Community</p>	
Shareholders		
Method of Engagement and Frequency	Link to Capitals	Value Created
<ul style="list-style-type: none"> <li>Quarterly and Annual Financial Statements</li> <li>Annual General Meeting</li> <li>CSE Announcements (continuous)</li> <li>Press Releases (continuous)</li> </ul>		<p><b>15 %</b> ROE</p>
	<p><b>Link to SDGs</b></p>  	<p><b>Rs. 18.24</b> EPS</p>
Key concerns raised	Our response	
<ul style="list-style-type: none"> <li>Deliver consistent financial results and operational stability while fostering a positive work environment.</li> <li>Achieve triple bottom-line success through diligent measurement and reporting of economic, social, and environmental impacts.</li> <li>Drive long-term sustainability via strategic growth and diversification.</li> <li>Uphold strong corporate governance, effective risk management, and ethical business practices.</li> </ul>	<ul style="list-style-type: none"> <li>Risk management</li> <li>Brand positioning</li> <li>Business conduct</li> </ul>  <p>Shareholders</p>	

Employees		
Method of Engagement and Frequency	Link to Capitals	Value Created
<ul style="list-style-type: none"> <li>Engagement through welfare officers at each estate</li> <li>Daily Forums</li> <li>Engagement with union representatives</li> <li>Employee Surveys</li> <li>Complaint registers maintained at all estates</li> <li>Monthly meetings with union representatives</li> <li>Year-round event calendar</li> </ul>	 <b>Link to SDGs</b>  	<p><b>79%</b> Retention Rate</p> <p><b>18</b> Hours of training per employee</p>
Key concerns raised	Our response	
<ul style="list-style-type: none"> <li>Job security</li> <li>Opportunities for training and development</li> <li>Remuneration</li> <li>Career progression and succession</li> <li>Health and safety concerns</li> </ul>	<ul style="list-style-type: none"> <li>Compliance and best practices</li> <li>HR governance and policy framework</li> <li>Employee value proposition</li> </ul>  Employees	

Regulator		
Method of Engagement and Frequency	Link to Capitals	Value Created
<ul style="list-style-type: none"> <li>One-to-one meetings at the estate level with local government agent and provincial councils (Continuous)</li> <li>Meetings at the corporate level with relevant ministries and other officials</li> <li>Engagement through industry bodies and associations (continuous)</li> </ul>	 <b>Link to SDGs</b>  	<p><b>Rs. 271 Mn.</b> Tax payments</p> <p>Zero incidents of non-compliance</p>
Key concerns raised	Our response	
<ul style="list-style-type: none"> <li>Ensure strict compliance with all applicable laws and regulations.</li> <li>Foster a positive and thriving industry environment.</li> <li>Create local jobs and support community development initiatives.</li> <li>Embed sustainable practices throughout our business operations.</li> <li>Safeguard the health and safety of all employees and stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Ensure health and safety mechanisms</li> <li>Engage in community development and job creation</li> </ul>  Regulator	

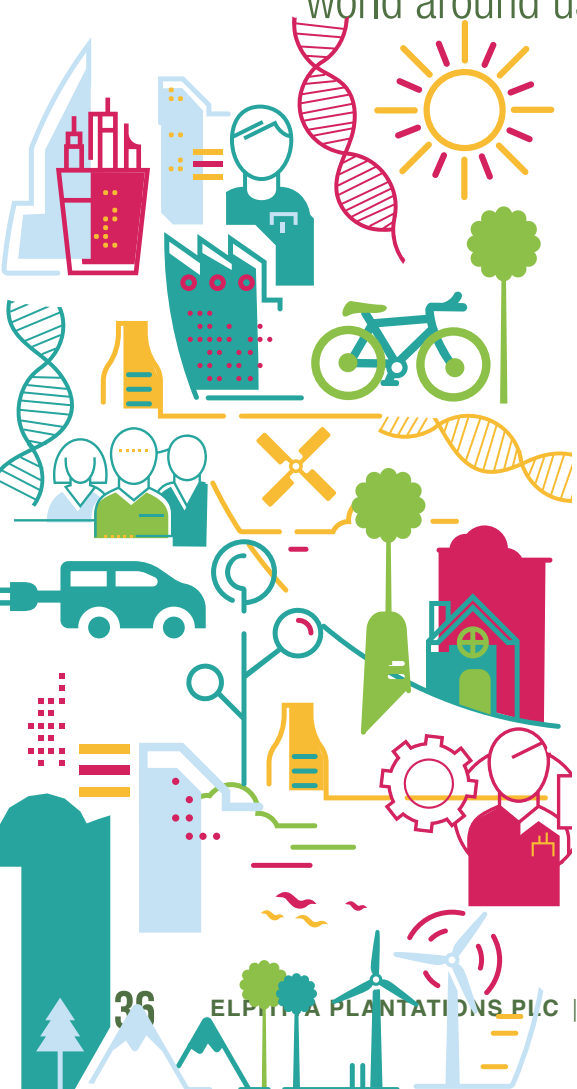


# CHAIRMAN'S MESSAGE

GRI 2-22



Transformation stands as the core response defining Elpitiya Plantations. We are propelled by the deep-seated belief that continuous evolution is essential to unlocking a brighter, more sustainable future for the world around us



## Dear Stakeholders,

It is with pleasure that I present the Annual Report and Audited Financial Statements of Elpitiya Plantations (EPP) for the year ended 31 March 2025.

As we reflect on the year past and look ahead, transformation stands as the core response defining Elpitiya Plantations. We are propelled by the deep-seated belief that continuous evolution is essential to unlocking a brighter, more sustainable future for the world around us. By embracing change, pushing boundaries, and daring to reinvent ourselves, we fundamentally transform ourselves to thrive, whatever challenges arise. This intrinsic drive is seamlessly linked to our unwavering commitment to sustainability and societal growth, shaping how we expand and diversify our capabilities to create lasting, positive impact.

## OPERATING CONTEXT

Our operating environment was shaped by the significant recovery witnessed within Sri Lanka and the broader global economic landscape. While global growth in 2024 remained stable, the outlook for 2025 suggests a projected slowdown, driven by escalating trade tensions and policy uncertainty in major economies. Global headline inflation is also expected to decline only gradually.

Against this backdrop of tempered global growth and increased uncertainty, the Sri Lankan economy demonstrated remarkable resilience and recovery in 2024. Emerging from its severe downturn at a pace notably exceeding that of many debt-distressed peers, this positive trajectory is rooted in the implementation of effective post-crisis reforms, enhanced confidence following elections, and significant advancements in external debt restructuring. The economy recorded a robust real GDP growth rate of 5.0% in 2024, a significant rebound, broadly distributed across industrial, services, and agricultural sectors. Macroeconomic conditions improved considerably, with easing inflation, substantially lower interest rates supported by the Central Bank's accommodative policy, and a strong external sector

performance marked by rising reserves and Rupee appreciation driven by current account surpluses. This more stable, growing, and confident domestic landscape provided a significantly improved backdrop for our operations and strategic planning, presenting new opportunities while requiring continued vigilance.

## INDUSTRY LANDSCAPE AND OUR STRATEGIC RESPONSE

The plantation sector operates within a highly complex and demanding environment, grappling with embedded historical issues and the intricacies of public-private administration. We face intense competition for labour and from expanding global production, which pressures the premium commanded by our exports. These challenges are exacerbated by past policy impacts, prolonged wage disputes, and significant labour outmigration, leading to low productivity and a severe workforce deficit, with numbers reduced by over 50% since privatisation. The increasing impact of climate change also poses a serious threat to the sustainability of our climate-sensitive crops.

Against this backdrop, global tea production recorded a modest increase, slightly ahead of consumption growth. Despite our internal challenges, Sri Lanka's cumulative tea production for 2024 reached 262.16 million kilograms, a modest increase, with exports also rising. While demonstrating resilience, these figures highlight the urgent need for profound transformation to enhance our competitiveness. Furthermore, it is crucial to recognise the unique role of our industry: unlike many sectors that import raw materials, plantations are primary domestic producers, importing only necessary inputs – a key contribution to the national economy.

Addressing these formidable challenges and ensuring long-term viability necessitates a fundamental and urgent shift towards adopting new technology and embracing innovation. Mechanisation and automation across field and factory

operations are indispensable responses to the acute labour shortage and are critical for boosting productivity. Leveraging innovation such as precision agriculture, is key to optimising yields and attracting investment. Our commitment to sustainability, through responsible water management, reduced chemical use, and reforestation, is equally vital for building climate resilience and preserving our resources.

Furthermore, a stable and predictable policy environment is paramount. Unpredictable government interventions historically deter investment and impede progress. We strongly advocate for a return to and consistent application of the principles of privatisation and a stable, data-informed regulatory framework crucial for fostering the confidence required for strategic planning and sustained growth. These strategic actions are integral to our operational transformation, enabling us to adapt and thrive in a challenging landscape.

## OUR PERFORMANCE AND OPERATIONAL RESILIENCE

Reviewing our performance for the year under review, it is crucial to view our results within the context of this highly dynamic external environment. As anticipated, the challenging landscape, marked by significant external pressures including substantial increases in employee costs, higher taxation burdens, and adverse weather patterns, directly impacted our reported profitability.

The Group recorded a profit after tax of Rs. 1.3 billion (down 15% year-on-year) in FY 2024/25. This decline was primarily driven by factors largely beyond our immediate control: a substantial increase in employee compensation and benefits, impacting profit and a significantly higher effective income tax rate, resulting in a substantial increase in the tax charge year-on-year. The overall tax charge rose by 44%, stemming from changes in the taxable base and reduced benefits from tax losses. While turnover increased due to higher Net Sales Averages (NSAs), despite lower crop volumes, these significant external cost increases directly impacted the bottom line.

However, when adjusting for the impact of these substantial external headwinds, our underlying operational performance for the year reflects a commendable improvement over the prior year. This resilience and effectiveness are a direct outcome of our strategic focus, and the capabilities built into our business model through our ongoing transformation.

Critically, the effectiveness of our operations is fuelled by our most valuable asset: our people. The substantial investment made this year in employee wages and benefits, amounting to a Rs.185Mn increase in payroll costs, reflects a deliberate strategic choice. This investment, aligned with our transformative approach, has been crucial in managing increased costs while enhancing motivation, productivity, and fostering the exceptional labour harmony we experienced, completely free from industrial disputes. Our continued practice of sharing profits further underscores our commitment to their vital role in our operational success.

Looking beyond the year's specific figures, we are proud to have recorded over Rs. 1 billion in profits over the past five years, consistently demonstrating our commitment to creating long-term shareholder value through strategic investment in the Company. Our balance sheet remains strong, with Total Assets growing robustly by 13% year-on-year as of 31 March 2025, driven by healthy increases in both non-current and current assets. This growth underscores our solid financial footing and capacity for future development in the face of adversity.

## **SUSTAINABILITY AND SOCIETAL IMPACT**

At Elpitiya Plantations, our objective transcends merely generating profits; we are fundamentally committed to adding value to all our resources and fostering a sustainable plantation sector that contributes meaningfully to national development. We operate based on the principle of an 'economy within an economy,' striving to be an all-inclusive and sustainable enterprise.

This commitment is evident in our strategic initiatives, integral to our long-term strategic transformation. Our investment in berry cultivation provides employees, particularly youth, with more dignified and skilled work environments, contributing significantly to social value creation. Likewise, our planned ecotourism project, centred on conservation and adventure, is conceived not only to diversify our revenue streams but also to uplift surrounding local communities and provide unique development opportunities for our team members. This project is strategically aligned with the national agenda for sustainable tourism, where we aim to lead by example. Our partnership with the renowned experts and consultants in the field represents a commitment to a complete future transformation, building upon the foundations of Economic, Social, and Leadership value creation established in our previous strategic phase.

## **GOVERNANCE AND TRANSPARENCY**

The year under review was marked by the profound loss of two pivotal figures whose vision and leadership have deeply shaped our organisation and the broader Group.

It is with deep sorrow that we record the passing of Deshamanya Harry Jayawardena, the late Chairman of our parent company, Aitken Spence PLC. Deshamanya Jayawardena was the visionary driving force behind the entire Aitken Spence Group. His unparalleled business acumen, strategic foresight, and fearless leadership were instrumental in guiding Aitken Spence to become one of Sri Lanka's most successful diversified blue-chip companies and establishing a benchmark for excellence across numerous enterprises. He leaves behind an extraordinary legacy of entrepreneurial spirit and leadership that inspired the capable teams under his guidance across the Group, including here at Elpitiya Plantations. His invaluable contributions and immense influence will be profoundly missed by all.

We also record with profound sadness the passing of our esteemed Joint Managing Director/Chief Executive Officer, Mr.

Bhathiya Bulumulla. We deeply mourn the loss of a visionary leader whose dedication and influence profoundly shaped our organisation and the wider plantation sector. As Joint Managing Director/CEO, he led Elpitiya Plantations with immense wisdom, integrity, and a commitment to excellence. Joining Elpitiya Plantations in February 1999, Mr. Bulumulla served with unwavering dedication, rising through the ranks to become Chief Executive Officer in 2013 and Joint Managing Director/Chief Executive Officer in April 2023. Throughout his tenure, he was instrumental in driving the expansion and transformation of Elpitiya Plantations. His impactful contributions extended well beyond Elpitiya Plantations, notably through his service as the immediate past Chairman of the Planters Association of Ceylon and other key industry bodies. His invaluable contributions and inspiring leadership will be profoundly missed.

While the loss of both Deshamanya Jayawardena and Mr. Bulumulla is deeply felt, the inherent strength and resilience of our organisation, coupled with our robust structure and proactive succession planning, ensured seamless continuity in leadership during this difficult period. The immediate and effective transition, facilitated by internal talent and a deep leadership pipeline, underscores the preparedness and capability of our team to manage both external disruptions and internal changes effectively.

Reinforcing our commitment to robust corporate governance and transparency, we welcomed five new directors to the Board during the year. These appointments bring multidisciplinary expertise that strategically strengthens our oversight, particularly in areas such as human resources, corporate governance, and sustainability, aligning the Board's composition with our future plans. We also enhanced transparency and ethical conduct by adopting comprehensive policies, including those for anti-corruption and anti-bribery (aligned with COSVP standards), which were disseminated across the organisation, with top

management receiving specific training. We continue our proactive alignment with listing rules and other relevant regulations. Furthermore, demonstrating our forward-looking approach to disclosure, we continued our early adaptation of IFRS S1 and S2, making significant alignment progress during the year as we prepare for future mandatory requirements.

Additionally, to strengthen our sustainability governance, we established a dedicated Board Sustainability Committee in the year under review, ensuring robust oversight and integration of ESG considerations at the highest level.

### **KEY ACHIEVEMENTS AND MILESTONES**

Reviewing the year, several significant milestones were achieved across our operations and projects. Operationally, the berry business was a standout performer, achieving historic records in both profitability and production. This project maintains a robust growth trajectory and has also significantly contributed to social value creation by generating over 100 new, monthly-paid employment opportunities for youth within the local community, aligning with our commitment to providing dignified work environments. Our performance in the renewable energy sector also saw notable improvement, surpassing the previous year's generation and profitability figures. Furthermore, the core business demonstrated strong performance, successfully exceeding budget expectations for the year. These achievements, taken together, underscore our overall positive trajectory and reflect a period of sustained growth across our diversified portfolio.

### **LOOKING AHEAD**

Looking ahead, Elpitiya Plantations is embarking on the next phase of our transformative journey to position itself for sustained future growth. A core driver is the acceleration of our technological integration and digitisation efforts. Our strategic intent is to build a data-driven

organisation by leveraging technology to digitally capture all business-related data, enabling more efficient and effective informed decision-making. This involves implementing a comprehensive workflow automation system and integrating our key databases to create a unified digital data environment facilitating comprehensive dashboards and advanced analytics. Steps have already been taken in this direction during the year, including the recruitment of a Business Analyst to champion data-driven practices.

This technological transformation will underpin our strategic expansion plans, including expanding berry capacity and developing other berry varieties, supported by a model for continuous community recruitment.

Furthermore, the current financial year is pivotal as we undertake a comprehensive exercise to redefine our corporate Vision, Purpose, Values, and Culture. This foundational work will lead to a company rebranding and the setting of our strategic direction for the next five years. These interconnected initiatives reflect our strong commitment to continuous evolution and sustained growth, driven by our core belief in transformation.

### **CONCLUSION AND APPRECIATION**

In closing, I wish to express my sincere gratitude to all who have contributed to our success. To my colleagues on the Board, thank you for your unwavering support and wise counsel over the years. On behalf of the Board, I applaud the Group's leadership team for their tireless efforts, which have propelled us to new heights. To our dedicated employees, our achievements over the past years are a direct result of your hard work and commitment to excellence. Your dedication inspires me deeply. Finally, I extend my heartfelt thanks to our valued stakeholders – shareholders, customers, suppliers, distributors, and partners – for your continued trust and belief in our Company.

The ultimate measure of our success remains the transformation of both people and planet, advancing hand in hand towards a shared sustainable future, a principle that guides every aspect of our performance and strategy.

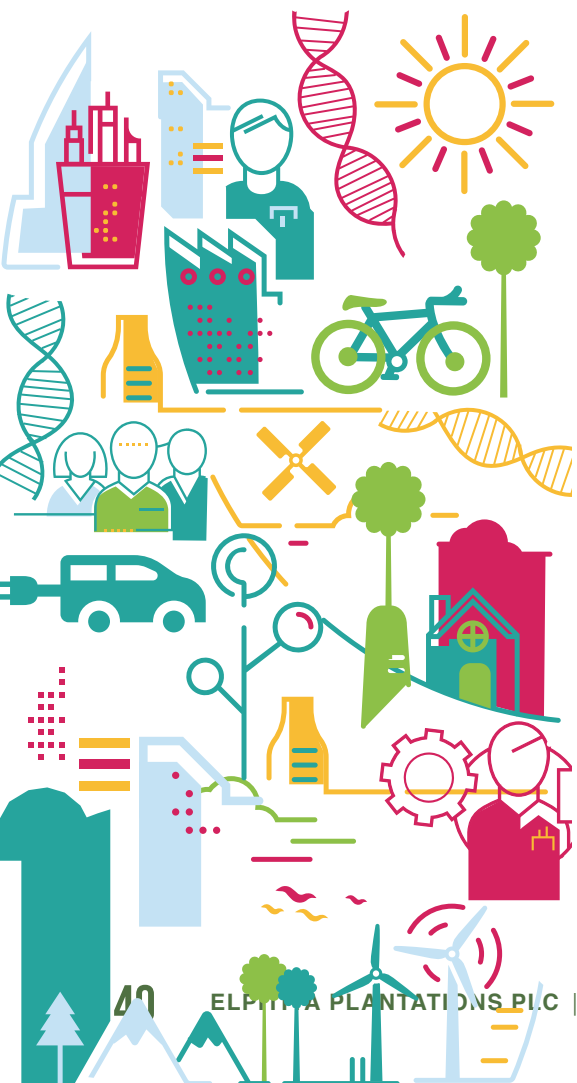


**Dr. Parakrama Dissanayake**  
Chairman

Colombo  
04th June 2025

# MANAGING DIRECTOR'S MESSAGE

This resilience and effectiveness are a direct outcome of our disciplined, long-term strategic pathway and the transformation journey we have consistently pursued.



## Dear Stakeholders,

As I present the Annual Report for Elpitiya Plantations (EPP) for the year ended 31 March 2025, I do so with a profound sense of the significant challenges navigated and the strategic progress achieved. At EPP, we are not simply operating; we are forging onward, propelled by the deep-seated belief that transformation is integral to unlocking a brighter, more sustainable future for the world around us. Our DNA is built on the principle of continuous evolution, constantly pushing us to stay ahead by pursuing new opportunities for expansion and progress. We see embracing change, pushing boundaries, and daring to reinvent ourselves not just as necessary, but as the path to true success – ensuring we fundamentally transform to thrive, whatever challenges arise.

The past year, FY 2024/25, was characterised by a challenging operating environment, marked by significant external pressures including substantial wage increases, elevated taxation, and unpredictable weather conditions impacting the plantation sector. Yet, it was our ongoing transformation journey, fundamentally evolving us from a traditional, commodity-focused organisation into a more diverse, entrepreneurial, and dynamic entity, that proved instrumental in navigating these headwinds and demonstrating commendable resilience.

### NAVIGATING A DYNAMIC OPERATING ENVIRONMENT

The operating environment in FY 2024/25 demanded agility and strategic foresight. We navigated domestic headwinds such as substantial increases in employee wages and related payroll costs (a Rs. 185 Mn impact on profit), elevated taxation (a Rs. 184 Mn increase in tax charge year-on-year, with the overall tax charge rising 44% to Rs. 606 million), and unpredictable weather conditions which directly impacted crop levels during critical periods. These domestic challenges occurred within a broader global economic context of tempered growth and increased uncertainty.

However, we also benefited from the remarkable resilience and recovery of the Sri Lankan economy in 2024. Emerging from a severe downturn at a pace exceeding many peers, the national economy recorded a robust 5.0% real GDP growth, supported by effective reforms, enhanced confidence, improvements in macroeconomic indicators, including inflation and interest rates, and a strong external sector performance. This positive national trajectory provides a more stable foundation. Nonetheless, the unique challenges within the plantation sector, including labour shortages (compounded by migration), productivity issues, climate change impacts, and policy inconsistencies, remain significant and require continuous strategic adaptation.

### PERFORMANCE HIGHLIGHTS & STRATEGIC RESILIENCE

Reviewing our financial and operational performance for the year, it is crucial to view our results within the context of this dynamic external environment. While reported profitability declined year-on-year (Group operating profit decreased by 3% to Rs. 1.9 billion, and profit after tax by 15% to Rs. 1.3 billion), this was primarily a reflection of these significant external cost increases and the higher tax burden. Crucially, adjusting for the impact of these substantial external headwinds, our underlying operational performance for the year demonstrates a commendable improvement compared to the preceding period. This resilience and effectiveness are a direct outcome of our disciplined, long-term strategic pathway and the transformation journey we have consistently pursued.

Financially, the Group recorded a 7% increase in consolidated revenue, reaching Rs. 7.7 billion, despite the impact of a stronger Rupee. This growth was primarily driven by higher commodity prices for Tea and Rubber, alongside a marginal gain in Oil Palm prices, effectively offsetting the lower crop volumes caused by adverse weather. The Group Gross Profit increased by 8.5% to Rs. 2.4 billion, with the Gross Profit Margin improving to 30.99%, as

revenue growth outpaced the increase in cost of sales. Beyond core revenue, strategic investments yielded positive returns, with net income from joint ventures rising significantly by 39% to Rs. 107 million.

Our operational resilience during the year was underpinned by inherent strengths developed through our transformation journey. This includes our unique geographical positioning across three distinct elevations, providing flexibility and resilience, coupled with our diverse manufacturing capability spanning CPC, CTC, and Orthodox production, effectively catering to unique high-value markets. Our strategic diversification efforts reflected tangible results, with the berry business achieving historic records in profitability and production, and the Coconut business exceeding budget expectations.

Our balance sheet remains strong, reflecting prudent management and continued investment. Total Assets grew robustly by 13% year-on-year to Rs. 14 billion, driven by healthy increases in both non-current and current assets. This growth underscores our solid financial footing and capacity for future development.

### EXECUTING OUR TRANSFORMATION: STRATEGY AND INNOVATION

Our transformation strategy is the blueprint for evolving from a primarily commodity-based venture into a more diversified, profitable, and sustainable entity. Recognising the vulnerability of relying solely on traditional crops, we have strategically diversified our portfolio into high-value horticulture (such as berries and coffee), eco-tourism, and renewable energy. By leveraging our unique asset base and venturing into new avenues, we aim to generate 50% of our turnover from non-core businesses in the long run. This strategic shift reflects our commitment to innovation and sustainable practices, ensuring long-term viability by embracing new opportunities and adapting to the changing market landscape.

A core driver of our operational effectiveness and future growth lies in

the acceleration of our technological integration and digitisation efforts. We are adopting high-tech agricultural practices, automation, and digitisation across field and factory operations. This is indispensable in addressing the acute labour shortage and is critical for boosting productivity, optimising yields through precision agriculture, and retaining skilled talent. Our strategic intent is to build a data-driven organisation by leveraging technology to digitally capture all business data, enabling more efficient and informed decision-making, implementing workflow automation, and integrating databases for a unified digital environment.

Furthermore, our long-term strategic pathway includes expanding our agricultural business into investor-friendly international markets, such as Fiji, offering favourable operating environments and access to competitive markets. Demonstrating our ambitious approach, we achieved a significant milestone by launching our own branded products, completing the first shipment during the year, and entering the value-added tea market in Fiji.

### **INVESTING IN OUR PEOPLE & COMMUNITY FLOURISHING**

As a human-intensive business, we hold a profound sense of responsibility and stewardship towards the over 30,000 individuals residing within our plantation communities. Our commitment focuses on enhancing well-being, improving livelihoods, and fostering independence. We are fundamentally committed to adding value to all our resources and fostering a sustainable plantation sector that contributes meaningfully to national development, striving to be an all-inclusive enterprise where the transformation of people goes hand in hand with the transformation of the planet.

Our employees are considered true assets, and we make significant investments in their well-being and development – a critical element of our transformative approach. The substantial increase in employee wages and benefits reflects a deliberate strategic choice. We ensure

all employees earn a wage meeting or exceeding the basic cost of living in their region, with a framework guaranteeing total compensation achieves the established living wage, subject to regular review. Our investment extends to providing a decent meal to our workers – a considerable commitment that positively impacts productivity, attendance, and fosters exceptional labour harmony, free from industrial disputes. We are proud to be among the few companies that share profits with our workers, recognising their invaluable contribution and sharing the benefits of our success.

Moreover, we are committed to investing in our people through comprehensive training and development opportunities accessible to all, utilising internal courses, external programmes, on-the-job training, and mentorship to build capability, enhance skills, and secure our future leadership pipeline. Furthermore, we provide extensive support for women and families residing on our estates, including nutrition, healthcare, crèche facilities, and consistent educational support for all estate children. Health screenings proactively address workers' health concerns. Demonstrating a groundbreaking commitment, we uniquely offer dedicated elderly care facilities at Meddecombra Estate, providing housing and care for approximately 70 retired workers.

These comprehensive investments underscore our commitment to creating shared sustainable value. Our investment in ventures such as berry cultivation provides employees, particularly youth, with more dignified and skilled work environments, contributing significantly to social value creation. Likewise, our planned ecotourism project is conceived not only to diversify revenue but also to uplift surrounding local communities and provide unique development opportunities.

### **COMMITMENT TO ENVIRONMENTAL STEWARDSHIP**

Our commitment to natural capital is fundamental to enhancing the long-term health and productivity of our environment. Our core sustainability objectives centre on sustaining land productivity, strengthening

biodiversity, enhancing ecosystem services, improving the resilience of our agroecosystems, ensuring resource circularity, and actively reducing our carbon emissions. We pursue these goals through regenerative agriculture principles, investment in sustainable practices, innovative precision techniques, and agroforestry.

A cornerstone of our environmental strategy is our investment in renewable energy. We are pioneers, the first RPC to achieve 100% solar energy utilisation on all factory rooftops, significantly reducing our reliance on fossil fuels and carbon footprint. We continue to expand our renewable energy portfolio (solar, hydro), transition towards Electric & Hybrid vehicles, and conserve water through rainwater harvesting and efficient practices, mitigating water risks. These efforts create wildlife corridors, maintain herbicide-free plantations, enable sustainable food production, foster resilient ecosystems, and support our journey towards net-zero emissions.

Robust oversight of our sustainability journey was strengthened during the year with the formal establishment of the Board-level Sustainability Review Committee. Comprising three Directors, including an Independent Chairperson, the Committee is tasked with providing strategic guidance, assessing adherence to global standards (GRI, SASB), evaluating ESG risks, and recommending policies to ensure our practices align with global best practices. Our pioneering efforts have gained external recognition, with selection for the "New Solutions for Low-Emission Food Production in Sri Lanka" programme (including ISO 50001 implementation at Dunsinane) and successful GHG emissions verification for Dunsinane Estate. Our commitment is deeply embedded in our strategy, driving improved performance as we progress.

### **KEY ACHIEVEMENTS & RECOGNITION**

Despite the challenging environment, Elpitiya Plantations consistently delivered commendable results and earned significant recognition during the year.

Beyond the financial and operational performance already discussed, our achievements underscore our commitment to excellence across multiple fronts.

We are proud to maintain our standing among the top three Regional Plantation Companies (RPCs) in terms of production and productivity, a clear demonstration of our operational excellence developed through strategic initiatives. Our long-standing commitment to national development is reflected in our investment in research and our pioneering role in cultivating all four berry varieties in Sri Lanka. Furthermore, our unwavering commitment to community development saw us continue to support individuals residing on our estates.

Our dedication to transparency and sustainable practices was externally validated through prestigious awards. At the TAGS Awards 2024, Elpitiya Plantations was celebrated as the Bronze Winner in the Plantations Sector for excellence in financial reporting, adhering to global standards. We also received a Certificate of Recognition for Sustainability Reporting, highlighting our commitment to transparent disclosure.

These sustainability achievements were further reinforced at the Best Corporate Citizen Sustainability Awards. We were honoured as the Second Runner-Up in the category of companies with revenue below Rs. 15 billion, recognising our holistic approach to corporate citizenship. Additionally, our innovative project, "Grow to Grow," which focuses on cultivating bamboo as a renewable source of biomass, received specific recognition, highlighting our forward-thinking approach to resource management and environmental stewardship.

### **HONOURING OUR VISIONARY LEADERS**

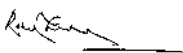
The year under review was marked by the profound loss of two pivotal figures: Deshamanya Harry Jayawardena, the visionary Chairman of our parent company Aitken Spence PLC, and Mr. Bhatiya Bulumulla, our esteemed Joint Managing

Director/CEO. Deshamanya Jayawardena was the driving force and architect of the Aitken Spence Group's success, leaving an extraordinary legacy of leadership. Mr. Bulumulla played a significant role in the expansion and transformation of Elpitiya Plantations, making a substantial contribution to the wider plantation sector. The vision, influence, and invaluable contributions of both leaders, who will be profoundly missed.

### **THANK YOU**

In closing, I wish to express my sincere gratitude to all who have contributed to our success. To the Chairman, Board of Directors, and the Management Committee, thank you for your invaluable support and wise counsel. To our dedicated employees, our achievements over the past years are a direct result of your hard work and commitment to excellence. Your dedication inspires me deeply. Finally, I extend my heartfelt thanks to our valued stakeholders – shareholders, customers, suppliers, distributors, and partners – for your continued trust and belief in our Company. We are confident that our proactive approach, coupled with the dedication of our exceptional team and our unwavering commitment to transparency, good governance, and sustainable practices, will enable us to navigate challenges and capitalise on emerging opportunities, paving the way for a prosperous future.

The ultimate measure of our success remains the transformation of both people and planet, advancing hand in hand towards a shared sustainable future, a principle that guides every aspect of our performance and strategy.



**Dr. Rohan Fernando**  
Managing Director

Colombo  
04th June 2025

# CHIEF EXECUTIVE OFFICER'S REVIEW

We are united in our commitment to a sustainable future, working hand-in-hand with our dedicated employees, supportive communities, valued customers, and collaborative partners.



At this defining moment in our journey, we pause to reflect on the legacy that has brought Elpitiya Plantations to where it stands today. It is with profound gratitude and deep respect that we honour the memory of our late Joint Managing Director and Chief Executive Officer, Mr. Bhathiya Bulumulla. His vision and tireless dedication were instrumental in building the strong foundation upon which Elpitiya Plantations (EPP) stands today, transforming it into the respected organisation it has become.

Mr. Bulumulla played a pivotal role in translating the transformative vision set forth by our Managing Director and Chairman into tangible results. His ability to lead with empathy, resilience, and foresight enabled the company to embark confidently on its journey of renewal and innovation.

His leadership not only created a successful enterprise but also instilled values that continue to guide us. We remain unwavering in our commitment to honouring his legacy by preserving the principles he championed and relentlessly driving EPP forward.

We are determined to continue elevating EPP's profile and impact, solidifying our position as a leader in the plantation sector.

To achieve this, we are embarking on a pivotal strategic renewal. This involves a comprehensive exercise to redefine our corporate Vision, Purpose, Values, and Culture. This is not merely a rebranding effort; it is foundational work essential to sharpening our focus and setting our strategic direction for the next five years.

These interconnected initiatives are vital for our continuous evolution and sustained growth, reflecting our deep commitment to transformation.

Aligned with this forward-looking strategy, we are also investing in groundbreaking initiatives that exemplify our future direction. A prime example is the significant progress of the Dunsinane Valley project. This pioneering ecotourism initiative

represents a regenerative tourism model, focusing on adventure, conservation, and creating sustainable economic and social opportunities for the local community across its 6,593 acres. By blending ecological restoration, community-led development, and immersive visitor experiences, Dunsinane embodies our commitment to environmental health, local prosperity, and responsible innovation within the Central Highlands. Its core commitments, including carbon neutrality, zero waste, and biodiversity restoration, set a new benchmark for our operations and the broader sector.

Our journey of transformation and success is fundamentally a collective one. We are united in our commitment to a sustainable future, working hand-in-hand with our dedicated employees, supportive communities, valued customers, and collaborative partners. I am profoundly grateful for your unwavering support and dedication.

As we invest strategically in our workforce, technology, and agricultural practices, we remain steadfast in our commitment to sustainability, innovation, and responsible operations. With the progress we are making and the commitment we share, I am confident that together we will secure a prosperous future for Elpitiya Plantations.



**Mr. Geeth Kumara Dayananda**  
Chief Executive Officer

04th June 2025

# BOARD OF DIRECTORS



**DR. M. P. DISSANAYAKE**  
Chairman



**Dr. R. M. FERNANDO**  
Managing Director



**MR. MALIK J. FERNANDO**  
Non-Executive Director



**MR. D. A. DE S. WICKREMANAYAKE**  
Non-Executive Director



**MS. M. K. D. N. MADAMPE**  
Non-Executive Director



**MS. MINETTE D. A. PERERA**  
Non-Executive Director



**DR. R. A. FERNANDO**  
Independent Director



**MR. M. J. S. RAJAKARIAR**  
Independent Director



**PROF. AJANTHA DHARMASIRI**  
Independent Director

## **DR. M. P. DISSANAYAKE**

### **Chairman**

Dr. Parakrama Dissanayake joined the Board of Elpitiya Plantations PLC on 15th March 2019. He is also the Deputy Chairman and Managing Director of Aitken Spence PLC and Managing Director of Aitken Spence Hotel Holdings PLC. Prior to this appointment, he was Secretary to the Cabinet Ministry of Ports, Shipping and Southern Development.

He was appointed as the first non-British International President of the Institute of Chartered Shipbrokers U.K. founded in 1911 and Royal Charter conferred in 1920.

Dr. Dissanayake has also held positions in the past that include, Chairman – Sri Lanka Ports Authority (two stints), Chairman – Chartered Institute of Logistics and Transport (Sri Lanka), Board Director Urban Development Authority and Board Director of Ceylon Shipping Corporation.

During the period June 2004 to May 2017, he served as a Director of Aitken Spence PLC and the Chairman and CEO of its Maritime & Freight Logistics sector.

Dr. Dissanayake is a Postgraduate Alumni of the University of Sri Jayewardenepura, Alumni of NORAD, JICA, Business Alumni of the University of Oxford (UK). He has qualified as a Chartered Shipbroker (FICS) UK, Chartered Fellow (Logistics/Transport) FCILT UK, Fellow of Chartered Institute of Marketing UK and Graduate of the Norwegian Shipping Academy (OSLO). He has also pursued Executive Management Education at Harvard Business School USA and University of Cambridge UK. He is a Professor in Maritime Studies (visiting) at Shanghai Maritime University and also has served as a Professor in Maritime Studies (visiting) at Dalian Maritime University.

He was inducted as a “Legend of Logistics” by the Prime Minister of Sri Lanka at the National Logistics Awards Ceremony.

Dr. Dissanayake is Co-Chairman/Professor CINEC Campus and the Hon. Consul for Fiji Islands in Sri Lanka.

## **Dr. R. M. FERNANDO**

### **Managing Director**

Dr. Rohan Fernando was appointed to the Board of Elpitiya Plantations PLC on 1st August 1997 and as the Managing Director on 14th May 2004. He is the Managing Director of Aitken Spence Plantation Managements PLC, and an Executive Director of Aitken Spence PLC. Dr. Fernando is currently Head of the Plantations segment, Corporate Strategy and Sustainability for the Aitken Spence Group. He has extensive experience in the plantation industry; both in the public and private sectors; corporate management, corporate strategy and has played a key role in the plantation privatisation programme. He was the Chairman of United Nations Global Compact Network, Sri Lanka, a former President of the Chartered Institute of Marketing Sri Lanka Chapter and a past Chairman of the Planters Association of Ceylon.

He is currently the President of the Palm Oil Industry Association which comprises growers, processors and refiners in the palm oil industry and serves on the committee of the Asian Palm Oil Alliance (APOA).

Dr. Fernando was appointed as a member of the UNICEF Sri Lanka Business Council in 2023. He was also appointed under the Co-Chairmanship of Advisor to the President and Chairman of National Science Foundation, as a Member of the Expert Cluster on ‘Perennial Crops’ to achieve food security and nutrition in the country. He holds a PhD and an MBA from the University of Colombo and is also a Chartered Marketer and a Fellow of the Chartered Institute of Marketing (CIM UK).

## **MR. MALIK J. FERNANDO**

### **Non-Executive Director**

Mr. Malik J. Fernando was appointed to the Board of Elpitiya Plantations PLC on 1st August 1997 as a Director. Malik is the founder of Resplendent Ceylon, home to a collection of luxury Sri Lankan boutique resorts, also known as the hospitality arm of Dilmah Tea. He is additionally the second-generation owner, together with his brother

Dilhan, of MJF Holdings and Dilmah Tea, founded by his father, Merrill J Fernando in 1988. Having grown up and studied overseas, Malik decided to return home to pursue a career with Dilmah upon his graduation from Babson College, Boston, in 1989. Armed with his passion for the evergreen, lush nature in Sri Lanka, he strongly believed in the potential for Sri Lanka to become a luxury tourist holiday destination. Coupled with his desire to tell stories through tea, his first venture was the boutique resort, Ceylon Tea Trails, the world’s first tea bungalow resort built on working tea estates, which also echoed his devotion to tea. Reflecting his goal to make Sri Lanka a luxury destination, Ceylon Tea Trails is also the first Relais & Chateaux resort in Sri Lanka, and the first on the coveted Conde Nast Gold List. In a bid to complete what he dubbed the “best of Sri Lanka circuit”, comprising the three most distinctive offerings in the country – tea, sea, and safari, he went on to spearhead Cape Weligama which features breathtaking ocean views and Wild Coast Tented Lodge which gives a taste of the jungle. Guided by the Dilmah philosophy that business must also be a matter of human service, he has led various positive impact initiatives within Resplendent Ceylon. Malik spearheaded the Peak Ridge Forest Corridor in 2021 to conserve an 18 km mountain ridge to protect leopards in the Sri Lankan tea highlands. Malik founded the Sri Lanka Tourism Alliance which works to promote sustainable tourism practices and support the tourism industry. It was established in response to the challenges faced by the tourism sector in Sri Lanka, particularly after the Easter Sunday attacks in 2019. Signature achievements of the Alliance include the first global consumer communications campaign for Sri Lanka after the economic crisis in 2022, the only dedicated tourism jobs portal to address staff shortages and an initiative to increase female participation in the tourism workforce. Malik is the Chairman of MJF Leisure, Resplendent Ceylon (Private) Limited and the Co-Chair of MJF Holdings.

**MR. D. A. DE S. WICKREMANAYAKE**  
Non-Executive Director

Mr. D. A. De S. Wickremanayake was appointed to the directorate of Elpitiya Plantations PLC on 2nd October 2017. In addition, he serves as a Director of Aitken Spence Plantation Managements PLC since 18th July 1997 and is also a Director of Pelwatte Sugar Colombo PLC. Mr. Wickremanayake has wide experience in the corporate sector, having pioneered many companies and served on the boards of many others. He is the founder Chairman / Managing Director of Master Divers (Pvt) Ltd, which created a landmark area of activity in the shipping industry. He is the Chairman of Pelwatte Dairy Industries Ltd which produces a wide range of dairy products including milk powder and butter using locally produced milk. Mr. Wickremanayake, is a Director of Pelwatte Coconut Industries Pvt Ltd which produces Coconut related products including Virgin Coconut Oil, Desiccated coconut, coconut flour, etc. He is also the Chairman of Mawbima Lanka Foundation, an organisation dedicated to promoting Sri Lankan goods. He is also a Director of Bogawantalawa Tea Estates PLC. In the state sector, his experience was sought by the Government to help to run the National Livestock Development Board and the State Engineering Corporation where he served as Chairman of these two institutions, at different times. He is a Member of the University Grant Commission Standing Committee on Agriculture, Veterinary, Medicine and Animal Science, Advisory Board Member of Sabaragamuwa University, Council Member of Ocean University, Faculty Representative for the Faculty of Technology, University of Colombo.

**MS. M. K. D. N. MADAMPE**  
Non-Executive Director

Ms. N. Madampe was appointed as a Director of Elpitiya Plantations PLC on 27th November 2024. She is an officer of the Sri Lanka Administrative Service (SLAS) and currently serves as an Additional Director General at the Department of Management

Services, Ministry of Finance, Planning, and Economic Development. In this capacity, she is responsible for overseeing human resource management in the public sector. With 24 years of public service since joining on 15th February 2000 as an Assistant District Secretary in Ratnapura, Ms. Madampe has held various roles, in the Department of Trade Tariff and Investment Policy, Department of Fiscal Policy and Department of Development Finance in the Treasury. In addition she has served in statutory boards, regulatory agencies, and policy committees established to guide and make policy decisions.

Ms. Madampe holds a Master's Degree in Public Policy from the National Graduate Institute for Policy Studies (GRIPS), Japan, which she earned in 2008. She is also a graduate of the University of Colombo, where she obtained a Bachelor of Arts (Hons) degree in Geography in 1999. Her professional expertise is further enriched by participation in international training programs conducted in the United Kingdom, Singapore, Thailand, Korea, Japan, China, and Malaysia.

**MS. MINETTE D. A. PERERA**  
Non-Executive Director

Ms. Minette D. A. Perera served as the Group Finance Director at the MJF Group from 2000 to 2013, overseeing a vertically integrated tea and luxury hospitality business. A Fellow of the Institute of Chartered Accountants of Sri Lanka, CIMA (UK), and ACCA (UK), she brings over 40 years of financial leadership, having held CFO and Director roles in major local and international companies. She has also served as an Independent Non-Executive Director of several Public Listed Companies in the Plantation Sector, Financial Services Sector and Food and Beverage Sector, where she was the Chairperson/Member of the respective Board Audit Committees and other Board Sub Committees. Ms. Perera currently serves as a Non-Executive Director of several Public Listed Companies and Private Companies.

**DR. R. A. FERNANDO**  
Independent Director

Dr Ravi Fernando is an Alumni of the University of Cambridge having completed both a Post Graduate Certificate in Sustainable Business in 2008 and Master of Studies in Sustainability Leadership in 2014. He has an MBA from the University of Colombo.

He holds a Doctor of Business Administration Degree from the European Business School in 2016.

Mr. Fernando completed the Advanced Management Program at the INSEAD Business School (France) and is an Executive in Residence since 2010. He has been a Member of the Board of Study at the Post Graduate Institute of Management (PIM) since March 2023. In April 2020, he created the '21st Century Board Leadership Model-MasterClass'© for the Institute of Directors of Luxembourg.

In February 2023 he published '21st Century Leadership to Fight the Code Red for Business' (Archway Publishing USA). His career with Multinationals spanned 1981-2007 with Unilever, Reckitt Benckiser, Smithkline Beecham International covering Africa, Middle East and Asia. He was the first CEO of the Sri Lanka Institute of Nanotechnology 2008-2011 and Operations Director of the Malaysia Blue Ocean Strategy Institute 2011-2016. He was the first UN Global Compact Focal point 2007 and set up the UNGC Sri Lanka Network.

He serves on the Boards of Global Strategic Corporate Sustainability Pvt. Ltd, Dilmah Ceylon Tea Company PLC, Melstacorp PLC, Distilleries Company of Sri Lanka PLC, Madulsima Plantations PLC, Balangoda Plantations PLC, Aitken Spence Hotel Holdings PLC, Browns Beach Hotels PLC, UN Global Compact, Ceylon Graphene Technologies Ltd and Aitken Spence PLC.

In 2007 "Global Strategy Leadership award" was presented to him by Professor Renee Mauborgne of INSEAD at the World Strategy summit.

**MR. M. J. S. RAJAKARIAR**

## Independent Director

Mano Rajakariar possesses a distinguished career spanning over three decades and was until June 2024, the CFO at South Asia Gateway Terminals (SAGT), where he held pivotal roles within the executive committee and senior management. Prior to joining SAGT, he was an Executive Vice President and Group Financial Controller of John Keells Holdings PLC (JKH). Mano joined the John Keells Group in 1996 and initially was the Sector Financial Controller for the Tea Broking and Plantations Sector, and later CEO of their Shared Services arm and finally held the position of Group Financial Controller before joining SAGT in 2018. He also had a tenure at Coopers and Lybrand (PWC), both in Sri Lanka and Malawi, where he garnered experience in audit assurance and compliance.

Mano holds prestigious qualifications from The Institute of Chartered Accountants (CA) Sri Lanka, Chartered Institute of Management Accountants UK and the Institute of Certified Management Accountants of Sri Lanka and is a Fellow member of all three institutions bringing a wealth of knowledge and expertise to the table. Additionally, his active involvement in professional and community initiatives, includes him serving on the Ethics Committee at CA Sri Lanka, Finance Committee of Sri Lanka Cancer Society and holding non-executive independent board positions at Alumex PLC, Hayleys Fibre PLC and Digital Mobility Solutions Lanka Limited (Pick-Me), Access Engineering PLC and Asset Line Finance Limited.

**PROF. AJANTHA DHARMA SIRI**

## Independent Director

Senior Professor Ajantha Dharmasiri, a leading “pracademic” with industry and academic presence, has a combination of being a Chartered Manager, Chartered HR Professional and a Chartered Electrical Engineer. He is acclaimed as a conference speaker, corporate trainer, strategy consultant and scholarly author. He is the first home-grown Senior Professor in Management of the Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura, Sri Lanka and was a Director / Chairman of the Board of Management of it. He became the first Sri Lankan to lead both the Chartered Management Institute (CMI) – Sri Lanka Chapter and Chartered Institute of Personnel Management (CIPM). He has been an Adjunct Professor at Price College of Business, University of Oklahoma. He was the editor of the pioneering Sri Lankan Journal of Management (SLJM). Being a Commonwealth AMDISA Doctoral Fellow, Fulbright Postdoctoral Fellow, and a Commonwealth Postdoctoral Fellow, he is also an independent director of several boards. Prof. Dharmasiri likes to identify himself as one who transitioned from being an “Engineer of Electrical” to an “Engineer of Hearts and Minds.”

# STRATEGIC MANAGEMENT



**Seated (L-R) :** Dr. R. M. Fernando - Managing Director, Mr. B Bulumulla (Late) - Former CEO/Joint Managing Director

**Standing (L-R) :** Mr. P. S. Dissanayake - Chief Operating Officer- Engineering, Project Management & Business Strategies ,  
Mr. A. G. Geethkumara - Chief Executive Officer , Mr. J. A. R. Nissanka - Chief Operating Officer– Finance & IT Development



# CORPORATE MANAGEMENT



**Seated (L-R)** : Mrs. M. A. D. T. P. Edirisinghe - General Manager – Human Resources, Mr. L. D. N. G. Nanayakkara - General Manager - Administration & Legal, Mr. M. I. Izzadeen - Chief Sustainability Officer, Mrs. N. Wijetunga - Deputy General Manager – Finance, Mr. S. M. D. Thalgaswatte - Deputy General Manager – IT, Ms. M. N. S. Madhurika - Manager – Finance



**Standing (L-R) :** Mr. H. G. C. N. Seneviratne - Manager – IT, Mr. P. D. W. Withanage - Senior Manager - Sustainability, Mr. W. M. L. D. Weerakoon - Senior Farm Manager - Berry Projects, Mr. W. A. D. U. R. De Silva - Senior Manager - Business Development, Mr. W. J. W. Dunukewila - Senior Manager - Sales, Mr. V. A. A. D. Vitharana - General Manager - Engineering & Horticulture Project, Mr. M. A. A. S. Madawalaarachchi - Senior Manager - Forestry, Other Crops & Sustainability, Mr. M. D. Jayashantha - Deputy General Manager - Marketing, Mr. D. H. C. Samaranyake - Manager - Oil Palm Quality Assurance, Mr. D. V. Pathirana - Deputy General Manager - Marketing

## ESTATE MANAGEMENT TEAM



**Seated (L-R) :** Mr. R. K. P. D. Bandara - Manager - Lelwala Estate, Mr. L. M. C. P. Liyadipita - Senior General Manager - Low Country, Mr. S. K. S. B. Pahathkumbura - Senior General Manager - Mid Country & New Peacock Estate, Mr. D. U. H. Bulugahapitiya - Senior General Manager - Devitura Estate, Mr. R. B. S. Douglas - Deputy General Manager - Katandola Estate, Mr. K. R. Mathavan - General Manager – Upcountry Cluster II & Meddecombra Estate, Mr. W. K. G. M. Rajapaksha - Deputy Manager In charge- Gulugahakande Estate, Mr. U. A. E. Gunasena - Deputy General Manager - Upcountry Cluster I & Dunsinane Estate









**Standing (L-R) :** Mr. N. T. Dandeniya - Senior Manager - Elpitiya Estate, Mr. K. M. Ranchagoda - Manager – Sheen Estate, Mr. S. Dilukshan - Manager – Fernlands Estate, Mr. K. S. Ganewatta - Manager - Talgaswella Estate, Mr. D. A. U. A Baddevithana - Manager - Nayapane Estate, Mr. S. G. C. Hansa - Manager - Bentota Estate

# VALUE CREATION MODEL

GRI 2-6

Our value creation model illustrates how we use the six capitals to create positive and lasting impacts for our stakeholders, delivering both tangible outputs and broader outcomes.

OUR INPUT		
 <p><b>Financial Capital</b></p>	<p>An equity-based pool of funds vital for achieving our strategic objectives and fuelling our growth.</p>	<ul style="list-style-type: none"> <li>Shareholders' Funds <b>Rs. 9.5 Bn</b></li> <li>CAPEX <b>Rs. 657 Mn</b></li> </ul>
 <p><b>Human Capital</b></p>	<p>The unique skills and competencies of our 4,407 employees across 13 estates that are instrumental in driving innovation and serving our customers.</p>	<ul style="list-style-type: none"> <li><b>4,407</b> Employees</li> <li><b>Rs. 14 Mn.</b> on Training and development</li> <li>Talent management</li> <li>Health and well-being</li> <li>Grievance handling</li> </ul>
 <p><b>Manufactured Capital</b></p>	<p>State-of-the-art factories, technology, and equipment facilitating high-quality, efficient production.</p>	<ul style="list-style-type: none"> <li><b>16</b> Factories</li> <li><b>Rs. 263 Mn</b> Fixed assets additions</li> <li><b>434</b> new rooftop solar panels</li> <li><b>79</b> Rainwater harvesting ponds</li> </ul>
 <p><b>Intellectual Capital</b></p>	<p>Knowledge-based intangibles that provide a competitive advantage and support future earnings.</p>	<ul style="list-style-type: none"> <li>Investment in innovation and research</li> <li>Investment in digital infrastructure <b>Rs. 17 Mn.</b></li> <li>Brand Reputation</li> <li>Systems and processes</li> <li>Certifications</li> <li>Industry expertise</li> <li>Best practices</li> </ul>
 <p><b>Social and Relationship Capital</b></p>	<p>Strong, collaborative relationships with buyers, brokers, and suppliers that build our reputation, foster stakeholder trust, and are central to strengthening our social license to operate.</p>	<ul style="list-style-type: none"> <li>Relationship with:                             <ul style="list-style-type: none"> <li><b>118</b> Local Suppliers</li> <li><b>5</b> Brokers</li> <li><b>175</b> Buyers</li> </ul> </li> <li>Communities and Non-governmental organisations</li> </ul>
 <p><b>Natural Capital</b></p>	<p>Protecting ecologically significant land, minimising our environmental footprint, and fostering resilient ecosystems for long-term sustainability.</p>	<ul style="list-style-type: none"> <li>Installation of rooftop solar panels</li> <li><b>8,800</b> Hectares of biological assets</li> <li><b>30,152 MT</b> - Raw materials consumption</li> <li><b>163,548 GJ</b> - Energy consumption</li> <li><b>63 Mn.</b> Litres- Water consumption</li> <li>Sustainable use of resources</li> <li>Waste management</li> <li>Applied <b>142 Mt</b> of biochar and <b>7,374 Mt</b> of compost</li> </ul>

## OUR CORE ACTIVITIES AND ENABLERS

**Our Vision**

"We will strive to be the No. 1 plantation company - A model for Sri Lanka".

**Our Strategy**

**Agriculture & Processing Strategy**  
Increasing crop yields, labour productivity and product quality

**Design 2020 Strategy**  
Creating greater economic and social value through revenue diversification and leadership development



**Sustainability Strategy**

Carving out our unique brand of sustainability by blending over 25 years of industry expertise with cutting-edge technology and innovation



**Driven by Key Business Operations**



Tea



Rubber



Oil Palm



Other Crops



**Supported by**

Corporate Governance

Risk Management

## OUR OUTPUTS



**Rs. 7.7 Bn.** Revenue  
**Rs. 1.9 Bn.** PBT  
**Rs. 271 Mn.** taxes paid to the government



**85,178** total hours of  
**Rs. 2.5 Bn.** remuneration and benefits  
**49%** of female employees  
**79%** employee retention



**312 Mn.** Litres of rainwater harvested  
**2556 KW** solar capacity



**40%** of employees with over 10 years of service  
**9** New value added products launched



**Rs. 274 Mn.** investment in CSR  
**Rs. 3.8 Bn.** paid to suppliers  
**186** new suppliers  
**313** new customers  
**14** new products



**6,817** tCO<sub>2</sub>e GHG Emissions  
Wastewater discharged – **21 Mn.** Litres  
Solid waste – **299 Tn**  
**6,089,722 Kwh** renewable energy generation



## OUR OUTCOMES

⇒ **7%** increases in revenue

⇒ A skilled and committed team

- ⇒ High-quality products
- ⇒ Improved productivity
- ⇒ Enhanced efficiency

- ⇒ Enhanced operational resilience
- ⇒ Premium prices at the Colombo Auctions
- ⇒ Cutting-edge technology
- ⇒ Secure systems
- ⇒ Crop diversification, value-added products, and speciality teas
- ⇒ Enhanced product quality
- ⇒ Cost saving and efficiency gains

- ⇒ Loyal customers
- ⇒ Contributing to food security Strong supplier relationships
- ⇒ Sustainable supply chain
- ⇒ Empowered communities
- ⇒ Enhanced product quality
- ⇒ Cost saving and efficiency gain

- 18%** increase in rainwater harvested
- 82%** Increase in green cover compared to last year
- 20%** reduction in energy use
- 4%** increase in water consumption
- 3%** increase in renewable energy

## STAKEHOLDERS



Investors



Regulator



Employees



Business Partners



Regulator



Employees



Customers



Community



Business Partners

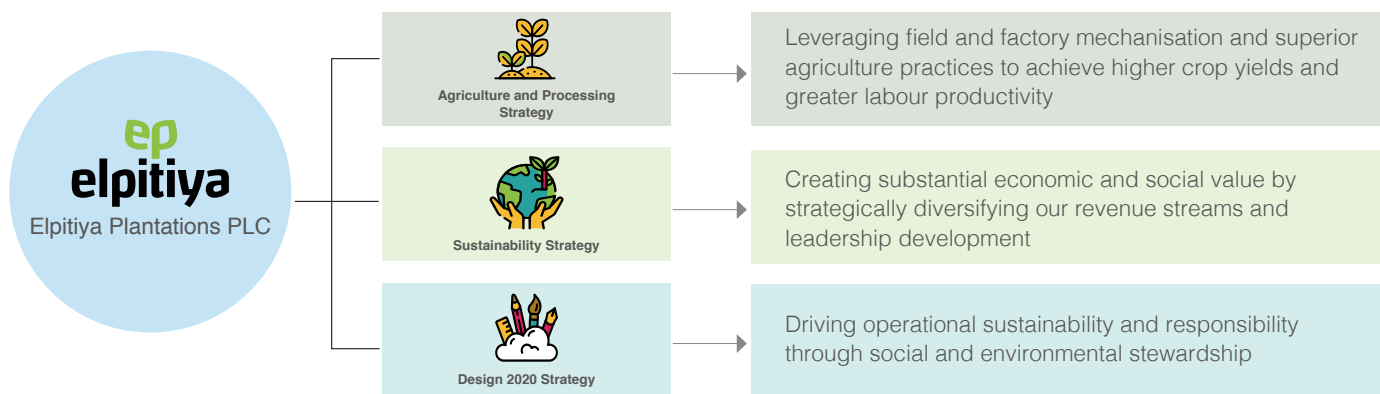


Regulator

# OUR TRANSFORMATIONAL STRATEGY

Elpitiya Plantations PLC (EPP) continued to advance its significant transformation, evolving from a traditional, commodity-focused organisation into a diverse, entrepreneurial, and dynamic entity for the 21st century, deeply committed to social and environmental responsibility. The engine of this profound metamorphosis is our cohesive, transformational strategy. Launched in 2020, this three-pronged approach is not merely enhancing our current business model; it's radically reshaping our future. We are strategically diversifying beyond our commodity roots into high-value horticulture, immersive eco-tourism, and sustainable renewable energy. This calculated diversification is designed to generate 50% of our turnover from these non-core, growth-oriented businesses, building a more resilient and prosperous Organisation. Furthermore, our robust financial position underpins this ambitious expansion and empowers our commitment to environmental and social initiatives, ensuring our journey toward a sustainable future is viable and impactful.

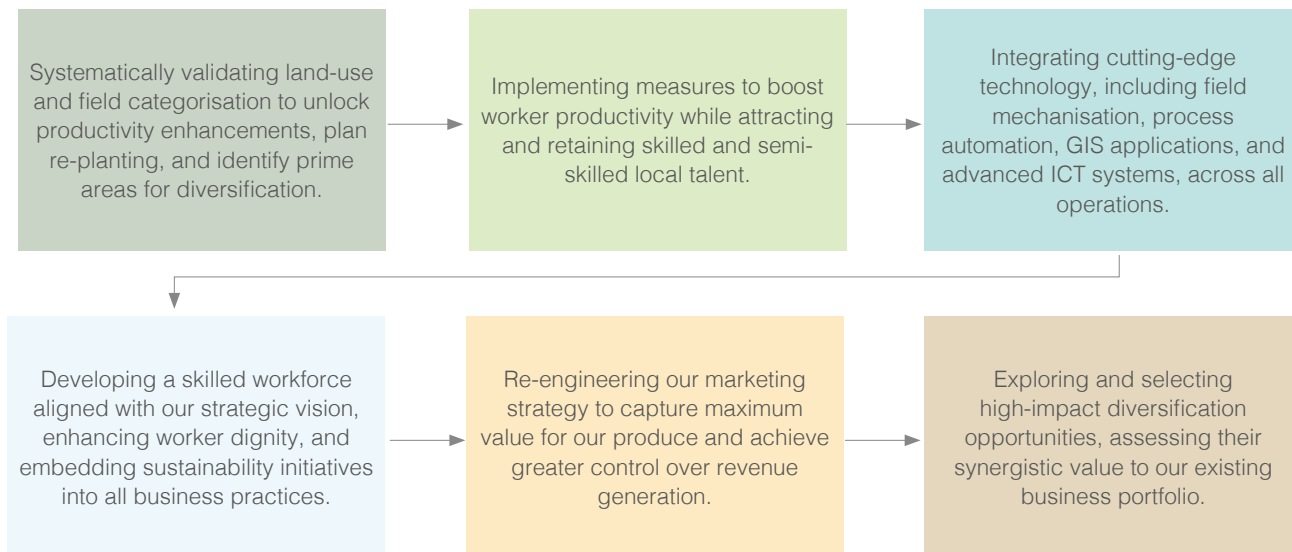
## OUR THREE-PRONGED TRANSFORMATIONAL STRATEGY



## AGRICULTURE & PROCESSING STRATEGY

At the core of our transformation, the Group's Agriculture and Processing Strategy directly targets the twin challenges of low labour and land productivity within the plantation sector. We are driving this change through the integration of mechanisation and the widespread adoption of innovative, sustainable agricultural practices, thereby forging our path as a pioneering plantation company of the future.

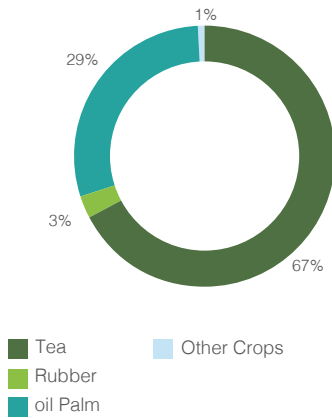
### Strategy Elements



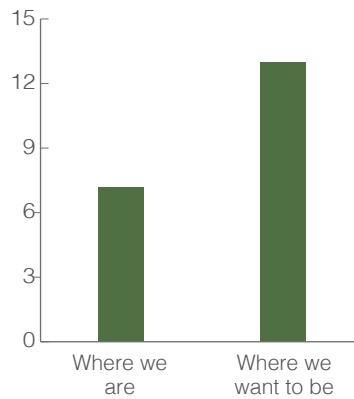
## Goals

### Where we are

Revenue composition - FY 24/25

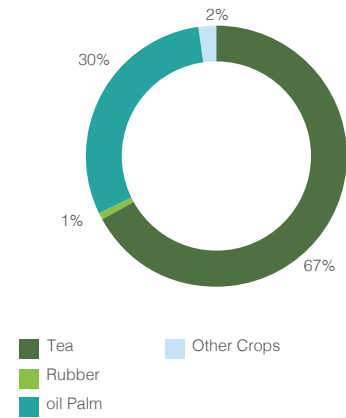


Revenue (Rs. Bn)



### Where we want to be

Revenue composition - FY 29/30



	Tea	Rubber	Oil Palm	Other crops
Strategies	<ul style="list-style-type: none"> <li>Systematically replacing low-yielding fields with superior, high-yielding clones or strategically transitioning them to alternative high-value crops with a goal of improving estate productivity by expanding Vegetatively Propagated tea area.</li> <li>Ensuring all manufacturing facilities operate at peak capacity and optimal efficiency through continuous improvement initiatives.</li> <li>Developing and producing a distinguished portfolio of specialty teas tailored to discerning international market preferences.</li> <li>Gradually transitioning from manual to mechanical plucking to enhance productivity, consistent quality and efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>Progressively replacing low-yielding fields and strategically re-allocating land for high-value diversification opportunities, including cinnamon, agarwood, sustainable timber, coconut, and select exotic fruits (sour-sop, durian, pineapple, passionfruit).</li> <li>Introducing Robusta coffee cultivation by strategically intercropping within mature rubber plantations in our low country estates, optimising land use and creating a new revenue stream.</li> </ul>	<ul style="list-style-type: none"> <li>Leveraging advanced mechanisation, efficient drip irrigation, and real-time digitised monitoring to boost crop yields and optimise output per plant.</li> </ul>	<ul style="list-style-type: none"> <li>Progressively increasing the cultivation area for high-value timber, agarwood, and cinnamon.</li> <li>Consolidating cinnamon plantations to enhance operational efficiency and yield management.</li> <li>Strategically planting short to medium-term crops such as pineapple, bamboo, and banana to diversify income streams and optimise land utilisation.</li> <li>Implementing intercropping practices during the immature growth phase of primary crops to enhance soil health and generate early returns.</li> </ul>

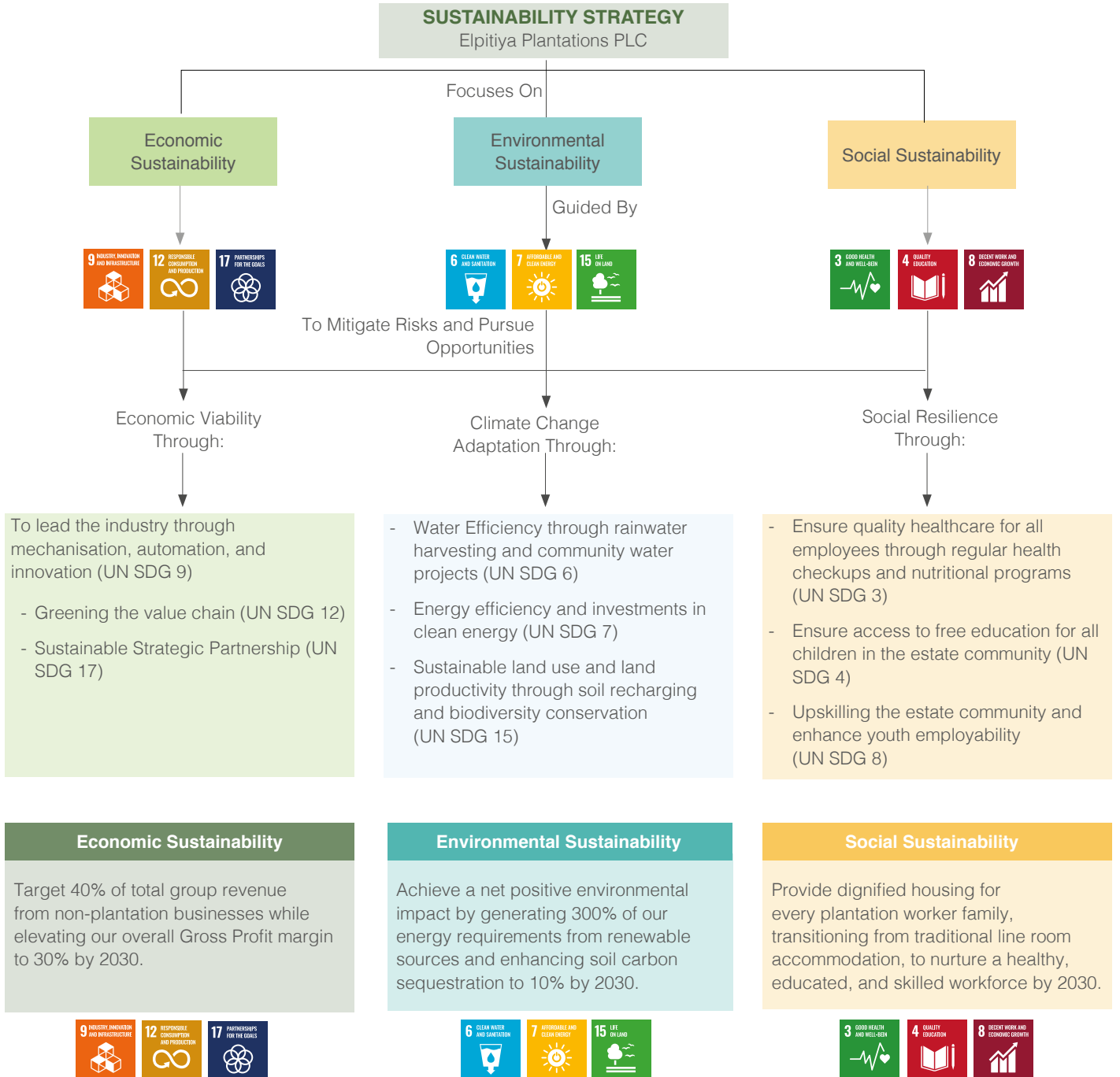
	Tea	Rubber	Oil Palm	Other crops																				
	<ul style="list-style-type: none"> <li>Implement drone-powered foliar applications to enhance cost efficiency and improve crop health.</li> <li>Enhancing soil carbon levels to boost crop productivity and overall soil health.</li> </ul>																							
KPIs	<p><b>Crop (Kgs '000)</b></p> <p>Legend: Tea (light green), Rubber (teal), Oil palm (dark green)</p>	<p><b>Yield (Kgs/Ha)</b></p> <p>Legend: Tea (light green), Rubber (teal), Oil palm (dark green)</p>	<p><b>NSA (Rs.)</b></p> <p>Legend: Tea (light green), Rubber (teal), Oil palm (dark green)</p>																					
Progress for the year	<ul style="list-style-type: none"> <li>Ongoing factory upgrades with investments in new processes.</li> <li>Ongoing digitalisation and automation of field and factory operations.</li> </ul>	<ul style="list-style-type: none"> <li>In light of the recent market recovery and the upward momentum in rubber prices, we're reassessing the viability of these fields under the current market conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Strategically aligning our Oil Palm Cultivation with global best practices by pursuing Roundtable on Sustainable Palm Oil (RSPO) Certification in collaboration with esteemed international certification bodies.</li> <li>Oil Palm yield increased by 3%.</li> </ul>	<ul style="list-style-type: none"> <li>Identified two potential partners from Malaysia, and an MOU was signed with one to expand the Agarwood venture.</li> <li>Ten new tunnels were added for strawberry cultivation.</li> <li>Cultivated 3 Ha of blueberries.</li> <li>Cultivated 1 Ha of raspberries.</li> <li>Expanded gooseberry cultivation.</li> </ul>																				
Resources allocated	<ul style="list-style-type: none"> <li>Rs. 88 Mn. invested in field replanting.</li> <li>Rs. 42 Mn. invested in factory upkeep.</li> </ul>	<ul style="list-style-type: none"> <li>Rs. 14 Mn. invested in field replanting.</li> </ul>	<ul style="list-style-type: none"> <li>Rs. 37 Mn. invested in field upkeep and maintenance</li> </ul>	<ul style="list-style-type: none"> <li>Rs. 202 Mn. invested in field replanting.</li> </ul> <table border="1"> <thead> <tr> <th>Crop</th> <th>Investment Rs. Mn.</th> </tr> </thead> <tbody> <tr> <td>Cinnamon</td> <td>60</td> </tr> <tr> <td>Coffee</td> <td>15</td> </tr> <tr> <td>Bamboo</td> <td>5</td> </tr> <tr> <td>Durian</td> <td>6</td> </tr> <tr> <td>Avocado</td> <td>5</td> </tr> <tr> <td>Coconut</td> <td>22</td> </tr> <tr> <td>Agarwood</td> <td>9</td> </tr> <tr> <td>Pineapple</td> <td>16</td> </tr> <tr> <td>Berries</td> <td>66.2</td> </tr> </tbody> </table>	Crop	Investment Rs. Mn.	Cinnamon	60	Coffee	15	Bamboo	5	Durian	6	Avocado	5	Coconut	22	Agarwood	9	Pineapple	16	Berries	66.2
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Business	Plantation Business	Non-Plantation Businesses -Projects	Joint Ventures
Strategies	<ul style="list-style-type: none"> <li>Leverage GIS applications, advanced mechanisation, high-yielding cultivars, and smart ICT systems to significantly elevate land-use efficiency and overall productivity.</li> </ul>	<ul style="list-style-type: none"> <li>Strategically scale our Berry Project to capitalise on market demand and enhance profitability.</li> <li>Invest in and expand ventures that strengthen our operational autonomy and reduce vulnerability to external market volatilities.</li> <li>Invest in cutting-edge projects, including innovative Value-Added Products (VAPs) and the integration of advanced agri-tech solutions including drone-assisted agriculture.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance investor appeal and facilitate strategic partnerships by operating key growth ventures under dedicated Special Purpose Vehicles (SPVs).</li> </ul>
KPIs	<p>NSA (Rs.)</p> <ul style="list-style-type: none"> <li>Tea - 1,127</li> <li>Rubber - 874</li> <li>Oil Palm - 85</li> </ul> <p>YPH</p> <ul style="list-style-type: none"> <li>Tea – 1,532</li> <li>Rubber - 443</li> <li>Oil Palm – 15,577</li> </ul>	<ul style="list-style-type: none"> <li>14 New Products Developed. Tea-based products: 5 Berry-based products: 2 Other products: 7</li> <li>10 New Polytunnels.</li> <li>2 Ha. extent under other Berries.</li> </ul>	2 new Strategic Partnerships.
Progress for the year	<ul style="list-style-type: none"> <li>Strategic initiatives focused on sustainability and operational excellence propelled significant gains, with the Company recording an overall increase of 3% in revenues. These achievements reflect our dedication to practices such as modernising factories, advancing digitalisation and automation, revitalising rubber fields through replanting, pursuing intelligent diversification, and achieving RSPO certification.</li> </ul>	<ul style="list-style-type: none"> <li>Entered into a consultancy agreement for concept development of the Dunsinane Valley Project</li> <li>Entered into a Tripartite Consultancy agreement with renowned international consultants for a Business Transformation Programme.</li> <li>Signed a Memorandum of Understanding and a 25-year Lease Agreement for a 3MW Ground Mounted Solar-PV Project.</li> <li>Entered into an agreement with 'Permia Sensing' for Health Analysis of Oil Palm (Pilot Project) by using drone flights</li> </ul>	<ul style="list-style-type: none"> <li>Entered into a new partnership agreement with a renowned franchise to open a new Harrow House outlet.</li> </ul>
Resources allocated	<ul style="list-style-type: none"> <li>Rs. 68 Mn. Invested in automation and digitalisation</li> <li>Rs. 18 Mn. Invested in mechanisation</li> </ul>	<ul style="list-style-type: none"> <li>Rs 168 Mn. invested in expanding horticulture crops</li> </ul>	<ul style="list-style-type: none"> <li>Additional investment in our R&amp;D arm (CAFT) – Rs. 15Mn</li> <li>Rs. 4.5Mn investment into opening of a new Harrow House outlet</li> </ul>
Focus for 2025/26	<ul style="list-style-type: none"> <li>Enhance the tea yield to 1,948 Kgs per Ha.</li> <li>Enhance the Oil Palm Yield to 16,360 Kgs per Ha.</li> <li>Maintain the Gross Profit Margin above 30%.</li> </ul>	<ul style="list-style-type: none"> <li>Increase the revenue share from non-plantation business to 10%.</li> </ul>	<ul style="list-style-type: none"> <li>Proactively identifying and structuring carve-out ventures from our business portfolio to specifically engage strategic investors through targeted joint ventures, potential acquisitions, and collaborative partnerships.</li> </ul>

## SUSTAINABILITY STRATEGY

Our comprehensive sustainability strategy provides a robust framework for achieving holistic economic, environmental, and social sustainability across the plantation sector. We confront critical industry challenges head-on, deploying a multifaceted approach anchored in six key areas and intrinsically linked to nine, and now twelve, United Nations Sustainable Development Goals, following the integration of three additional goals in FY 21/22. This underscores our evolving commitment. We are pioneering our distinct approach to sustainability, leveraging over 25 years of deep industry expertise alongside transformative technology and innovation, dedicated to fostering a more sustainable and equitable future for our organisation and the communities we serve.



Strategy Elements	
	Prioritising the health and nutrition of all employees by ensuring comprehensive access to quality healthcare services.
	Guaranteeing access to free, quality education for all school children within our operating communities, nurturing future potential.
	Aspiring to be the most water-efficient plantation company by maximising rainwater harvesting (in catchments, ponds) and enhancing soil moisture conservation for sustainable agriculture.
	Attaining complete energy self-sufficiency through the dedicated development and comprehensive utilisation of renewable and sustainable energy sources.
	Consistently nurturing and developing our human capital, fostering a positive, supportive, and engaging environment to enhance social cohesion and overall well-being
	Aiming to be the leader in mechanisation and automation, setting new operational benchmarks for the global plantation sector.
	Building and maintaining fully sustainable and transparent value chains, from ethical sourcing to responsible market delivery.
	Continuously enhancing land productivity to achieve superior revenue and value generation per hectare through innovation and optimised agricultural practices.
	Enhancing business resilience and achieving strategic portfolio targets by fostering robust, sustainable partnerships with key stakeholders.

Business	Economic sustainability	Environmental sustainability	Social sustainability
Strategic actions in FY 2024/25	<ul style="list-style-type: none"> <li><b>Operational excellence:</b> Invest in mechanisation and automation as key levers to achieve greater operational efficiency and resource optimisation.</li> <li><b>Market growth and diversification:</b> Pursue strategic growth by launching innovative, value-added products (e.g., specialty teas) and diversifying income sources through ventures like eco-tourism, reducing reliance on traditional streams.</li> <li><b>Sustainable and ethical foundation:</b> Fortify our supply chain through unwavering commitment to ethical sourcing principles and recognised sustainability certifications, enhancing transparency and resilience.</li> </ul>	<ul style="list-style-type: none"> <li><b>Enhancing water security &amp; efficiency:</b> Invest further in water conservation projects, such as rainwater harvesting and optimised irrigation, to improve resource efficiency and operational resilience.</li> <li><b>Decarbonising energy consumption:</b> Progressively increase our reliance on renewable energy sources, including solar and biomass, while transitioning operational transport towards Electric Vehicles (EVs).</li> <li><b>Reducing chemical inputs for soil health:</b> Commit to achieving a 50% reduction in chemical fertiliser use (from 2017/18 levels) by prioritising and expanding the application of organic manure, contributing to healthier soils.</li> <li><b>Investing in Natural Capital:</b> Strengthen dedicated programs for biodiversity conservation and soil health regeneration to enhance ecosystem resilience and long-term productivity.</li> </ul>	<ul style="list-style-type: none"> <li><b>Invest in community potential:</b> Implement targeted upskilling programs for the estate community to enhance lifelong employability and economic opportunities.</li> <li><b>Prioritise employee well-being:</b> Ensure comprehensive access to quality healthcare for estate employees, including regular preventative health checkups and tailored nutrition programs.</li> <li><b>Expand educational pathways:</b> Broaden educational support initiatives by increasing scholarship availability and providing access to modern digital learning resources.</li> <li><b>Champion gender equity:</b> Actively strengthen women's empowerment programs specifically designed to cultivate leadership skills and create pathways to leadership roles within estate communities.</li> </ul>

Business	Economic sustainability	Environmental sustainability	Social sustainability
Focus for 2025/26	<ul style="list-style-type: none"> <li>Increase the Non-Plantation Business Revenue to 10%</li> </ul>	<ul style="list-style-type: none"> <li>RSPO certification of EMS for Oil Palm Plantations</li> </ul>	<ul style="list-style-type: none"> <li>Achieve zero hunger across all estates, ensure 100% access to potable water, and expand our housing portfolio by 10% to enhance the living conditions of our people</li> </ul>

Short-term 2024/25	Medium-term 2027/28	Long-term 2029/30
<ul style="list-style-type: none"> <li>Renewable energy (RE) generation-225% over electrical energy demand</li> <li>Reduction of chemical fertiliser use by- 32% of the base year</li> <li>Reduction of chemical weedicide use by- 50% of the base year</li> <li>Rainwater harvesting- 280 million Lts with 79 ponds</li> </ul>	<ul style="list-style-type: none"> <li>RE generation 262% over the electrical energy demand</li> <li>Reduction of chemical fertiliser use by 41% of the base year</li> <li>Reduction of chemical weedicide use by 58% of the base year</li> <li>Rainwater harvesting 290 million Lts with 79 ponds</li> </ul>	<ul style="list-style-type: none"> <li>RE generation 300% over the electrical energy demand</li> <li>Reduction of chemical fertiliser by 50% of the base year</li> <li>Reduction of chemical weedicides use by-65% of the base year</li> <li>Rainwater harvesting 300 million with 79 ponds</li> </ul>

# BECOMING SOUTH ASIA'S MOST SUSTAINABLE BUSINESS

At EPP, sustainability is integral to our operations, representing a core value that shapes our decisions and actions. Our vision is clear: to become South Asia's most sustainable business by 2030. This ambitious goal is supported by a robust and comprehensive sustainability strategy, driving our focused efforts towards achieving this leadership position.

## ENHANCED ESG GOVERNANCE FRAMEWORK

To elevate our commitment to sustainability and ensure robust oversight, we have implemented the following enhancements to our ESG governance structure:

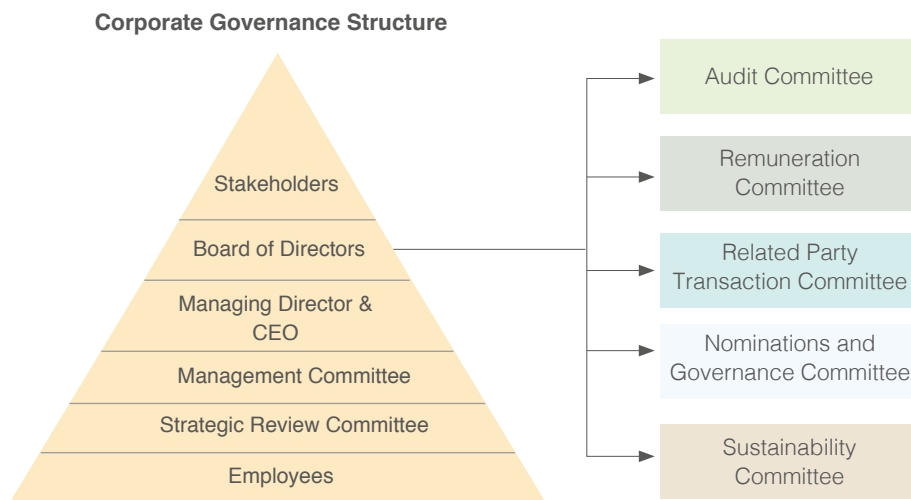
1. **Board-Level Oversight:** The new Sustainability Board Committee provides strategic direction and accountability for ESG performance, integrating these factors into top-level decisions.
2. **Operational Implementation:** The Sustainability Review Committee translates strategy into action, advising on implementation and ensuring alignment with business objectives across departments.
3. **Data & Reporting Accountability:** A dedicated ESG Reporting Manager strengthens data governance, ensures regulatory alignment in disclosures, and drives performance improvements through robust monitoring and reporting.



## STAKEHOLDER ENGAGEMENT

The perspectives of our stakeholders proactively shape our sustainability strategy. Through a structured and ongoing engagement process, we listen to and connect with our various stakeholder groups to understand the issues most significant to them. Identifying and prioritising these material topics is central to our approach, ensuring our sustainability agenda remains aligned with stakeholder expectations and effectively addresses shared concerns. A detailed overview of this engagement process is available on page 32.

## Structure and Oversight



Our sustainability efforts are driven by a robust, multi-layered structure designed for strategic oversight and effective implementation.

Climate actions, including GHG reduction and clean energy initiatives, receive board oversight via monthly sustainability meetings chaired by Dr. Ravi Fernando. To strengthen governance, the newly formed Sustainability Committee is responsible for assessing climate risks, including changing precipitation patterns and opportunities such as carbon sequestration demand, developing mitigation strategies, and ensuring the company's sustainability agenda aligns with business objectives.

## Regular review of ESG performance

ESG targets and performance are subject to rigorous review through a structured, multi-tiered process. Monthly operational meetings are conducted with estate management and designated SDG goal leaders to track ground-level progress against targets. Additionally, bi-monthly management reviews provide higher-level oversight, involving relevant supervisors and management, with input from our Sustainability Director to ensure strategic alignment and address challenges.

Please refer to page 173 for the ESG Governance Framework

## Linking incentives to ESG performance

To further embed accountability for sustainability outcomes, the development of an ESG-linked incentive structure for the Board and Management is under active consideration. The final framework and implementation details are pending finalisation at the group level.

## Transparency and reporting

We are firmly committed to transparency and accountability in all business aspects, including our sustainability performance. As a publicly listed company, EPP adheres to the stringent reporting standards of the Colombo Stock Exchange, providing quarterly accounts and annual reports in accordance with established accounting and auditing practices. Our commitment extends beyond regulatory compliance, embracing international best practices such as the Global Reporting Initiative






(GRI) Standards and the Integrated Reporting <IR> Framework to ensure comprehensive disclosure of our economic, environmental, and social impacts.









Underscoring the integrity of our disclosures, we employ a combined assurance model involving independent verification. Specifically, Ernst & Young (EY) provides independent, third-party assurance on the breadth of our reporting, encompassing our Integrated Report and our GRI-aligned Sustainability Report. Furthermore, to enhance the credibility of our environmental data, we are pursuing independent third-party verification for our Greenhouse Gas (GHG) emissions; this process is currently underway, though final certification may conclude in the next reporting cycle. For more detailed information on our reporting frameworks and practices, please refer to page 05.

GRI 2-6

## PROGRESS IN OUR ESG GOALS

The table below provides an overview of our progress toward our sustainability goals. For detailed information on these initiatives, please refer to our Capital Reports, pages 84 - 160.

ESG	SDG	Initiative	KPI	2030 Goals	Progress to date
Environmental Goals	 	Application of organic compost	Reduce chemical fertiliser by 50%	Becoming Net Zero (Base Year – 2017/18)	Application of organic compost 7,374 MT Applied 142 Mt of biochar
	 	Reduced the use of chemical pesticides	Reduce chemical pesticide by 75%		Reduced the application of chemical pesticides by 88%
		Launched the friendly weed programme	Reduce chemical weedicide by 65%		Reduced the application of chemical weedicides by 34%
	 	Maintained diverse agroforestry systems with high and low shade trees to enhance ecosystem health and structure, incorporating bamboo as a key component	Increase green shade tree cover by 10%		Planted 17,276 trees increasing the green cover to 1%
		Application of organic compost to improve soil carbon level	Improve carbon soil level up to 3%		Applied 7,374 MT of organic compost
		Engaged in rainwater harvesting and recharging of soil	Harvest 300 million Ltrs per annum	Clean water for all the estate communities	Harvested 52 million Ltrs of rainwater

ESG	SDG	Initiative	KPI	2030 Goals	Progress to date
		Renewable energy generation and use	Increase electrical renewable energy use by 300%		Generated 87% of renewable energy
	 	Increase the hybrid and electric vehicle portfolio	Reduce transport emissions Move to EV and hybrid – (50% of vehicle fleet for transportation)	Clean energy in all operational aspects	Initiated the procurement of 02 electric vehicles (EVs) for our operational fleet, marking a tangible step in our planned transition towards incorporating more hybrid and electric vehicle technologies.
Social Goals		Provided education scholarships	Enable 100% access to free education for all our estate communities	Quality Education for all estate communities	Provided 125 (University students), 82 (A/L) Students MJF scholarships to students
		Improved nutritional standards, provided access to medical clinics and health camps	100% access to health services for all our estate communities	Good health and well-being for all estate communities	Conducted 4 health clinics
		Established clear career development pathways	Achieve a 90% employment rate among the working-age population residing within our estate communities	Decent work and economic growth for all estate communities	Launched the plantation executive development plan
		Protected natural waterways, water bodies, and riparian zones, including their connectivity, quantity, and quality	Provide 100% potable water to all our estate communities	Clean water and sanitation for all communities	Initiated 3 potable water projects to our estate communities
		Ensured all employees earn a wage meeting or exceeding the basic cost of living in their region	Improve workers' earnings by 50% and enhance their livelihood	Decent work and economic growth for all estate communities	Regular review of the remuneration and provided performance-linked bonuses
		Obtained the RA certification	Certify all 10 Tea estates	100% of tea estates RA Certified	All estates are certified
		Obtained the FSC Certification	Certify all 7 Rubber estates	100% Rubber estates FSC Certified	All estates are certified
Increased investment in non-agribusinesses		Increase revenue and profits from non-agribusinesses by 40%		Expansion of the berry cultivation project and the value added business	
		Enhance gross profit margin to over 30% of the current business		Achieved 31% Gross Profit Margin in the FY 2024/25	

# INTUITIVE EVOLUTION

## YEAR IN REVIEW

Adapting with agility to shifting environmental and market dynamics, we evolve intuitively and responsively—transforming challenges into opportunities for long-term progress.



## TEA

Tea constitutes the largest cultivated area and is the highest revenue earner for our company. We primarily produce smaller tea grades, including Rotavane and CTC (Cut, Tear, Curl) teas. Our annual production is approximately 4.2 - 4.5 million kilograms, with about 50% being CTC.



### SRI LANKA'S TEA SECTOR Market Overview

Cumulative tea production for January-December 2024 totalled 262.16 million kgs, representing an increase of 6.07 million kgs from 256.09 million kgs in 2023.

High Grown production recorded a decline against both 2023 and 2022 figures, Medium and Low Grows recorded gains over 2023. Furthermore, all elevations, excluding High Grows, showed positive growth compared to 2022.

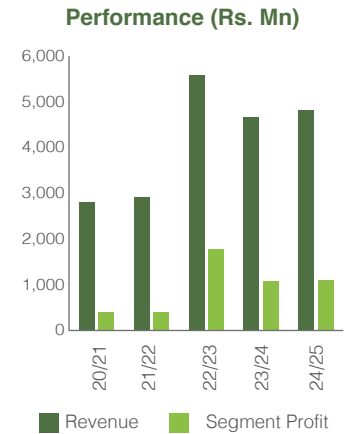
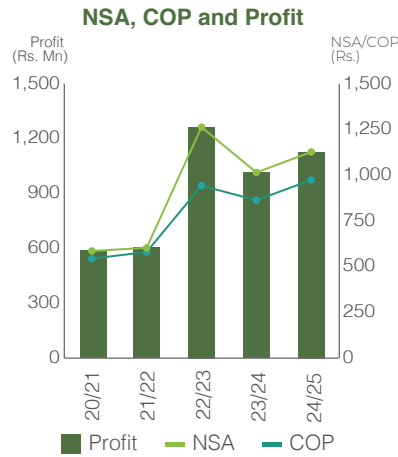
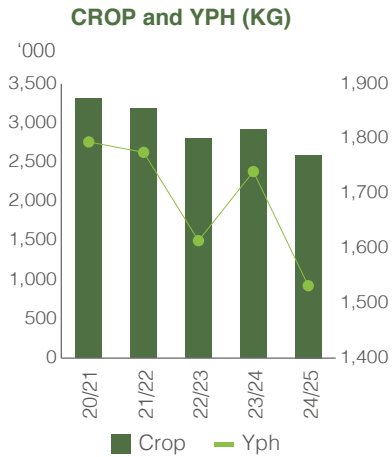
Tea exports for January-December 2024 totalled 245.78 million kgs, marking a 3.87 million kg increase compared to the same period in 2023.

The average FOB value per kg (Rs. 1,763.61) decreased in LKR terms (by Rs. 6.83) but rose in USD terms (by USD 0.45) compared to 2023, due to currency effects.

The Colombo Auction average reached USD 4.08 per kg, the second-highest annual average in USD terms (trailing only 2017's record of USD 4.11 per kg). Reflecting this strength, the National Average for 2024 stood at Rs. 1,225.17 per kg, an increase of Rs. 53.88 in LKR terms and USD 0.49 in USD terms compared to 2023.

## PERFORMANCE

Revenue from the tea segment increased by 3% to Rs. 4,820 Mn in 2024/25, compared to Rs. 4,677Mn in 2023/24. Despite a decline in crop volumes due to adverse weather conditions, the revenue growth was largely driven by favourable market prices, supported by the appreciation of the Sri Lankan rupee against the US dollar. The cost of production increased by 3% over the previous year, primarily due to enhanced employee compensation and benefits. As a result, segment profit increased slightly to Rs. 1,098 Mn in 2024/25, from Rs. 1,075 Mn in 2023/24.



## Strategic Focus Areas



Maintained a strong focus on field mechanisation and factory automation to boost productivity and yields, with key investments during the year.



Continued to prioritise quality enhancement through initiatives such as improving soil conditions and adopting more efficient boiler systems.



Operated the tea-concentrate project as part of a continuous strategy to increase value addition.



Expanded the range of value-added tea products offered under the Harrow Ceylon Choice brand.



Bolstered the market presence of the Harrow Ceylon Choice brand



Focused on developing and marketing specialty CTC grades to command better prices in niche segments, thereby overcoming the price disadvantage against bulk CTC producers.



Continue to invest through our R&D arm (CAFT), in advancing drone-based applications and other pioneering innovations tailored to the tea sector.

Opportunities	Risks/Challenges
<ul style="list-style-type: none"> <li>Orthodox tea, a traditional strength of Ceylon tea, enjoys high global demand.</li> <li>The market shows increasing demand for value-added tea products, such as specialty blends and infused teas</li> <li>Consumers are increasingly prioritising sustainably produced tea, creating a key opportunity for producers who adopt ethical and environmentally responsible methods.</li> </ul>	<ul style="list-style-type: none"> <li>Colombo auction prices are significantly higher than other global auction centres, creating constant price pressure for Ceylon tea.</li> <li>CTC teas face intense competition from major producers including India and Kenya, who manufacture large volumes at considerably lower prices.</li> <li>This combination of our production mix (heavy on CTC, light on Orthodox) and the competitive landscape for CTC results in significant pricing challenges for our company's tea offerings.</li> <li>Unfavourable weather patterns throughout the year, including an initial severe dry spell followed by periods of heavy rain negatively impacted tea production in 2024.</li> </ul>

### FUTURE FOCUS

We will continue exploring innovative revenue-sharing models to boost worker productivity and attract new talent to the plantations. Prioritising mechanisation, automation, and digitisation will remain key to enhancing cost and operational efficiencies. Furthermore, strengthening our R&D capabilities is vital for moving up the tea value chain and developing new, high-value products.

## RUBBER

We operate the only rubber factory in the Galle District, producing sole crepe (Tabasol) primarily for export, with a key contract with a renowned global shoe manufacturer/retailer. To meet buyer requirements and enhance product value (for both rubber and timber), we hold an FSC certification, which was re-secured for its individual operations two years ago.



### RUBBER SECTOR OF SRI LANKA Market Overview

For the January-November 2024 period, export earnings from Rubber and Rubber finished products increased by 8.25% to USD 920.81Mn YoY.

Average rubber prices declined across various grades for the 11 months ended November 2024. Latex Crepe, the 1X grade decreased by Rs. 50.00 per kilogram, while No. 1, No. 2, No. 3, and No. 4 grades fell by Rs. 8.34, Rs. 33.75, Rs. 28.75, and Rs. 32.50 per kilogram, respectively.

Scrap Crepe prices also dropped: 1X Brown decreased by Rs. 58.33 per kilogram (with 2X Brown unquoted), and the common grades 3X Brown and 4X Brown fell by Rs. 66.00 and Rs. 75.00 per kilogram, respectively.

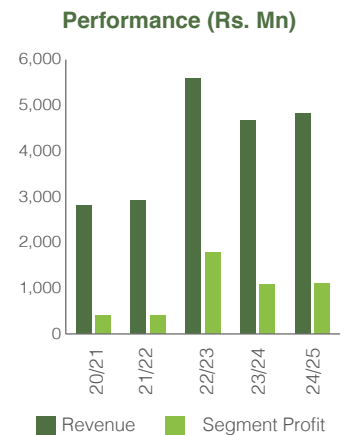
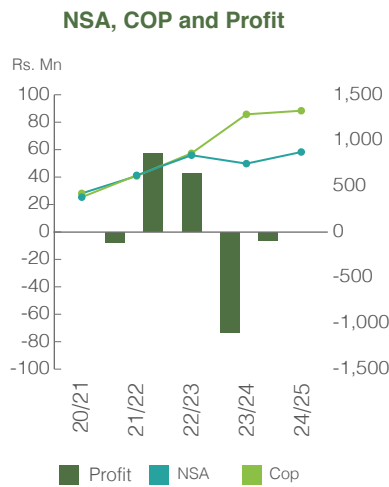
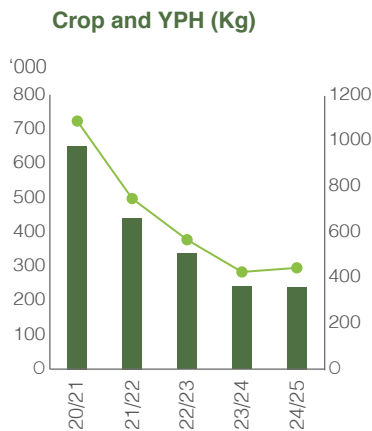
The average price of RSS1 for the month was Rs. 760.00 per kilogram, down Rs. 42.50 compared to November. Concurrently, the quantity offered at public auction declined YoY.

## PERFORMANCE

The rubber segment increased by 14% to Rs. 217 Mn in 2024/25, up from Rs. 191 Mn in the previous year, supported by an improved NSA of Rs. 874.37 per kg (up from Rs. 747.18). This growth was achieved despite a marginal drop in crop volumes.

The cost of production (COP) rose to Rs. 1,325.50 per kg, compared to Rs. 1,286.43 in the previous year, mainly due to increased employee-related costs.

As a result, the segment loss narrowed significantly to Rs. 6 Mn in 2024/25 from Rs. 75 Mn in 2023/24. Yield per hectare (YPH) improved to 443 kg/ha, up from 425 kg/ha.



## Strategic Focus Areas



Strategically transitioned low-yielding rubber lands to more lucrative crops, securing our long-term profitability.

## Opportunities Risks/Challenges

Opportunities	Risks/Challenges
<ul style="list-style-type: none"> <li>Growth opportunities within the value-added segments.</li> <li>Introducing compatible crops or intercropping systems to improve land use efficiency and cash flow.</li> </ul>	<ul style="list-style-type: none"> <li>The rubber industry has faced a decade of predominantly low and unsustainable prices, with only brief exceptions, directly causing widespread losses for producers</li> <li>Smallholders, who contribute over 65% of national rubber production, are abandoning tapping and rubber lands due to low prices and the lack of tappers.</li> <li>For over four years, a severe leaf fall disease known as Pestalotiopsis has been prevalent, causing production drops of nearly 30% in affected areas and continuing to spread, particularly under certain weather patterns, with no cure yet identified despite international efforts and workshops.</li> <li>Labour shortages</li> <li>Excessive rain over the past 2-3 years has negatively impacted production</li> </ul>

## FUTURE FOCUS

Looking ahead, our focus in the rubber sector is on strategically enhancing the optimal utilisation of land to maximise long-term value. By assessing land with lower-yielding rubber, we aim to identify opportunities for diversification or improvement that align with broader estate productivity goals.

## OIL PALM

Despite a current government ban restricting expansion, oil palm remains a significant and high-yielding crop for us, with plans for increased production from existing extents. Historically a top revenue earner, it was strategically adopted to address labour shortages and national oil demand. We are a key partner in the AEN Palm Oil Mill and manage approximately 1,700 hectares of mature oil palm.



### OIL PALM SECTOR OF SRI LANKA

#### Market Overview

Sri Lanka consumes 220,000 metric tonnes of palm oil per annum of which only 12% is produced locally on a land area of 12,000 hectares.

Sri Lanka has a significant shortfall in edible oil, needing an additional ~200,000 tons of palm oil per year. This leads to a drain on foreign currency.

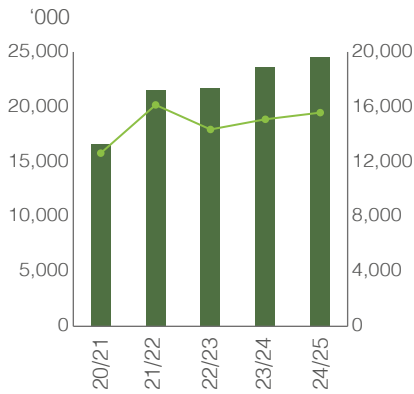
#### PERFORMANCE

Revenue from the oil palm segment increased by 7% year-on-year to Rs. 2,080 Mn in 2024/25, compared to Rs. 1,945 Mn in 2023/24. This growth was supported by an increase in crop production and a higher NSA of Rs. 84.71 per kg (2023/24: Rs. 82.39).

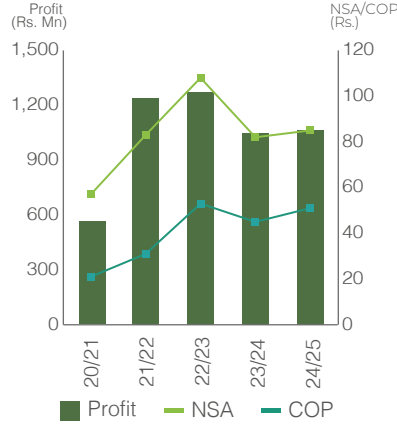
Despite continued cost pressures, the cost of production rose to Rs. 50.80 per kg (from Rs. 45.27), reflecting increases in key expenditure areas. However, the segment was able to maintain profitability, recording a marginal increase in profit to Rs. 1,062 Mn, compared to Rs. 1,048 Mn in the previous year.

Yield per hectare also improved to 15,577 kg/ha, up from 15,092 kg/ha in 2023/24.

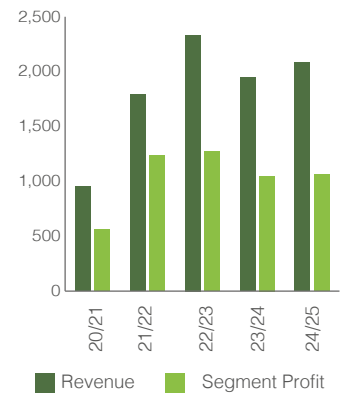
**Crop and YPH (Kg)**



**NSA, COP and Profit**



**Performance (Rs. Mn)**



**Strategic Focus Areas**

- Enhancing crop yields on existing land through the mechanisation of field operations.
- Driving process efficiencies and productivity through sustainable agricultural practices to effectively manage production costs.
- Improving soil quality by ensuring optimal water content within oil palm lands.



**Opportunities**

- Palm oil is much cheaper than other oils due to its high productivity per land area.
- Potential for large-scale planting to meet the national deficit of ~200,000 tons of oil.
- Ability to uproot old, less productive palms and replant.

**Risks/Challenges**

- Current government ban on new oil palm planting prevents expansion.
- The ongoing challenge of fertiliser shortages and their detrimental effect on crop yields.
- Increasing effects of climate change, such as unpredictable weather patterns and extreme temperatures, are affecting operations.

**FUTURE FOCUS**

- Proactively engage with relevant stakeholders to develop and secure a mutually beneficial path forward for the Sri Lankan oil palm industry.
- Collaborate with industry peers, government bodies, and international organisations to advance and implement sustainable palm oil practices in Sri Lanka.
- Continue to partner with the Roundtable on Sustainable Palm Oil (RSPO) to achieve and maintain certification for oil palm cultivations.
- Actively exploring opportunities outside Sri Lanka to embark on strategic partnerships aimed at expanding our presence in oil palm cultivation.

## STRATEGIC INVESTMENTS

Continuing our DESIGN 2020 strategy, we have diversified our revenue streams by securing significant interests in key growth industries such as renewable energy, high-value horticulture, commercial forestry, and value-added food products. These strategic investments are delivering consistent revenue growth and are on track to becoming increasingly significant drivers of Group earnings over the medium to long term.



### STRATEGIC FOCUS AREAS

A major transformation exercise was initiated this year in collaboration with international consultants, aimed at redefining the company's vision and strategic direction for the next five years. The core objective is to transition the company beyond its traditional identity as a plantation-focused enterprise. While the plantation business will remain a key component, strengthened through the adoption of new technologies, improved land productivity, and the introduction of higher-yielding crops, the new structure is designed to significantly expand and empower the company's diversified ventures.

The rationale behind this strategic restructuring is to create a framework that allows each diversified business segment to thrive independently. This includes overcoming the operational and financial constraints often associated with being categorised solely as a "plantation company", such as challenges in securing bank financing for non-core initiatives. Ultimately, the new structure aims to provide a robust platform for the plantation and diversified segments to grow to their full potential.

## RENEWABLE ENERGY

The Group maintains a renewable energy portfolio consisting of three mini hydro projects and 16 rooftop solar projects, which collectively provided a total generation capacity of 4.2 MW as of the end of the financial year. Financially, for the 2024/25 period, the Group achieved revenues of Rs. 83 Mn. and a net profit of Rs. 40 Mn.

### Key Developments in FY 2024/25

Our sustainable energy activities are strategically managed and reported through two primary lenses: Sustainable Energy Generation and Sustainable Energy Utilisation (Demand-Side Management).

The implementation of the ISO 50001 Energy Management System has been undertaken at the Dambatenne site, with the support of the National Cleaner Production Centre (NCPC). While certification has not yet been obtained, the core system requirements are in place. Furthermore, an initial energy audit was performed in conjunction with NCPC, leading to the implementation of their recommendations and the issuance of a certificate of participation.

### Key initiatives in FY 2024/25

- New Rooftop Solar Commissioned (247 kW total):
  - Sheen Tea Factory: 140 kW
  - Harrow Tea Factory: 107 kW

Total Rooftop Solar Capacity Reached: 2.5 MW (including prior installations).

- Domestic Scale Solar Installations (15 kW total):
  - Elders' Home, Meddecombra Estate: 5 kW
  - Assistant Manager Bungalow, Talgaswella Estate: 5 kW
  - Divisional Assistant Manager Bungalow: 5 Kw

Total Group Renewable Energy Capacity reached 4.2 MW by end of FY24/25

- Secured Energy Permit from the Sri Lanka Sustainable Energy Authority (SLSEA) for the 3 MW Kalkudah ground-mounted solar project.



### FUTURE OUTLOOK

- Prioritise execution of 3 MW Kalkudah Solar Project by leveraging the secured Energy Permit to advance development.
- Explore and develop Battery Energy Storage Systems (BESS) business opportunities, capitalising on new tariffs incentivising grid stability and energy storage.
- Continue identifying and developing viable ground-mounted solar projects on company-owned estate land.
- Incorporate solar and other renewable energy projects as a core component of the Fiji market expansion strategy.
- Review previous plans for multiple 500 kW+ standalone rooftop projects due to changes in energy sector tariffs and policies favouring storage solutions.
- Prioritise integrating BESS with future large-scale rooftop solar installations to align with new tariff structures and maximise project viability.

## HIGH VALUE HORTICULTURE

In line with our strategic commitment to diversifying the Group's crop base and maximising land productivity, we established the 'berry project.' Launched commercially in 2020, this pioneering initiative focuses on cultivating and marketing strawberries, raspberries, blackberries, and blueberries, and has since achieved significant expansion.

### Key Initiatives and Developments

Our strategic focus continued on expanding capacity and diversifying our crop portfolio.

- Installed 20 new poly tunnels to expand the cultivation of berries.



### Our berry project has become a cornerstone for local community development

- We have grown from employing 10-20 individuals to a team of 100, all from the local community, offering diverse opportunities beyond traditional sectors like tea.
- We provide formalised employment with benefits (including appointment letters) and a professional atmosphere, fostering worker dignity and satisfaction.
- By offering attractive local careers, we are reducing the need for residents to seek employment elsewhere (e.g., in garments or supermarkets), helping to curb outward migration and retain local talent.



### FUTURE OUTLOOK

- Growth Pipeline (Ongoing & Upcoming):
  - Phase 2 expansion planned with 10 additional tunnels, aiming at a total of 50 units.
  - Blackberry Production Scaling:
    - Adding 2 hectares of new plantings (~12,000-14,000 plants).
    - This is expected to increase overall blackberry output by 200-300%.

- New Blueberry Varieties:
  - Imported advanced planting material from the USA for 3 hectares.
  - This long-term investment will introduce new blueberry capacity, with first harvests anticipated in 2026.
- Gooseberry Market Entry:
  - Initiated pilot commercial sales during the year under review with plans to scale up in the next financial year, subject to market performance.
- Raspberry Commercialisation:
  - Concluded the research and development phase and is preparing for initial commercial planting of 1 hectare (~6,000 plants).

## VALUE-ADDED PROCESSING AND BRANDING

Our market presence is strengthened by three dedicated value-added brands: 'Harrow Ceylon Choice' (tea based), 'Berry Much' (berries based), and 'Tropifrut' (tropical fruit based). Consumers can find these products in select supermarkets and at our proprietary retail store, "Harrow House".

### Key Initiatives and Developments

- The development of our 'Berry Much' and 'Tropifrut' brands was advanced via product line diversification and the scaling of commercial cultivation for associated berries and tropical fruits.
- Entering into a strategic partnership with a renowned franchise to expand distribution channels and strengthen product recognition.



### FUTURE OUTLOOK

Going forward, our key focus for value-added consumer products is to establish and expand our 'Harrow House' retail outlets, ensuring direct control over quality and customer satisfaction. We are also exploring partnerships for forward integration.

## CINNAMON VALUE CHAIN

We are consistently enhancing our footprint across the cinnamon value chain. At present, we cultivate approximately 153 hectares of conventional cinnamon on our estates. In addition, through our organic cinnamon project, we collaborate with certified outgrower farmers to exclusively source organic cinnamon, giving us access to over 266 hectares of organic cultivation. This initiative has also earned us organic certifications such as EU, NOP, and JAS from Control Union. Over the past three years, we have concentrated on expanding our capabilities in the value-added segment of the cinnamon industry by developing a range of premium cinnamon products under the Harrow Ceylon Choice brand.

### Key Initiatives and Developments

While continuing to optimise the use of internal resources, the company is actively pursuing a strategic partnership with a potential party to enhance operational productivity and efficiency. This collaboration is expected to drive stronger profit margins and support the project's continued growth and expansion.

### FUTURE OUTLOOK

In line with our commitment to positioning Ceylon Cinnamon as a global market leader, and building on its recognition under Geographical Indication (GI) status, we are confident that our potential partnership will be a catalyst for strategic growth. This collaboration will focus on expanding our presence in European markets, not through bulk exports, but by driving demand for premium, value-added cinnamon products.



## COMMERCIAL FORESTRY

Our managed timber plantation now covers more than 950 hectares of commercial forestry, featuring a diverse mix of valuable timber species including Eucalyptus, Albizzia, Alstonia, and Agarwood. As of year-end, the biological asset value of the plantation was recorded at Rs. 1,838 million.

### Key Initiatives and Developments

The Agarwood project made significant strides during the year, marked by the identification of a potential international partner for supply of the inoculation. A key achievement was the successful completion of trials at the pilot site in Devitura, where the partner's proprietary methods yielded promising results.



### FUTURE OUTLOOK

Efforts are underway to bring the partner's inoculation method and kit to Sri Lanka. As the inoculant involves chemical components, it is subject to a regulatory approval process, which is expected to be complete by 2026.

## ADVENTURE TOURISM

We continue to make meaningful progress in assessing the potential within our estates, envisioned as a world-class regenerative tourism destination where adventure meets conservation. Guided by best practices and informed by ongoing engagement with local stakeholders, our project places community empowerment and environmental stewardship at its core. We are now poised for the next phase of growth through a strategic partnership with an external party, building on recent milestones in planning and sustainability. This collaboration is expected to unlock new possibilities, creating a space where exploration, purpose, and meaningful impact converge in harmony.



### Key Initiatives and Developments

A significant milestone was the appointment of a consultant who delivered a comprehensive work schedule, with two phases of the planned work already successfully completed.

### FUTURE OUTLOOK

Progress to the next phase of formulating a comprehensive master plan by end 2025.



# INCLUSIVE INTEGRATION

## LEVERAGING ON OUR CAPITALS

By seamlessly integrating our resources and partnerships, we drive inclusive transformation and resilient value creation across every level of our operations.





# FINANCIAL CAPITAL

Financial capital provides the necessary resources to fund our core operations, invest in strategic growth initiatives, drive innovation, maintain critical infrastructure, and attract and retain talent – all of which are essential to fulfil our Company’s purpose and achieve its vision.



## VALUE CREATION HIGHLIGHTS

INPUTS	PROCESS	OUTPUTS AND OUTCOMES
<ul style="list-style-type: none"> <li>Rs. 9.5 billion as Equity</li> </ul>	<ul style="list-style-type: none"> <li>Cost management</li> <li>Liquidity management</li> </ul>	<ul style="list-style-type: none"> <li>Rs. 7.7 billion Revenue</li> <li>Rs. 14 billion Assets</li> <li>Rs. 1.3 billion Profits after tax</li> <li>Rs. 18.27 EPS</li> </ul>



## Capital Tradeoffs

	<p>Although investment in plant and machinery strains finances initially, it facilitates long-term revenue growth by increasing production capacity.</p>
	<p>While sustainable energy sources and rainwater harvesting necessitate considerable initial financial outlay, these are vital investments that build long-term value by yielding significant cost reductions and providing essential environmental advantages.</p>
	<p>Investing in employees requires upfront financial expenditure but delivers significant long-term benefits through improved efficiency, productivity, and motivation.</p>
	<p>Profitable growth provides a strong foundation for consistent stakeholder returns.</p>
	<p>The strategic trade-off in R&amp;D and mechanisation involves consuming upfront Financial Capital to fundamentally build Intellectual Capital, positioning it as the source of potential significant long-term returns.</p>

## Our Material Topics

Financial Stability	Taxation	Government policy & regulatory development / Anti- corruption
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## Related Stakeholders



Customers



Employees



Community



Investors



Regulator



Business Partners

## Related Strategies



## Future Focus

### Targets

	Short-term (2025/26)	Medium-term (2027/28)	Long-term (2029/30)
Revenue Growth & Diversification	Increase consolidated revenue by 10% YoY, focusing on Berry expansion and yield improvements in Tea and Oil Palm	Grow non-plantation revenue to 25% of total	Diversify revenue with >40% from value-added and new segments
Cost of Production Management	Limit COP growth to <5% YoY through labour and input cost efficiencies	Reduce COP as % of sales by 3% via mechanisation and process improvements	Achieve industry-leading COP efficiency with NSA > COP across all crops
Cash Flow & Liquidity	Maintain cash & cash equivalents at a minimum 10% of current liabilities	Ensure positive free cash flow after capital investments	Build a liquidity buffer covering 6 months of operating expenses

GRI 3-3

## MANAGEMENT APPROACH

We finance our operations using a combination of shareholder equity and debt. Our strategic commitment is to manage this financial capital responsibly and effectively, thereby maximising shareholder value, fulfilling our financial obligations, and contributing positively to society.

## REVENUE

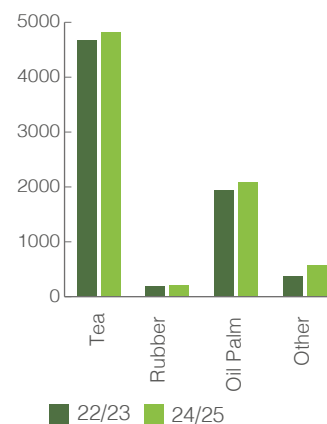
The Group reported a 7% increase in consolidated revenue, reaching Rs. 7.7 billion in FY 2024/25, up from Rs. 7.2 billion in FY 2023/24. This growth occurred despite a reduction in exchange rates, benefiting from higher commodity prices for Tea and Rubber, and a marginal gain in Oil Palm prices.

Segment performance highlights include:

- The Berry segment was a key driver of growth, with revenue soaring by 55% from Rs. 286 million to Rs. 444 million. This substantial increase reflects the successful impact of continued investments in cultivation and infrastructure like polytunnels, boosting crop yields and production.

- Tea revenue grew by 3% to Rs. 4,820 million. This was primarily due to an 11% increase in the Net Sales Average (NSA) per kg (to Rs. 1,127), which offset a 2% dip in crop volume (to 4,176,767 Kg) and a 12% decline in Yield per Hectare (YPH). Although the cost of production rose by 13% (to Rs. 974), the NSA remained above this cost, maintaining per-unit profitability.
- Rubber revenue increased by 14% YoY to Rs. 217 million. While the NSA increased by 17% (to Rs. 874) and YPH saw a 4.2% rise, these positive factors were outweighed by a marginal 1% decrease in crop volume and, critically, a cost of production (Rs. 1326) that continued to exceed the NSA.

Revenue (Rs. Mn.)



- Oil Palm revenue increased by 7% YoY to Rs. 2,080 million, supported by a 4% rise in crop volume (to 24,553,533 Kgs) and a 3% increase in both NSA (to Rs. 85) and YPH (to 15,577 Kg). Production costs also rose by 13% (to Rs. 51), but the NSA remained above the cost of production.
- Revenue from Other Sources (excluding berries), encompassing items such as coconuts, cinnamon, coffee, pineapple, avocado, value-added operations, and Harrow House, recorded strong growth, increasing by 32% YoY to Rs. 121 million.

Beyond core revenue, net income from other strategic investments increased by 2% to Rs. 98 million, and net income from joint ventures rose significantly by 39% to Rs. 106 million in FY 2024/25.

### GROSS PROFIT

The Group's gross profit increased by 8.5% YoY to Rs. 2.4 billion in 2024/25 (from Rs. 2.2 billion). This growth was primarily driven by revenue (6.8% increase) outpacing the increase in the cost of sales (6.0%), resulting in an improved Gross Profit Margin of 30.99% in 2024/25, up from 30.50%.

### PROFIT BEFORE TAX (PBT)

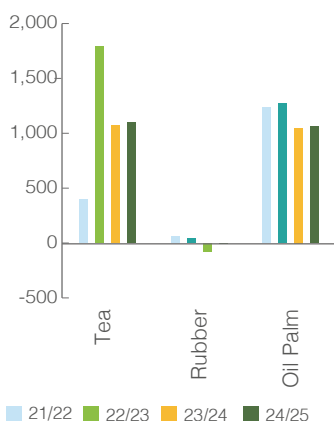
The Group's profit before tax decreased by 3% YoY, falling to Rs. 1.9 billion in 2024/25 from Rs. 2.0 billion the previous year. This decline was primarily driven by significant increases in operating expenses and decreases in non-core income streams.

Specifically, administrative expenses rose sharply by 33% YoY, mainly due to higher salaries, allowances, consultancy, travel, and repair/maintenance costs. This increase reflects strategic investments in human resources, infrastructure, and

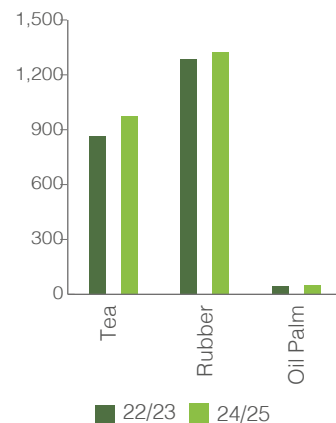
### COST OF PRODUCTION

The primary driver of the increase in the cost of production (COP) across all crops this year was the government-mandated wage hike, which substantially raised labour costs. Rising input prices and operational expenses further compounded this pressure. While production levels for Tea and Oil Palm remained relatively stable, these higher costs outweighed the benefits of consistent yields. The COP of rubber recorded a similar increase, directly attributable to the uniform wage adjustments across the sector. Consequently, overall production costs increased significantly by 6% YoY. The details of the increase in COP of each segment are given above.

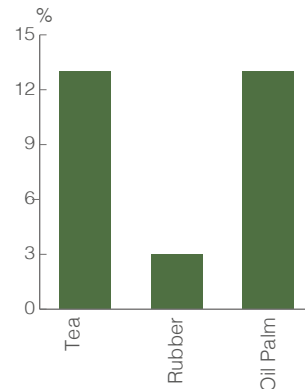
### Gross Profit (Rs. Mn.)



### Cost of Production (Rs. /Kg)



### YoY Change in Cost of Production in 2024/25



operational support, despite some cost reductions in areas including rent and electricity. While management overheads and employee incentives decreased by 19% (owing to reduced worker profit share reflecting lower profits), the substantial rise in administrative costs remained a key factor in the operating profit decline.

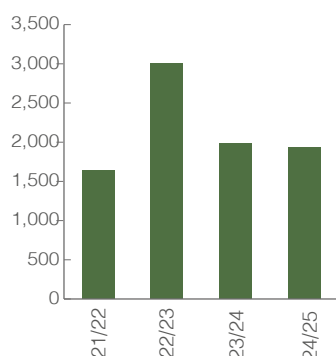
The decrease in operating profit was further exacerbated by a 13% decline in other income and a significant 39% drop in finance income (due to lower interest

rates). Other income presented a mixed picture; notable growth in hydro power and tea factory lease rentals helped balance decreases in commercial timber sales, sundry income, and asset sale profits, but the net result was a decline.

These negative impacts were partially offset by positive movements elsewhere. Gains from the change in the fair value of biological assets increased significantly by 62% (driven by higher timber plantation valuation), contributing positively to

profitability. The share of profit from joint ventures also saw a strong 39% increase (reflecting improved performance in AEN). Finance costs saw only a marginal 2% increase (to Rs. 84 million), as the rise from government lease rentals was largely counterbalanced by reduced interest expense from other borrowings.

**Profit Before Tax (Rs. Mn.)**



### CASH FLOWS

The Group's cash and cash equivalents increased significantly by 148.7% to Rs. 258 million in 2024/25. This substantial rise was primarily driven by stable net cash generated from operating activities, which recorded only a marginal decline of 0.7% to Rs. 1,915 million, reflecting the continued resilience of core operations.

A notable contributor to the increased cash position was the 93.7% rise in net cash used in investing activities, which widened to Rs. 1,237 million. While this represents a higher outflow compared to the previous year, it reflects increased investments in field development, property, plant and equipment, and short-term deposits—indicating a focus on long-term growth.

Further supporting the improved cash position was a 66.7% decrease in net cash outflows from financing activities, reducing the outflow to Rs. 523 million. This was mainly due to lower dividend payments and a reduction in loan settlements compared to 2023/24.

### PROFIT AFTER TAX (PAT)

The group's profit after tax decreased by 15% to Rs. 1.3 billion in 2024/25. This decline was primarily due to decreased PBT and the increased tax charge in FY 2024/25. The tax charge increased by 44% to Rs. 606 million compared to Rs. 422 million in FY 2023/24. The significant increase in income tax expense was primarily driven by a higher taxable base. This higher base resulted from an increase in disallowed expenses and a reduction in tax-exempt income. Furthermore, the tax burden rose due to a lower benefit from carried-forward tax losses and a notable increase in deferred tax expense.

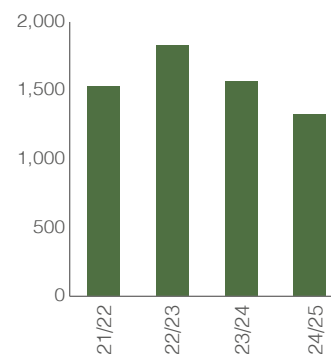
### FINANCIAL POSITION

Total assets grew by 13% YoY to Rs. 14 billion as of 31 March 2025, compared to Rs. 12.4 billion recorded as of 31 March 2024. This increase was driven by an 8.5% YoY growth in non-current assets and a 23.0% growth in current assets. The rise in non-current assets was primarily attributed to a 29.9% increase in consumable biological assets, a 2.3% growth in bearer biological assets, and a 2.8% increase in freehold property, plant, and equipment. Total current assets increased mainly due to a 27.8% increase in short-term investments, a 148.7% increase in cash and cash equivalents, and a 13.8% increase in inventories, as of 31 March 2025.

### CAPITAL AND LIABILITIES

Total liabilities stood at Rs. 4.6 billion as of March 31, 2025, representing a 16.6% increase from the prior year. This increase was a result of a substantial 45.1% rise in total current liabilities, significantly influenced by trade and other payables, and a 9.3% increase in non-current liabilities. The increase in non-current obligations was driven by higher balances in deferred tax liability (10.5%), lease liabilities (16.0%), and retirement benefit obligations (5%).

**Profit After Tax (Rs. Mn.)**

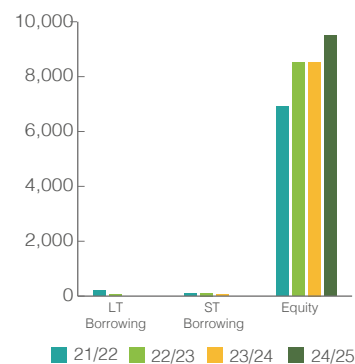


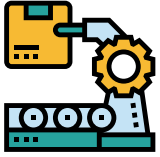
**Total Assets (Rs. Bn)**



■ Non Current Assets  
■ Current Assets

**Funding Profile (Rs. Mn.)**





# MANUFACTURED CAPITAL

Our manufactured capital represents a key strategic advantage, sustained by years of calculated investments. These investments specifically target increased revenue growth, improved service standards, enhanced productivity, and mitigated environmental impact.



## VALUE CREATION HIGHLIGHTS

INPUTS	PROCESS	OUTPUTS
<ul style="list-style-type: none"> <li>Plant infrastructure</li> <li>Machinery</li> <li>Renewable energy plants</li> </ul>	<ul style="list-style-type: none"> <li>Investment in technology</li> <li>Capacity expansion</li> <li>Factory and equipment maintenance</li> <li>Technology upgrades</li> </ul>	<ul style="list-style-type: none"> <li>Rs. 263 Mn. increase in PPE</li> </ul>



## Capital Tradeoffs

	Although investment in plant and machinery strains finances initially, it facilitates long-term revenue growth by increasing production capacity.
	Integrating environmentally friendly processes into manufactured capital enhances sustainability.
	Creating a conducive work environment leads to improved productivity.
	Automation and digitalisation enhance product quality and customer satisfaction.
	Investment in technology and process improvements enhances intellectual capital.

## Our Material Topics

- Research & Innovations
- Knowledge enhancement

## Related Stakeholders



Customers



Employees



Community



Investors



Regulator



Business Partners

## Future Focus

### Targets

	Short-term (2025/26)	Medium-term (2027/28)	Long-term (2029/30)
Digitalisation	Launch digital platforms for key functions	Knowledge enhancement	Full-scale AI & decision-making integration 100% Digitalisation in operations across all functions, accounting, vagriculture, manufacturing, HR, marketing, engineering, and sustainability, to implement fully paperless processes by 2030.
Automation	Rolling Room automation (Conveyorizing) of all the factories	50% of crop intake through machine harvesting  Packing room and sorting automation including monitoring of all the factories	Limit manual weeding to 30%.  100% machine-based fertiliser application  Withering section and fermenting section automation of all the factories.
Enhance efficiency through operational improvements & innovations	Improve labour productivity- Improve earnings to living wage +10%  Retaining skilled workers ensures operational consistency and cost savings (Worker outturn 60%, Early retirement 20%)	Reduce In-house Manual Harvesting component by 50% to 70% of crops to be obtained by family block model.  cost-effective foliar application, cable transport system to bag leaves.  Retaining skilled workers ensures operational consistency and cost savings (Worker outturn 75%, Early retirement 10%)	Improve estate productivity by increasing the VP (Vegetatively Propagated) tea area.  Increase VP coverage from 31% to 34%.  Retaining skilled workers ensures operational consistency and cost savings (Worker outturn 85%, Early retirement 0%)
Berry Product Investments	29% Increase	35% Increase	16% Increase
Renewable Energy Implementation of battery energy storage systems (solar power)	Implement Battery Energy Storage Systems (BESS) in 9 Net Plus low country factories	Implement Battery Energy Storage Systems (BESS) in 7 Net Plus up-country factories	300% electrical energy demand to be met with EV
VAP	Expanding retail outlets (harrow house)	Implementing processing facilities	Direct product exports

## Related Strategies



### Digitalisation

Category	Initiatives	Goals	Stakeholders Involved
<b>What We Have Done</b>	Finance Module (Estate/Head Office) Brought Crop Operation Production and Sales Tracker Digital Scale Method Oil Palm Operation Digitalisation (AEN) MS Business Central Upgrade	Improved Financial Oversight Crop Transparency Real-time Sales Visibility Accurate Weighing Specialised Oil Palm Tracking ERP Enhancement	Regional RPCs Private Plantations Finance Teams Operations Staff
<b>What We Have to Do</b>	Field/Factory Digitalisation Assets Management Human Resource Management Fleet Management / Precision Agriculture Services Enhancements MIS and Dashboards	Streamlined Field Ops Asset Traceability HR Digitalisation Efficient Logistics Smart Farming Data-driven Decision-making	HR Department IT/ERP Teams Field and Fleet Managers MIS Analysts
<b>Migrating From (Manual)</b>	Invoice/Dispatch CPPS/ESPS Contributions Trade Union Contributions Field Statistics Health & Welfare Data	Reduce Errors Centralise Records Improve Processing Time Paperless Operations	Regional RPCs Trade Unions PHDT Health & Welfare Units
<b>Partnerships</b>	Regional RPCs Brokers Private Factories Buyers Planters' Association (PA) EPPS TRI, RRI, CRI Fertiliser Vendors Save the Children International	Cross-sector Collaboration Integrated Systems Stakeholder Alignment	External Agencies Industry Experts NGOs Government Bodies

### Implementation of operational innovations

#### Labour Productivity:

1. Introduction of family block model- Granting ownership of cultivated crop land blocks for estate families to cultivate and obtain profit benefits under our management.
2. Monthly income above national average
3. Social recognition and welfare initiatives – rebranding worker image/ designations, skill and career development, develop individual or twin housing, transport access.

4. Financial welfare (Awareness workshops, worker Co-ops, ATM machine, microfinancing)

#### Increasing the coverage of Vegetatively Propagated (VP) tea

The company aims to improve estate productivity by increasing the coverage of Vegetatively Propagated (VP) tea, which offers higher yields, better leaf quality, and greater resistance to pests and diseases. The replanting strategy involves the gradual replacement of old, underperforming seedling tea fields with high-yielding VP plants through a systematic and phased approach. By prioritising less productive areas and optimising resource allocation for nursery management and replanting

activities, the company targets to increase VP tea coverage from 31% to 34% by 2030. This initiative is expected to enhance overall estate performance and ensure long-term sustainability.

#### Reduce In-house Manual Harvesting component.

The estate aims to reduce in-house manual harvesting by 50% through a shift towards mechanised harvesting and increased reliance on family block plucking. This strategy enhances productivity, reduces labour dependency, and ensures consistent quality. Mechanisation enables real-time data collection for better decision-making, while family block plucking

fosters greater loyalty and organised field operations.

**Cost-effective foliar application**

The strategy involves repurposing a 2,500L water bowser and tractor trailer by equipping it with a new water pump and 200m hose for field spraying, focusing on areas near main roads and easily accessible locations. This low-cost solution saves approximately Rs. 1.2 million across 625 hectares (40% of the estate), with Rs. 1,923 saved per hectare and 15 man-days saved per 10 hectares. The initiative effectively addresses labour shortages, reduces operational costs, and enhances overall productivity.

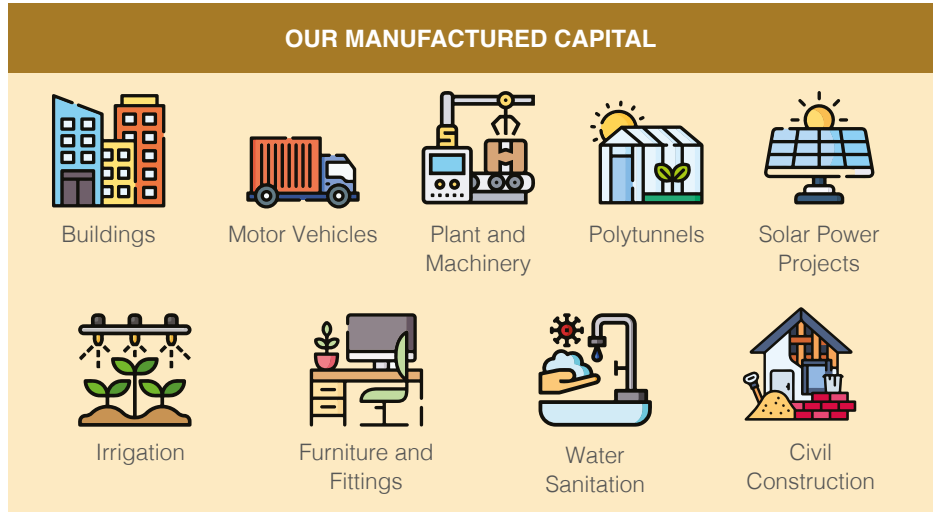
The estates plan to integrate AI-powered sensors to monitor crop health and optimise foliar spraying, targeting 150 hectares (~60%) and 100 hectares (~50%) for application. This strategy reduces manual labour, improves spray accuracy, and enhances timing. Key benefits include cost efficiency through reduced waste and labour, and better crop health via real-time data and early deficiency detection. However, challenges include high initial costs (Rs. 4,000/ha vs. current Rs. 3,105/ha), time-intensive drone path setup, and limited drone battery life (5–7 minutes).

**Cable transport system to bag leaves.**

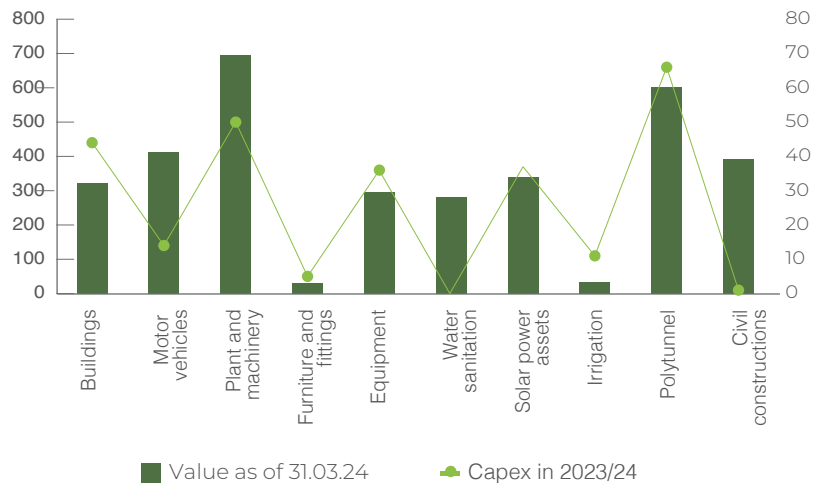
The objective is to establish a cable transport system at Sheen Estate to move leaf from top field locations directly to the factory. This system minimises leaf damage, ensuring better quality during transport, while reducing vehicle usage, fuel, and maintenance costs. It also enables faster delivery for fresher processing and significantly lowers the environmental impact by cutting carbon emissions associated with road transport.

**MANAGEMENT APPROACH**

Our strategic investments in manufactured capital are driven by planned capacity expansions, market growth opportunities, and the need to enhance business processes, all aimed at creating sustainable stakeholder value. Alongside these investments, we prioritise regular maintenance and upkeep to ensure operational continuity and deliver exceptional service standards.



**Manufactured Capital and Capex (Rs. Mn)**



**CAPITAL EXPENDITURE**

Value Created	As of 31 March 2025	As of 31 March 2024
	Rs. Mn.	Rs. Mn.
Buildings	323	279
Plant and machinery	695	645
Furniture and fittings	31	26
Solar power assets	339	303
Irrigation	33	22
Water sanitation	280	280
Motor vehicles	413	402
Polytunnels	603	537
Equipment	295	259
Assets on Mini Hydro Power Projects	390	389

**OUR PLANTATIONS**

Our operations, encompassing both estates and factories, span the upcountry, mid country, and low country regions.

Targets	Number of factories	Number of estates	Crop Distribution
Up Country – Sri Lanka (Nuwara-Eliya)	05	04	Tea 2,819,000 kg
Mid Country – Sri Lanka (Kandy)	02	02	Tea 1,313,000 kg
Low Country – Sri Lanka (Galle)	08 (leased out 03, 04 owned, 2 rubber factory – 1 is not functioning)	07	Tea- 45,000kg Rubber- 240,000 kg Oil Palm- 24,533,000 kg Other – 14,000 kg



**OUR RENEWABLE ENERGY INFRASTRUCTURE**

We operate 03 mini hydro power plants and 16 rooftop solar projects, with investments in renewable energy totalling Rs. 5 Mn in FY 2024/25.



## VALUE ADDITIONS AND EXPANDING OUR DIGITAL INFRASTRUCTURE

To enhance our manufacturing capabilities and create sustainable value, we made substantial investments exceeding Rs. 17 Million in both physical infrastructure modernisation and digital enhancements. These investments support key strategic initiatives, including leveraging digital data and insights to evaluate our core business and unlock new avenues for value addition.

A critical focus is optimising workflows to mitigate labour constraints through

increased mechanisation and the adoption of drone technology. Specific technologies deployed include Ballotronix tea leaf readers, Soil-Probe analysers, Agri-met hyperlocal weather systems, tablets for field data capture, and laptops for estate administration.

Our commitment to digital transformation is further evidenced by significant upgrades, including major ERP system enhancement and improved field applications. These initiatives, part of our ongoing investment in

robust hardware and software infrastructure (including Rs. 46 million allocated in FY 2024/25), drive significant efficiency gains, modernise our operational footprint, and ensure high security standards.

For more detailed information on these infrastructure investments and their key benefits, please refer to the Intellectual Capital section on page 95.



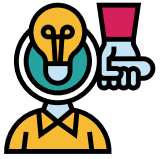
New CTC Line In Dunsinane Estate | investment of LKR 75.9 Mn



New CTC Line In New Peacock Estate | investment of LKR 75.4 Mn



New Steam boiler in Dunsinane Estate | investment of LKR 19.6Mn..



# INTELLECTUAL CAPITAL

Our competitive edge is fundamentally built upon our valuable intellectual assets. These intangible resources are crucial to our success and include several key areas. We leverage the strength of our brands, the deep tacit knowledge held within our teams, and our adherence to stringent quality certifications and standards. Furthermore, our commitment to ongoing research and innovation, combined with the strategic adoption of new technologies, ensures we remain at the forefront of our industry.



## VALUE CREATION HIGHLIGHTS

INPUTS	PROCESS	OUTPUTS
<ul style="list-style-type: none"> <li>Rs. 17 Mn investment in digital infrastructure and processes</li> <li>Investment in employee development</li> <li>4 certifications and standards</li> </ul>	<ul style="list-style-type: none"> <li>Research and development</li> <li>Knowledge management</li> <li>Automation and digitalisation</li> </ul>	<ul style="list-style-type: none"> <li>Quality products</li> <li>Premium prices</li> <li>Performance excellence</li> <li>Brand equity</li> </ul>



## Capital Tradeoffs

	<p>Strategic investments in digitalisation, automation, and R&amp;D, require significant short-term financial outflows. However, these investments drive long-term value through improved operational efficiency, cost savings, and enhanced brand reputation.</p>
	<p>Automation facilitates our transition towards a paperless organisation, directly contributing to environmental sustainability.</p>
	<p>Investments in enhanced employee skills and knowledge boost workforce efficiency.</p>
	<p>Customer satisfaction is enhanced through continuous innovation. Additionally, strong partnerships, underpinned by investment in supplier capital, play a crucial role in meeting customer needs effectively.</p>

## Our Material Topics

- Knowledge Enhancement
- Research and Innovation
- Compliance and ESG

## Related Stakeholders



Customers



Employees



Regulator



Business  
Partners

## Future Focus

### Targets

	Short-term 2025/26	Medium-term 2027/28	Long-term 2029/30
Digitalisation and Process Automation	Implement sensors on plantations; Use IoT for energy assets; PA in finance, procurement & HR; Business Intelligence tools; System for production-to-sales tracking; HR Management App	ERP expansion (e.g., Fixed Assets); Digitalise Oil Palm Ops (AEN); Automate Brought Crop Ops; Service management platform; Workflow automation; Cashless transactions  Unified BI platform (Ops & Finance)	Smart Plantation model; AI for predictive analytics (yields, inputs, waste); Precision Agriculture; Full process tracking (harvest to consumer); Berry field data system  Fleet Management System
Advanced IT Solutions & Infrastructure	Cloud platforms for big data; Improve CCTV; Fingerprint installation; Hardware upgradation	Total system cloud migration; Data archiving; Help Desk Ticketing; Cluster-wise shared admin centres.  Educate on collaborative tech  Mobility-ready work environment	Data warehouse & mining; Starlink/High-speed connectivity; Green IT (energy-efficient tech, green data centres)
IT Governance & Security	Cybersecurity policy; SOP for DR/BC; Cybersecurity awareness	Implement cybersecurity; Backup/restore strategy; Data security review; IT KPIs; Paperless workflow	Full DR plans; Audits; Avoid pirated software; E-waste & recycling; Governance compliance
NIPM Qualification	Begin staff training and assessments		100% qualification for execs & staff
Maintain Compliance & Certification	Continuous compliance		
R&D		Protocol for propagation of Binkohomba and Berry plants	
CAFT – R&D Projects	Commercialise drone based paddy planting  Commercialise the coconut mast for ground based spraying, harvesting and crown management	Develop pollination for coconut trees  Field rover for ground level fertiliser and chemical application	Develop an integrated tea estate management system.
CAFT – Commercial Projects	Expand drone-based general spraying  Drone based paddy panting	Set up regional Operating Stations in Anuradhapura, Weeerawla, Ambalantota & Ampara  Expand to Moneragala and Siyambalanduwa for other crops such as Maize, Vegetaaables, other grains etc.  Offer service to farmers within the partner's farms	Expand operational stations with more drone teams

## Related Strategies



Category	What We Have Done	What We Have to Do	Goals
<b>Digitalisation/ IOT</b>	<ul style="list-style-type: none"> <li>Field/Factory Digitalisation</li> <li>Finance Module (Estate/ Head Office)</li> <li>Digital Scale method</li> </ul>	<ul style="list-style-type: none"> <li>Assets Management</li> <li>Brought Crop Operation</li> <li>Production and Sales Tracker</li> <li>Oil Palm Operation Digitalisation (AEN)</li> <li>MS Business Central Upgrade</li> <li>Human Resource Management</li> <li>Fleet Management /Precision Agriculture</li> <li>Services Enhancements</li> <li>MIS and Dashboards</li> </ul>	<ul style="list-style-type: none"> <li>Improved Information</li> <li>Cost Saving</li> <li>Mobility</li> <li>Data Security and Quality</li> <li>Process Optimisation</li> <li>Improving the ease of decision making.</li> </ul>
<b>Services Enhancement</b>	<ul style="list-style-type: none"> <li>Digital Material Operation</li> <li>Online Labour Budget</li> </ul>	<ul style="list-style-type: none"> <li>Process automation and workflow management</li> <li>Cash request</li> <li>IOU Process</li> <li>Service management (Maintenance, Contract, Approvals, etc..)</li> <li>Vehicle Reservation</li> <li>Help Desk Ticketing Solution</li> <li>Individual Work Management</li> </ul>	<ul style="list-style-type: none"> <li>Keep records and evidence</li> <li>Time Saving</li> <li>Process Optimisation</li> <li>Reduce paper cost</li> <li>Increase the efficiency of the related operational procedures.</li> </ul>
<b>Infrastructure Development</b>	<ul style="list-style-type: none"> <li>One user one PC</li> <li>Corporate web site</li> <li>Video Conferencing &amp; Collaborative work</li> <li>Email Management</li> <li>Application support hardware</li> </ul>	<ul style="list-style-type: none"> <li>Fingerprint Installation</li> <li>CCTV Installation</li> <li>Cloud Migration</li> <li>Hardware Upgrade</li> <li>Mobility Ready (work from home)</li> <li>Data Analytics</li> <li>Data Warehouse</li> </ul>	<ul style="list-style-type: none"> <li>Technology improvement</li> <li>Physical Security</li> <li>Keep records and evidence</li> <li>Collaborations &amp; Teamwork</li> <li>Time Saving</li> <li>Communication</li> <li>Zero Downtime</li> </ul>
<b>Capacity Building</b>	<ul style="list-style-type: none"> <li>Executives</li> <li>Clerical</li> <li>Non-Clerical</li> </ul>	<ul style="list-style-type: none"> <li>Estate's Community</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced mode of communication</li> <li>Improved collaboration and workflow</li> <li>Increased efficiency</li> </ul>
<b>Cluster wise admin centres</b>		<ul style="list-style-type: none"> <li>Facilitating cluster wise admin centers via Digitalisation, Service enhancements &amp; infrastructure developments</li> </ul>	<ul style="list-style-type: none"> <li>Communication</li> <li>Improved Information</li> <li>Increase the efficiency of the related operational procedures.</li> </ul>

**MANAGEMENT APPROACH**

We build our intellectual assets by cultivating an innovative environment and targeted investments in personnel development, process optimisation, technological advancement, and quality assurance. These initiatives have established a strong foundation for sustained growth and long-term value creation.

**BRAND STRENGTH**

The strength of our brands in the traditional Tea and Rubber sectors remained evident, reflected in the premium prices consistently achieved at the Colombo Auctions – a testament to our dedication to quality, good agricultural practices, and sustainable operations. During the year, strategic initiatives focused on brand expansion included strengthening our retail footprint through the 'Harrow House' flagship stores in Sri Lanka and Chennai, India. Furthermore, the development of our 'Berry Much' and 'Tropifrut' brands was advanced via product line diversification and the scaling of commercial cultivation for associated berries and tropical fruits.



**AWARDS AND ACCOLADES**

During FY 2024/25, we garnered the following awards and recognitions:



CA Sri Lanka – TAGS Awards 2024 : Plantation Sector, group turnover above Rs. 5Bn – Bronze Awards



The Ceylon Chamber of Commerce - Best Corporate Citizen Sustainability Awards 2024 : Category B Second Runner Up



CMA Sri Lanka – CMA Excellence in Integrated Reporting Awards 2024 - Merit Awards



The Ceylon Chamber of Commerce - Merit Certificate - Best Project Sustainability Awards (Grow to Grow Project)



Green Industry Awards 2024 – Bronze Award



PHTD CEO's Forum, Best CDC Nuwaraeliya region - New peacock, Best EWHCS - Nuwaraeliya, Dunsinane Estate Best EWHCS - Galle, Elpitiya Estate

**COMMITMENT TO QUALITY AND EXCELLENCE**

Our management systems, processes, and procedures are strategically aligned with global best practices and leading certifications to drive long-term value creation. Adherence to these standards reinforces our organisational objectives by providing a comprehensive framework that governs both strategic direction and day-to-day execution. We hold the following product and process certifications, underscoring our dedication to quality and excellence.

Certification	Estates Certified
 <p>Rainforest Alliance</p> <p>Supports the communities that care for our most critical landscapes to thrive together with nature.</p>	Dunsinane, Sheen, Fernalnds, Meddecombra, New Peacock, Nayapane
 <p>ISO 22000.2005 HACCP</p> <p>Specifies requirements for food safety management system</p>	Dunsinane, Meddecombra, Fernlands, New Peacock, Nayapane,
 <p>FSC Forest Stewardship Council</p> <p>Sets the standard for responsible forest stewardship.</p>	All Low Country Estates

## DIGITALISATION JOURNEY

We continue to spearhead the transformation of the plantation industry, evolving from traditional roots into a dynamic, technology-centric sector. Our vision is to seamlessly integrate time-honoured agricultural practices with state-of-the-art digital solutions, catalysing change across all operational facets. This involves strategically leveraging digital insights to unlock value within our core business and optimising workflows through mechanisation and drone technology to enhance efficiency and mitigate labour constraints.

Recognising that successful digitalisation hinges on more than just technology, our journey is deeply rooted in cultivating the right culture and capabilities. Key foundational initiatives enabling this shift include:

- Implementing our foundational strategy focused on developing management capabilities and fostering a pervasive culture of innovation.
- Executing a robust employee succession plan to ensure continuity and cultivate leaders adept at navigating a digital landscape.
- Deploying ongoing training programmes across all employment levels to embed a transformative mindset and equip our workforce with the necessary digital skills.

These strategic investments in our people and culture are integral to successfully adopting and maximising the benefits of our technological advancements, positioning us for sustained growth in a new digital era.



2019

### AUTOMATION OF PLUCKING ROUND INFORMATION

A first in the industry, 163 tabs were deployed to the field officers, facilitating the capture and aggregation of plucking data at the source



2020

### USE OF PRECISION AGRICULTURE TECHNOLOGY

Introduced fertigation and GIS mapping to optimise usage of land

2021

### INTRODUCTION OF SMART IDS

Provided smart IDs with QR codes for workers

2022

### DIGITALISATION OF THE WEIGHING PROCESS

Digital scales with Bluetooth technology were installed at two factories.

2023

### DIGITALISATION OF PROCUREMENT PROCESS

Introduction of a material management solution for all 13 estates

2024

### MIGRATING TO THE CLOUD-BASED MICROSOFT DYNAMICS 365 BUSINESS CENTRAL

Unified all our 13 estates and the Head Office onto a single, integrated platform

2025

### DIGITALISATION OF OPERATIONS

Digitalised material requests and implementation of phase 01 berry project digitalisation

### DRIVING INNOVATION

Our digital transformation continues to reshape operations at Elpitiya Plantations. We leverage digital data and insights to strategically evaluate our core business and unlock new avenues for value addition. Critically, we are optimising workflows to overcome labour constraints by transitioning towards increased mechanisation and drone technology. These initiatives drive significant efficiency gains and modernise our operational footprint. Reinforcing this strategy, we invested Rs. 16,940,915.00 in FY 2024/25 in essential software and hardware infrastructure, demonstrating our commitment to technological advancement, operational efficiency, and high security standards.

The following key implementations continued to drive efficiency and insight through strategic digital implementation.



#### Related Strategies

1. Replaced the traditional Kanganai system with a fully digital platform using Smart IDs, enabling real-time visibility of individual worker performance, attendance, and productivity, while ensuring fairness and transparency in wage distribution.
2. Introduced Bluetooth-enabled weighing scales to automate the process, significantly improving operational efficiency and data accuracy at collection points.



### Related Strategies

3. Deployed tablet-based systems for instant data capture on plucking rates, crop health indicators, and workforce deployment across estates.



4. Implemented the Agri-met hyperlocal weather system for accurate, localised forecasts, enabling proactive field management and risk mitigation.



5. Deployed Soil-Probe analysers across estates for rapid, on-the-spot soil health assessments, informing targeted fertilisation and soil management strategies.



6. Utilised cutting-edge Ballotronix tea leaf readers to enhance objective quality control during processing.



3. Equipped estate administration and office staff with laptops under a “mobility-ready” concept, improving flexibility and access to information.



4. Leveraged digital platforms such as MS Teams and WhatsApp for faster and more effective internal communication and coordination.



### Related Strategies

1. Successfully migrated both estate-level and Head Office operations to Microsoft Dynamics 365 Business Central, creating a unified platform for streamlined business management, reporting, and analytics



2. Fully implemented online banking for mandatory EPF/ETF payments, submitting them directly via the Central Bank’s required digital portal. This aligns with regulatory requirements and improves efficiency

A major innovation implemented during the year was the migration of our core systems to a cloud-based platform.

By moving core systems to the cloud, we achieve enhanced operational stability through improved availability and reliability, strengthen our security posture with robust protection measures, and benefit from simplified hardware maintenance requirements.

## RESEARCH AND INNOVATION

Our commitment to innovation was demonstrated through significant advancements in field and factory operations this year:

- **Collaborating with Ceylon Agro Food Technology (Pvt) Ltd (CAFT)**

In collaboration with CAFT, we are pioneering drone applications in agriculture:

- Advanced our pilot project for drone-based tea spraying, progressing towards a commercial-level pilot phase to enhance application efficiency and precision.
- In the process of co-developing innovative drone-based tea harvesting technology aimed at enhancing productivity and addressing persistent labour challenges.

- **Factory Automation Programme**

We are systematically implementing automation to modernise our factory processes:

- Launched a significant factory automation project at the Poland Estate (Fernlands) Kypuga Tea Factory.

This initiative, leveraging experience from prior projects (e.g., New Aqua Plant), focuses on reducing manual labour dependence and enhancing through integrating systems such as auto-weighers and conveyors, directly addressing labour availability constraints and cost pressures.

Plans are underway to replicate successful automation models across other suitable factory locations.

## Investing in Our Digital Foundation

Our commitment to operational excellence is underpinned by strategic investments in our IT infrastructure. This digital foundation enables greater efficiency, improved data accuracy, and enhanced decision-making capabilities across the organisation.

## Core Systems and Infrastructure

Our primary operational systems include:

- **Microsoft Dynamics 365 Business Central:** Our core Enterprise Resource Planning (ERP) system, integrating key business functions.
- **iHarvest Field Application:** A specialised system (developed by Detect Pro) supporting field-level data capture and management.

These systems are supported by essential hardware deployed across our estates, including laptops, tablets, mobile devices, and video conferencing solutions.

## Key Investments and Infrastructure Expansion in FY 2024/25

During the year, we made significant investments totalling Rs. 17 Mn to expand and upgrade our digital infrastructure. These collective investments signify our ongoing commitment to maintaining a robust and modern technological environment.

### ERP system upgrade

The upgrade of the ERP system has now been extended to the Berry project with an additional investment of **Rs. 3.7 Mn** further enhancing capabilities and ensuring long-term support.

### Field application enhancement

**Rs. 8.2 million** allocated to the iHarvest system, improving field data management.

### Hardware maintenance

**Rs. 3.3 million** dedicated to maintaining the reliability and performance of existing hardware.

### Hardware procurement

**Rs. 6.9 million** invested in new laptops, mobile devices, and tablets to support our workforce.

### Investment on digital infrastructure

**Rs. 17 Mn.**  
Investment on digital infrastructure in FY 2024/25

## Significant operational advancement

A major milestone achieved this year, enabled by the upgraded Business Central ERP, was the extension of full financial consolidation capabilities to the estate level. This integration allows financial data from all estates to be consolidated directly within the main company system, driving significant improvements in:

- **Transparency:** Unified view of financial performance across the organisation.
- **Reporting Efficiency:** Faster and more streamlined generation of consolidated reports.
- **Financial Management:** Enhanced control and analysis capabilities.

## Strategic benefits and expected outcomes

These investments in our IT infrastructure deliver tangible benefits and position us for future success:

### Improved Decision-Making:

Enhanced availability and accessibility of real-time data support more informed strategic and operational decisions.

### Increased Transparency & Accuracy:

Digital systems provide greater operational visibility and improve the reliability of captured data.

### Enhanced Operational Efficiencies:

Streamlined workflows and integrated systems, particularly the estate-level consolidation, drive significant productivity gains.

## Agriculture Modernisation and Innovation Strategy

We are currently formulating a new, forward-looking strategic framework titled the “**Agriculture Modernisation and Innovation Strategy.**”

- This strategy is designed to provide clear direction for our technology adoption and innovation initiatives over the next 5-10 years. It complements our existing core strategies (Design 2020, Agriculture, Sustainability) by specifically outlining how and in which stages new technologies will be integrated across our operations to drive future growth and efficiency.
- The strategy will encompass three primary pillars:
  1. **Factory Automation and Modernisation:** Continuing and expanding initiatives to automate factory processes, reduce manual intervention, and improve efficiency.
  2. **GIS (Geographical Information Systems) and Drone-Based Operations:** Leveraging spatial data analysis and drone technology for enhanced field management, precision agriculture (like spraying), monitoring, and potentially developing new applications such as drone harvesting.
  3. **ICT-Based Solutions:** Implementing and enhancing information and communication technology systems to support overall business processes, data management, and decision-making.



## STRENGTHENING CYBERSECURITY

Cybersecurity remained a critical focus, integral to safeguarding our intellectual capital and ensuring the integrity and availability of our digital systems. To bolster this, we implemented the following cybersecurity and data protection enhancements:

**Data Classification Implementation:** Deployed a comprehensive data classification system for documents and emails (e.g., Restricted, Confidential, Unrestricted).

**Automated Security Enforcement:** The system automatically applies security policies based on classification (e.g., preventing external forwarding/editing of ‘Highly Confidential’ data), strengthening protection measures.

**Improved Governance and Risk Mitigation:** This initiative significantly enhances information governance and reduces the risk of data leakage by ensuring sensitive information is handled appropriately according to its classification.



## INDUSTRY EXPERTISE AND TACIT KNOWLEDGE

Our approach to leveraging expertise is twofold: internally, we foster knowledge transfer through mentoring programmes, sharing initiatives, and on-the-job training; externally, our senior management participates in industry bodies, engages with stakeholders, and contributes insights in relevant forums.



Designation	Industry Bodies Represented
Managing Director	<ul style="list-style-type: none"> <li>• Former Chairman of United Nations Global Compact Network, Sri Lanka</li> <li>• Former President of the Chartered Institute of Marketing Sri Lanka Chapter</li> <li>• Past Chairman of the Planters Association of Ceylon.</li> <li>• President of the Palm Oil Industry Association</li> <li>• Serves on the committee of the Asian Palm Oil Alliance (APOA)</li> </ul>
Chief Executive Officer	<ul style="list-style-type: none"> <li>• Former Chairman of Regional Scientific Committee of Galle District</li> <li>• Former Secretary of the Galle District Planters' Association</li> <li>• Former Secretary of Forestry and Timber Certification Foundation</li> <li>• Member of Sri Lanka Institute of Directors (SLID)</li> <li>• Treasurer of the Ceylon Cinnamon Geographical Indication Association</li> </ul>
Chief Operating Officer – Finance and IT Development	<ul style="list-style-type: none"> <li>• Fellow Member of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)</li> <li>• Member of the Association of Chartered Certified Accountants, UK (ACCA)</li> <li>• Member of Institute of Certified Management Accountants of Sri Lanka (CMA Sri Lanka)</li> <li>• Member of Sri Lanka Institute of Directors (SLID)</li> </ul>
Chief Operating Officer – Engineering, Project Management and Business Strategies	<ul style="list-style-type: none"> <li>• Member of Agriculture and Plantation Sectional Committee of Institute of Engineers, Sri Lanka (IESL)</li> <li>• The Chairman of Agriculture Sector Committee - Ceylon Chamber of Commerce</li> <li>• Member of the Industry Consultative committee – Faculty of Technology – University of Colombo</li> <li>• Member of Sri Lanka Institute of Directors (SLID)</li> </ul>



# HUMAN CAPITAL

We make a positive contribution to the socioeconomic development of our people, who have been pivotal in driving resilience and the sustainability of our business in this period of extreme volatility. Our holistic value proposition to employees aligns both individual and organisational goals and involves empowerment through skill development and enhancing the dignity of estate workers.



## VALUE CREATION HIGHLIGHTS

INPUTS	PROCESS	OUTPUTS
<ul style="list-style-type: none"> <li>A workforce of <b>4,407</b> employees</li> <li><b>99%</b> permanent cadre</li> <li>HR governance</li> <li>Skills, experience, and knowledge of the team</li> <li>Competitive remuneration and other benefits</li> </ul>	<ul style="list-style-type: none"> <li>Continuous learning and development initiatives</li> <li>Performance management</li> <li>Promotion of work-life balance</li> <li>Nurturing a diverse and inclusive culture</li> </ul>	<ul style="list-style-type: none"> <li><b>79%</b> retention ratio</li> <li><b>49%</b> female participation</li> <li><b>Rs. 2,385 Mn.</b> payment to employees</li> <li><b>18 hours</b> of training per employee</li> <li><b>79%</b> retention ratio</li> <li><b>49%</b> female participation</li> </ul>



HR Vision
<p>Enriching Lives, Empowering Growth, Nurturing Careers and Cultivating Excellence</p>
HR Mission
<p>At Elpitiya Plantations PLC, our HR mission is to foster a culture of growth, empowering lives, collaboration, and innovation. We are committed to nurturing an inclusive environment where every individual thrives and contributes their best. By cultivating excellence, providing impactful development opportunities, and embracing diversity, we empower our workforce to drive the success of our diversified plantation and non-plantation businesses.</p>

Capital Tradeoffs		Our Material Topics		
	Improved productivity, driven by investing in our people, translates to stronger financial performance.	Employee Well-being	Employee Relations	Knowledge Enhancement
	Developing our people and supporting our communities creates a stable workforce and a sustainable value chain.	Local Communities	Compliance & ESG	
	We strengthen our expertise by nurturing a knowledgeable team with deep industry experience.			

Future Focus				Related Stakeholders		
Targets						
	Short-term 2025/26	Medium-term 2027/28	Long-term 2029/30			
Female participation	Maintain ≥49% female participation	Achieve ≥52% female participation	Achieve ≥55% female participation	Customers	Employees	Community
Female promotion rate	Increase promotions to 22%	Increase promotions to 30%	Increase promotions to 40%			
Youth participation	Increase to 22%	Increase to 25%	Increase to 30%	Investors	Regulator	Business Partners

Related Strategies		
Female Participation	<ul style="list-style-type: none"> <li>Implement gender-sensitive recruitment and onboarding processes</li> <li>Establish structured development and leadership pathways for women</li> <li>Creating a supportive and inclusive workplace culture</li> <li>Improve sanitation facilities for female workers</li> <li>Improve health and safety of estate workers</li> </ul>	
Female promotion rate	<ul style="list-style-type: none"> <li>Establish Female Talent Development Programs</li> <li>Encourage and facilitate educational qualifications of female</li> </ul>	
Youth Participation	<ul style="list-style-type: none"> <li>Create Youth Development and Leadership Programs</li> <li>Encourage youth in decision making</li> <li>Build Mentorship and Peer Learning Systems</li> </ul>	

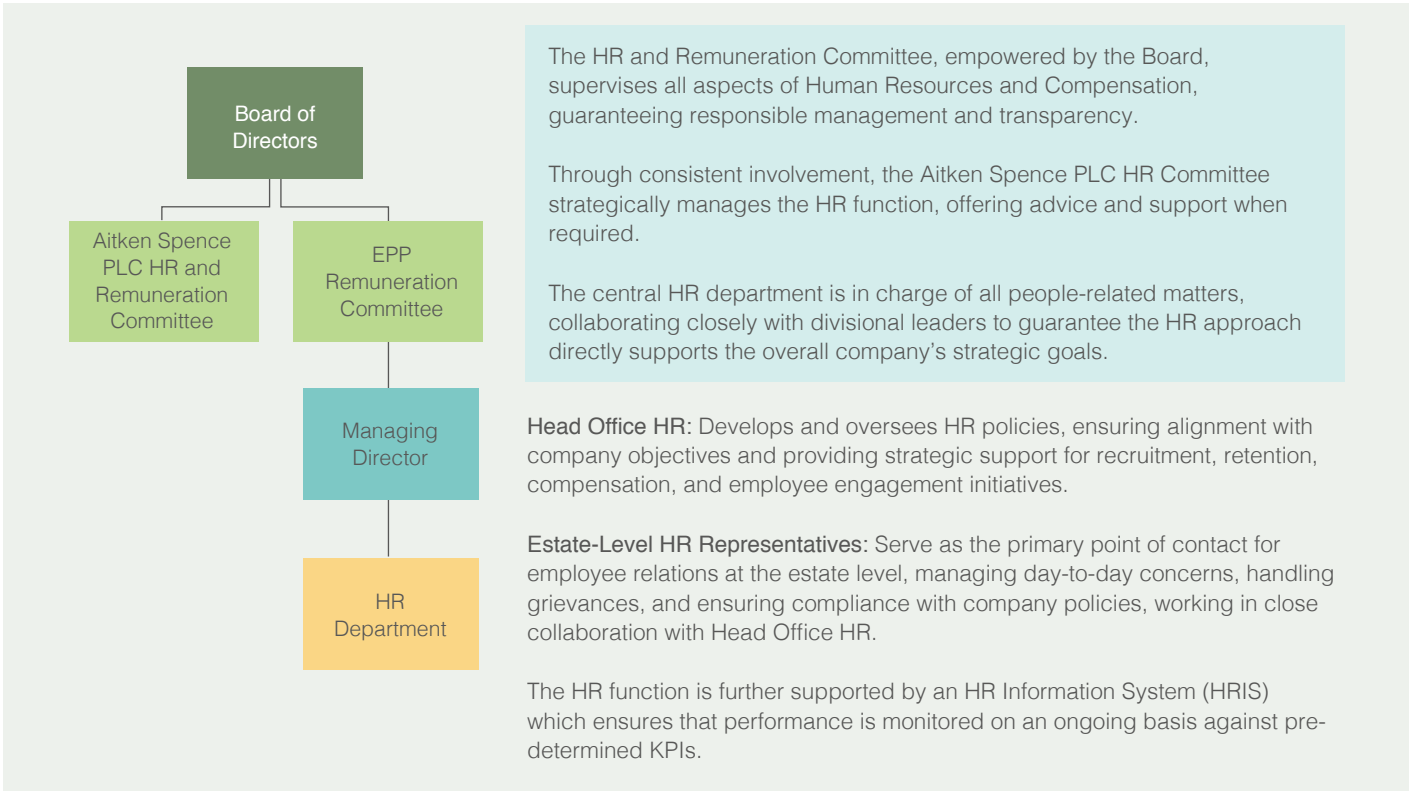
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**MANAGING OUR HUMAN CAPITAL**

We invest in our people through a Human Resource strategy designed to build a skilled, motivated, and engaged team that drives our strategic objectives. Our focus on employee well-being, professional development opportunities, and performance-driven rewards cultivates a work environment where our people can thrive and be productive.



**HR GOVERNANCE FRAMEWORK**



Our HR policies are built on a foundation of labour law compliance, industry best practices, and ethical employment standards to guarantee fair and equitable treatment for all employees.

HR Policy Framework			
Rewards & Recognition	Employee Development	Ethics & Labour Practices	Health & Safety
<ul style="list-style-type: none"> <li>Equal opportunity policy</li> <li>Rewards and Benefits</li> <li>Performance Management Policy</li> <li>Remuneration Policy</li> </ul>	<ul style="list-style-type: none"> <li>Training &amp; Development Policy</li> <li>Promotions Policy</li> <li>Recruitment &amp; Selection Policy</li> </ul>	<ul style="list-style-type: none"> <li>Code of Ethics</li> <li>Grievance Handling Policy</li> <li>Employee Disciplinary Policy</li> <li>Child Labour Policy</li> <li>Diversity and Inclusion Policy</li> <li>Forced Labour Policy</li> <li>Policy of Freedom of Association and Collective Bargaining</li> </ul>	<ul style="list-style-type: none"> <li>Health &amp; Safety Policy</li> <li>Overseas Travel Policy</li> </ul>

Compliance with laws and regulations is a key aspect of HR governance and we maintain strict adherence to all relevant labour laws and regulations. The HR Governance framework set out below supports the HR policy framework, in managing this key capital.

There were no cases of child/ forced/ compulsory labour or reported incidents of discrimination during the year.

## OVERCOMING HR RELATED CHALLENGES IN FY 2024/25

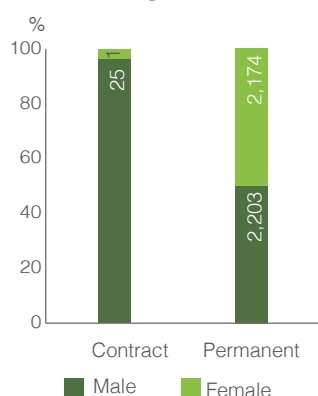
Challenge	Strategies Adopted	Actions Taken to Overcome Challenges
Employee retention at plantation worker level	Employee engagement & feedback	Executed an Employee Engagement Survey with the Employers' Federation of Ceylon to identify root causes of retention issues.
	Estate-wise retention strategy	Developed estate-specific retention strategies based on the findings of the survey, addressing unique challenges at each estate.
Employee health & well-being	Comprehensive health & wellness programmes	Expanded medical support programmes, including regular health check-ups and mental health awareness campaigns.
	Improved safety protocols	Launched safety training and reinforced PPE usage to minimise accidents and health risks in the workplace.
	Mental health support	Set up a dedicated support system for mental well-being, including counselling and stress management programmes.

GRI 2-7, 2-8, 202-2 405-1

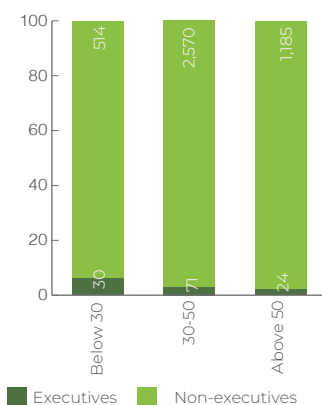
### TEAM PROFILE

The Elpitiya workforce consists of 4,403 individuals, constituting a significant competitive advantage. Adhering to equal opportunity principles, we prohibit discrimination on the grounds of gender, age, religion, race, or any other factor, thus maintaining equitable conditions for all personnel. An overview of our team composition is provided below:

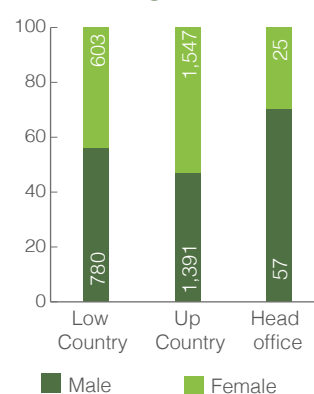
Employees by employment type and gender



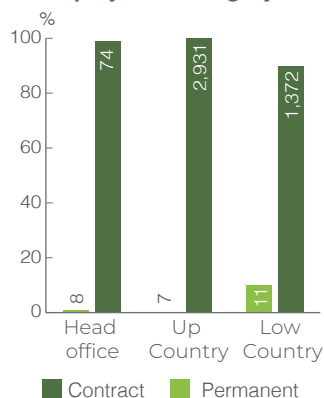
Employees by Employee Category and Age



Employees by region and gender

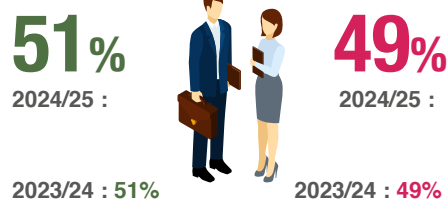


Employees by region and employment category



Out of 4,407 employees 2% are male executives and 0.60% are female executives. The non-executive composition is 48% male and 49.4% female employees.

Employees by gender



- Our team comprises **4377 (2203 Male, 2174 Female)** permanent employees
- We do not employ part-time employees
- **72%** of our permanent staff are hired from local communities across our **13** estates, contributing actively to regional economic empowerment.
- There are no workers who are not employees

## MOVEMENTS IN OUR TEAM

### Recruitment Strategy

Our recruitment policy attracts and retains quality talent in the plantation sector by adhering strictly to meritocracy, diversity, and equal opportunity. We ensure a non-discriminatory process where all candidates are fairly evaluated based on qualifications and potential, while also fostering internal development. 64% of our senior management are recruited from the local community. Key pillars of our approach include:

Commitment to Equal Opportunity	Prioritising Internal Growth	Rigorous & Transparent Selection	Investing in Local Communities	Developing Future Talent
We ensure fair and equitable hiring practices, offering opportunities regardless of gender, ethnicity, religion, or background.	We foster employee retention and career development by giving precedence to internal candidates for advancement opportunities.	Our hiring process utilises clear selection criteria, competency-based interviews, and technical assessments (where applicable) to ensure objectivity and find the best fit.	As a responsible employer, we prioritise employment opportunities for residents of our estate communities, contributing to their economic stability.	We engage young talent through internship and apprenticeship programmes, building a pipeline for future leadership roles within the sector.

Our talent strategy emphasises internal promotion pathways, extending up to top management roles. This approach fosters loyalty and low labour turnover, supported by senior leadership with typically over 15 years of experience. We have also made significant strides in gender equality by increasing the number of women in management positions in the year under review. Moreover, despite high levels of attrition in the industry, mainly due to the migration of labour in search of better opportunities overseas, we were able to maintain an employee retention rate of 79% during the year.

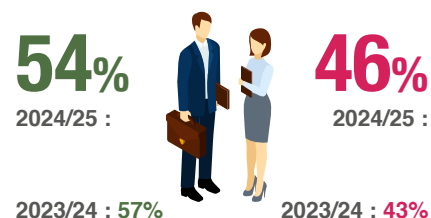
780 employees retired while a further 158 employees resigned during the year

We increased our female representation in senior management positions by 9.09% in 2024/25

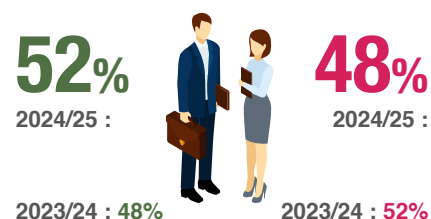
Our team was strengthened with 784 (425 male, 359 female) new recruits in 2024/25

Value Created	Recruitment (%)	Turnover (%)
Total 4,407 (Total Employees)	784	938
%	18	21
<b>By gender</b>		
Male	54	52
Female	46	48
<b>By region</b>		
Low country	39	38
Up country	58	60
Head office	3	2
<b>By age</b>		
< 30 years	31	26
30 – 50 years	46	38
'> 50 years	23	19

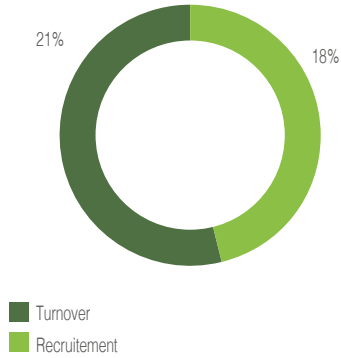
#### Recruitment by gender



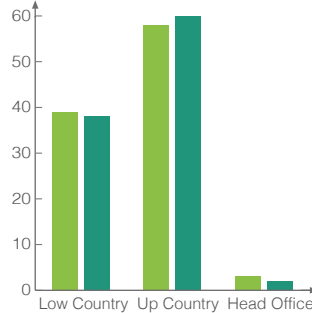
#### Turnover by gender



Recruitment vs Turnover



Recruitment & Turnover by Region



Recruitment & Turnover by age



\*Gender-wise details of non-executives (estate workers) are not available

## HR STRATEGY

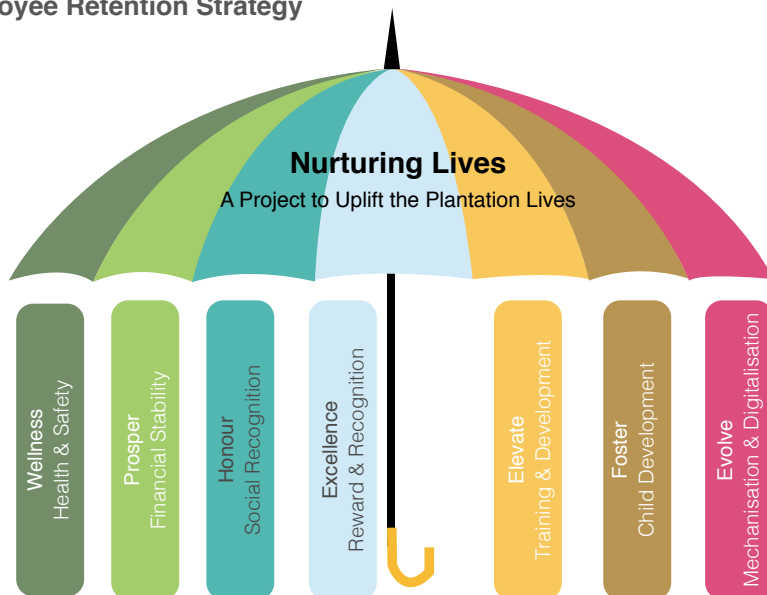
The Group's HR strategy continued to focus on empowering the workforce and ensuring their mental and social well-being through targeted initiatives aimed at driving productivity, motivation, and lifelong learning while improving retention rates.

To strengthen the implementation of the HR strategy at the estate level, the engagement between the head office and field officers stationed at each estate were strengthened. Moreover, we continued to equip field officers with enhanced digital capabilities and infrastructure as they play a vital role in connecting the company's HR department and estate employees.

In particular, to strengthen retention and understand and address the challenges faced by our estate workers, we executed a comprehensive employee engagement survey as detailed below.

GRI 201-3, 401-2

## Employee Retention Strategy



## Empowering Our Welfare Officers

We are the first RPC in Sri Lanka to elevate the role of field welfare officers by implementing a comprehensive Human Resource Management certificate course. This programme provides them with the technical expertise needed to transition from traditional duties to functioning as qualified HR professionals.



This initiative is designed to create a meaningful impact by fostering a supportive and empowering environment for our employees. Through this strategy, we aim to attract top talent, retain the valued workforce, and ensure their personal and professional growth, while reinforcing the company's commitment to enhancing the overall quality of life.

The strategy will be executed under six key pillars, each focused on addressing critical aspects of employee engagement and well-being.

These pillars will serve as the foundation for fostering a supportive, inclusive, and enriching environment for plantation employees, ensuring their holistic development and satisfaction.

## Addressing engagement and retention challenges specifically among our plantation workers

### UNDERSTANDING THE NEEDS



#### Action

Launched a comprehensive Employee engagement survey.

#### Collaboration

Partnered with the Employers' Federation of Ceylon (EFC) for expert execution.

#### Goal

Uncover root causes of turnover and identify key engagement drivers.

### SCOPE



#### Reach

Interviewed over 1800 workers across our multiple estates for diverse feedback.  
Obtained anonymous feedback for genuine insights

#### Focus Areas

Explored job satisfaction, workplace conditions, compensation, career development .

### OUTCOME



#### Insights

Successfully identified primary retention challenges.

#### Action Plans

Developed estate-specific retention strategies to address the unique challenges identified at each location

#### Strategic Focus Areas

- **Improving:** Working conditions
- **Enhancing:** Career development programmes
- **Reviewing:** Compensation models
- **Creating:** Sustainable, long-term growth opportunities within the plantation sector.

## REMUNERATION, RECOGNITION AND REWARDS

### Remuneration & Other Benefits

We structure our compensation to be competitive externally and equitable internally, ensuring we reward valuable contributions and support employee well-being through components such as:



#### Competitive Compensation

Salaries are benchmarked against industry standards, government regulations, and collective agreements within the plantation sector.



#### Performance Rewards

Employees benefit from productivity-linked bonuses, incentives, and profit-sharing schemes that recognise contributions.



#### Long-Term Financial Security

We contribute to employee futures through mandatory EPF/ETF funds and relevant pension schemes for eligible staff.



#### Skill Recognition

Allowances are provided to acknowledge and reward employees possessing specialised expertise.



#### Comprehensive Well-being Benefits

We enhance quality of life through non-monetary support including housing, healthcare access, education assistance, and social welfare programmes.

Our remuneration strategy recognises the diverse roles within our workforce while upholding principles of fairness and motivation.

#### • For our Leadership (Executives)

We offer competitive packages combining fixed salaries with performance-driven variable pay, enhanced by benefits designed for attraction and long-term retention.

#### • For our Foundation (Estate Workers)

Compensation aligns with Collective Bargaining Agreements. We invest heavily beyond wages, providing comprehensive, lifelong support for workers and families through essential services such as childcare, elderly care, medical facilities, and housing.

#### • Driving Innovation & Engagement

We adopt innovative pay models—profit-sharing, performance incentives, fixed salaries—in targeted areas to boost productivity, appeal to new generations of talent, and affirm employee value.

Total staff cost amounted to **Rs. 2,565 Mn.** in FY2024/25

Our commitment to former employees extends post-retirement with a dedicated home at Meddecombra estate, ensuring retired plantation workers live comfortably and with dignity in a supportive setting.

To address process gaps identified in an HR audit following CAFT's management transition to EPP, we developed and implemented a new, specific Compensation & Benefits policy for CAFT employees, incorporating variable pay.

Permanent employees receive a comprehensive benefits package including health coverage, financial assistance (concessionary loans, EAPs, death donations), utility support, and retirement plans (gratuity, EPF, ETF).

### Living income and Living wage

GRI 13.21.1

We ensure all employees earn a wage meeting or exceeding the basic cost of living in their region.

A living wage is defined locally through cost-of-living analysis covering essentials such as food, housing, healthcare, and education. This process involves collaboration with local stakeholders (trade unions, employer groups) to align with regional standards and address worker needs.

Our framework guarantees that total compensation (base wage plus relevant allowances/ benefits) achieves the established living wage. Regular reviews are conducted to account for inflation and economic changes.

Performance-linked bonuses reward contributions, while our commitment to well-being extends to providing comprehensive healthcare benefits, housing support, and access to affordable food.



### Employee Support Initiatives

We provide the following support for our employees.

Support Initiative	Description
Mid-Day meal programme	Provision of a nutritious mid-day meal during work hours to support employee well-being, especially for plantation workers.
Dry rations supply	Supply of essential dry rations to support employee families and alleviate financial pressures, particularly during challenging economic times.
Affordable food in estate shops	Estate-based cooperative shops offering access to affordable, subsidised food items with convenient payment models.
Healthcare benefits	Access to comprehensive healthcare benefits covering medical treatment, regular health checkups, and chronic condition management support.
Housing support	Provision of housing assistance to ensure safe, hygienic living conditions, including subsidised accommodation options for workers and families on select estates.
Educational support	Comprehensive educational support for employees' children, including scholarships, stationery aid, and higher education tuition assistance, promoting access to quality education.
Household cash management education	Providing education on effective household cash management, covering budgeting, saving, and financial planning, to empower employees and their families financially.
Employee engagement programmes	Utilising regular engagement surveys and feedback sessions to listen to employee concerns and implement targeted improvements to the work environment.
Employee well-being initiatives	Dedicated well-being initiatives promoting mental health and work-life balance through counselling services, stress-relief activities, and workshops.
Training and career development	Access to diverse training programs (leadership, soft skills, technical) designed to enhance employee skills and support career progression.

### Performance Management

Fostering internal talent is key. We provide equitable career advancement opportunities through a transparent, meritocratic process where promotions are based solely on performance and skills, ensuring gender equality. To support this growth, we have designed specific career development paths for plantation executives, complete with personalised plans.

This commitment to merit is underpinned by a performance-driven culture. All employees undergo bi-annual appraisals against predefined KPIs. Estate worker productivity is closely monitored using real-time digital data, providing objective measures.

### PERFORMANCE REVIEW COMMITTEES

We continued our unique practice of conducting Regional Performance Review Committees (RPRCs). In this process, the Head of HR and Deputy CEO visit regions to directly discuss individual performance appraisals with employees, their managers (Estate Managers), and the regional head. This transparent approach ensures fairness, requires justification for all ratings, and crucially, facilitates the direct identification of individual training needs and potential leaders. Meeting regularly, these committees evaluate estate-level performance, provide feedback, set developmental goals, and guide the effective allocation of training resources based on performance and identified needs, thereby supporting both skill enhancement and career growth.

### INVESTING IN EMPLOYEE GROWTH AND DEVELOPMENT

Our commitment to investing in our people translates into comprehensive training and development opportunities accessible to everyone, from estate workers to management. We utilise a blend of internal courses, external programmes, on-the-job training, and mentorship to build capability. The core goals of these programmes are to enhance technical skills, develop leadership qualities, foster essential soft skills, improve productivity, and secure our future leadership pipeline.



### Career Development Path

EPP provides clear career development pathways, enabling growth and advancement for all employees through promotions and lateral moves based on skills, experience, and performance. A key focus is proactively building our future leadership pipeline, particularly within plantation management and support services. We identify high-potential employees early in their careers, providing them with targeted training and strategic exposure to prepare them for senior roles.

### Annual Training Need Analysis

Our annual Training Needs Analysis (TNA) systematically identifies skill and knowledge gaps across the organisation. By incorporating consultations with department heads, performance reviews, and employee feedback, this process determines training priorities for all employee levels. This ensures our development initiatives are precisely targeted to address workforce needs while aligning with the company's strategic goals and operational requirements.

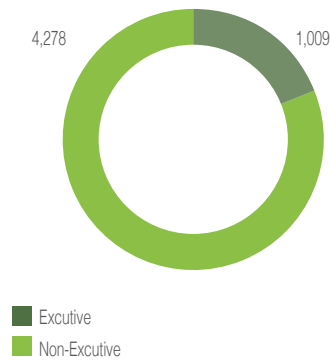
### Key training programmes conducted in 2024/25:

Area of Focus	Training Programme	No. of Participants
Marketing skills enhancement	Recognising the need to support a dynamic market approach driven by new product introductions and expansion into modern trade channels within our value-added chain, we identified the necessity to strengthen our marketing team's capabilities. To address this, we partnered with Mr Yasas Hewage to deliver a comprehensive, specialised six-day training program titled 'The Art of Customer Centricity,' designed specifically to equip the team for upcoming market changes and challenges.	19
Leadership development	For the first time, the entire executive and senior management team (Assistant Manager level and above, underwent an intensive four-day, three-night leadership development programme conducted at the UVA Kudaoya commando training camp. This challenging, outward-bound style training focused on leadership, team building, and resilience, providing a unique developmental experience.	70
Technical skills enhancement (NVQ Certification)	We completed a National Vocational Qualification (NVQ) certification process for up-country Field Officers and Factory Officers. This involved evaluating existing knowledge, identifying skill gaps, providing targeted training to bridge these gaps, and culminating in a final evaluation for certification. This initiative ensures our officers possess the necessary technical proficiency for their roles, with a formal certificate awarding ceremony planned.	40



Top/ Middle Management	Focus on the strategic development of the company
Assistant Managers/ Executives	Focus on operational improvements and talent development
Field Level Staff	Focus on technical skills and competency development
Worker Category	Focus on productivity development

Tranning (Number of Participats by Employment catagory)



During the year, **4,407** employees received **85,178** hours of training, supported by an investment of **Rs. 14 Mn**, resulting in an average of 18 hours per employee.

### Plantation Executive Development Plan

We create personalised development paths for plantation executives, tailored to their individual career aspirations, competencies, and performance. These plans establish clear goals and milestones for advancement, incorporating specialised training to enhance plantation management capabilities, leadership qualities, and operational efficiency. Development strategically targets technical expertise (e.g., agronomy, plantation operations) and essential soft skills (e.g., leadership, communication) crucial for success in their roles.

#### "Transformative Growth Blueprint"

### PLANTATION EXECUTIVE DEVELOPMENT PLAN

Name : \_\_\_\_\_  
 Designation: \_\_\_\_\_  
 Estate: \_\_\_\_\_

This Executive Development Plan is designed with the aim of professional advancement of plantation executives. We expect your active engagement in the outlined development activities and allocating the necessary time and effort to enhance your skills and knowledge. This commitment reflects your dedication to continuous improvement and the success of our team and organization as a whole.

#### Personal Career Objective

SHORT TERM

➔

MEDIUM TERM

➔

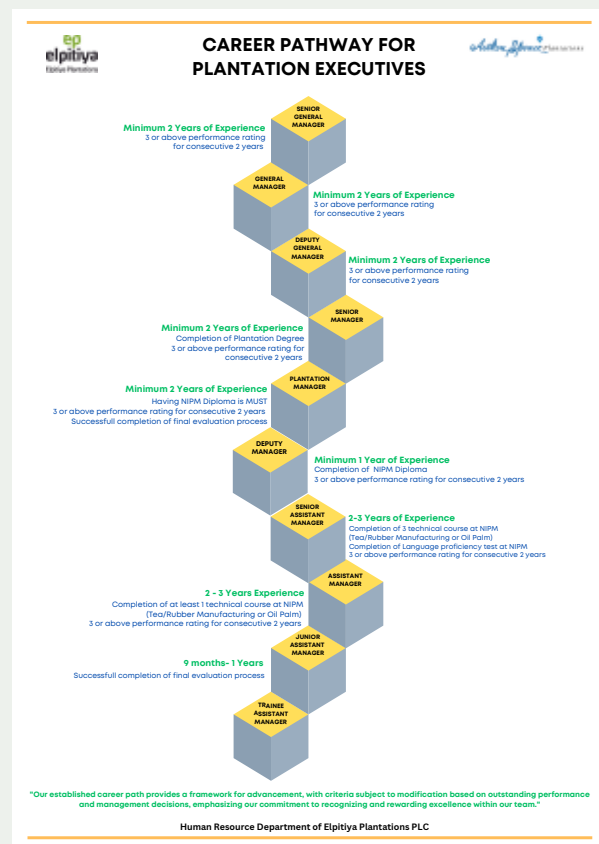
LONG TERM

#### Personal Development Plan Guide

Identified Training Need	Expected Course to be followed	Due Date

Deputy Chief Executive Officer

Joint Managing Director / CEO



## EMPLOYEE HEALTH AND WELL-BEING



Employee Health and Safety (H&S) is a material topic, as the well-being of our workforce is fundamental to individual productivity, morale, and the company's long-term success. Our commitment to providing a safe and healthy working environment aims to:

- Proactively identify and mitigate risks to minimise occupational injuries and illnesses.
- Foster a culture where employees feel safe and valued, positively impacting engagement, retention, and performance.
- Adhere strictly to local and international health and safety laws, standards (including ISO and Rainforest Alliance requirements), and regulations, mitigating legal and reputational risks.

We are committed to providing a safe and clean work environment for all employees. Accordingly, the company has in place a comprehensive Health and Safety Policy which sets out our health and safety standards, guidelines, and protocols. Moreover, we have in place an occupational health and safety management system which is aligned to the Company's OHS policy. Acknowledging the broad impact on living standards, we maintained a strong emphasis on supporting the mental, financial, and social well-being of our workforce via various relief initiatives. Furthermore, we continued our essential nutritional support program, providing mid-day meals and dry ration packs for estate workers.

### Our Health & Safety Framework and Initiatives:

- A comprehensive Health & Safety policy guides our approach across all operations.
- We conduct regular risk assessments aligned with international standards (ISO, Rainforest Alliance) to identify hazards and implement appropriate controls.
- Dedicated safety committees operate on every estate, overseeing H&S practices, reviewing incidents, and promoting a culture of safety.
- Continuous health and safety awareness training was provided to all plantation workers. Leveraging daily 'muster' gatherings (morning and evening assembly points), our field officers and welfare officers delivered regular, practical safety instructions and reinforced policy understanding.
- Specific training sessions are conducted as needed; for example, Berry project employees and Head Office staff received comprehensive sustainability training from in-house experts, encompassing relevant H&S aspects.
- Appropriate Personal Protective Equipment (PPE) is provided based on risk assessments. For instance, recognising a specific regional hazard, employees in the mid-country were issued special uniforms with hoods to protect against bee attacks.
- We completed a programme to issue safety shoes to all factory workers across our operations.
- A pilot programme was initiated in one estate to provide protective gloves to tea pluckers, evaluating their effectiveness and practicality over a three-to-four-month period.
- We support employee health through organised initiatives such as medical camps, featuring general, oral, and eye check-ups. Critical cases identified are referred for hospital care, and assistance such as providing spectacles is offered.
- A formal system is in place for reporting workplace incidents. We maintain an accident register and ensure thorough follow-up, including investigations and implementation of corrective and preventive actions.



- Hazard identification, risk assessment, and incident investigation are evaluated during Enterprise Risk Evaluation
- Employees at all levels of the Organisation are given OHS training and awareness
- Fire hazard management training is conducted annually for all employees
- The mitigation strategies of occupational health and safety impacts directly linked by business relationships have been evaluated during the enterprise risk management process

**Workers covered by OHS management system**

Description	Other Employees	Not employees but whose workplace is controlled by the organisation
The numbers who are covered by such a system	1,459	Nil
The numbers who are covered by such a system that has been internally audited	857	Nil
The numbers who are covered by such a system that has been audited or certified by an external party	295	Nil

**Work-related injuries**

Description	Our employees	Not employees but whose work and /or workplace is controlled by the organisation
The no. and rate of fatalities as a result of work-related injuries	Nil	Nil
The no. of high-consequence work-related injuries (excluding fatalities)	1	Nil
The no. and rate of recordable work-related injuries	121	Nil
The no. of hours	5,237	Nil

**Work-related ill health**

Description	Our employees	Not employees but whose work and /or workplace is controlled by the organisation
The no. of fatalities as a result of work-related ill health	Nil	Nil
The no. of cases of recordable work related ill health	8	Nil
The main type of work-related ill health	Wasp/bee attack injuries	Nil

**Worker-related Injuries**

- Fatalities due to work-related injuries: Nil
- High consequence work-related injuries: **1**
- Recordable work-related injuries: **121**
- The no. of lost hours **5,237**



**ACTIVE ENGAGEMENT**

To foster a motivated workforce with high morale, we prioritise active employee engagement. This includes organising events that enhance work-life balance and strengthen camaraderie.

**Open Door Policy**

We have established a formal grievance handling process, a whistleblower policy, and a sexual harassment prevention policy, all designed to encourage employees to report concerns at any time.

**Multi-level Staff Meetings**

Ensures effective communication, making employees feel heard, respected, and valued

**Employee Suggestion Box**

Encourages employees to share ideas, fostering collaboration throughout the organisation.

Informal engagement conducted year-round includes:



Mr. Bhatiya Bulumulla Trophy for the Women's Champions



22<sup>nd</sup> Inter-plantations cricket tournament



Plantation Rugby 7s 2025 - Bowl Champions



Kids Talent Day - Debate Competitions



Women's Day Celebrations



Dr. Rohan Fernando trophy for the Men's Champions.

## TRADE UNION RELATIONSHIPS

Our approach to industrial relations varies across employee categories: Executives, Staff, and Estate Workers.

<b>Executives</b>	This category does not have trade union representation.
<b>Workers</b>	Although trade unions representing workers continue to hold historical influence, there is currently no legally binding Collective Bargaining Agreement (CBA) in place for this group. In the absence of a formal agreement, the Wages Board now determines minimum wages through government intervention. Nevertheless, the company continues to voluntarily adhere to selected conditions from the previous CBA, including support for union membership processes.
<b>Staff</b>	Our relationship with the staff trade union is characterised by strong collaboration, further solidified by a formal, signed Collective Bargaining Agreement. This allows for productive dialogue, demonstrated by our practice of considering union perspectives and valid employee reasons (such as family needs) during administrative transfer decisions, which may result in changes. Moreover, fostering transparency and support, we permit union representatives, when requested, to participate in disciplinary inquiries as observers or advisors to the employee.

During the year, we maintained cordial relationships with the staff trade unions and there were no disruptions to work due to industrial disputes. Moreover, employees are given a minimum notice period of four weeks for significant operational changes, allowing them adequate time to adapt and adjust.

### Handling employee grievances

We maintain a clear process for addressing employee grievances, emphasising confidentiality and a supportive approach. Issues are typically first addressed at the immediate supervisory or local management level, where solutions are sought whenever possible. If a grievance cannot be resolved initially, it is escalated to senior management for review and resolution support. Recognising that some issues may require specialised assistance, we utilise external resources, such as professional counsellors (potentially through an Employee Assistance Programme), when appropriate. Furthermore, our commitment to employee well-being extends to providing support, including financial assistance where feasible, for challenges employees may face due to circumstances like family illness.



### NURTURING AND INCLUSIVE WORK CULTURE

Fostering equality, diversity, and inclusion (EDI) is fundamental to our workplace culture. We ensure fair and impartial practices in recruitment, compensation, and development, eliminating discrimination and actively cultivating a respectful environment free from harassment and bullying. This commitment is underpinned by mandatory training, clear accountability for all staff, and a process for treating complaints with the utmost seriousness.

A key priority within our EDI strategy is achieving gender parity, integrated across all business aspects. We drive this progress through specific actions: setting clear diversity goals, increasing female representation in leadership roles, continuously reviewing policies to ensure they promote equality, and embedding inclusivity via targeted gender-sensitive training. Through ongoing policy review and workforce diversity monitoring, we uphold these principles and strive to unlock the full potential of all our employees.

### Enabling a conducive workplace for females

We foster a conducive and empowering work environment, especially for our female colleagues. Foundational to this safe environment is our strict zero-tolerance policy against sexual harassment and gender-based violence. This policy is upheld through regular training, awareness initiatives, and a confidential reporting system, ensuring the dignity of all employees is respected.

**Conducive Policy**

- We ensure equal basic salary levels for men and women upon entry into the organisation.
- Maintaining a safe and respectful workplace through a strict policy against sexual harassment.
- Providing 84 days of fully paid maternity leave to support new mothers.
- Offering extensive healthcare coverage for all employees and their families

**HR Practices**

- Offering dedicated childcare facilities for our estate workers.
- Providing flexibility through adjusted hours and remote work options.
- Maintaining a robust and confidential mechanism for handling employee grievances effectively.

### Female Employment

We foster a conducive and empowering work environment, especially for our female colleagues. Foundational to this safe environment is our strict zero-tolerance policy against sexual harassment and gender-based violence. This policy is upheld through regular training, awareness initiatives, and a confidential reporting system, ensuring the dignity of all employees is respected.

**9%**

Percentage of Women in Senior Management

**22%**

Of Executive are Women

**54%**  
New Recruits

**84%**  
Promotions

**52%**  
Exits



**46%**  
New Recruits

**15%**  
Promotions

**48%**  
Exits

### Gender Gap Indicators

By continuously monitoring our gender gap and cultivating a work environment where women can thrive and grow, we drive meaningful change towards achieving greater gender parity.

	2024/25	2023/24
Raw mean gender pay gap	Nil	Nil
Raw median gender pay gap	Nil	Nil
The proportion of women who received training	41%	30%
Percentage of Women who returned to work after parental leave and were still employed 12 months after returning to work	96%	98%
Proportion of Females who received a Performance Bonus	100%	100%

### Diversity in Governance Bodies

We strive to increase the percentage of women in governance in our organisation.

Senior Management according to Age category	Male	Female
Below 30	0%	0%
30 - 50 years	85%	15%
Above 50 years	100%	0%

**22%**  
Female representation at the Board Level

### The Ratio of Basic Salary and Remuneration of Women to Men

The entry level salary, basic salary, and remuneration ratio between men and women is 1:1 in all significant locations – Head office, up country and low country.

### PARENTAL LEAVE

**2,175** female employees were entitled to maternity leave

**98** male executives were entitled to paternity leave

**45** Female employees and **0** male employees took parental leave respectively in 2024/25

**96%** Female employees returned to work after completing their maternity leave

**95.5%** Return to work retention rate

**43** females have been returned to work.



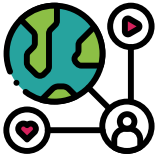
### Responsible Brand

By championing a gender-positive message internally and within the community, we are consistently acknowledged as an employer that empowers and safeguards its female workforce.

We are partnering with an external organisation to enhance family support facilities in our estates.

### EMPLOYING PERSONS WITH DISABILITIES

We employ inclusive recruitment strategies to welcome applications from persons with disabilities and provide accessible workplaces equipped with the necessary accommodations for a barrier-free experience. 135 persons with disabilities are employed in our organisation.



# SOCIAL AND RELATIONSHIP CAPITAL

Our Social and Relationship Capital is built upon the enduring connections we foster with customers, suppliers, and communities. These relationships, grounded in mutual trust and collaboration, are strategically vital, securing our social license to operate and enabling sustained success. Creating shared value through these meaningful partnerships is central to our operational strategy.



## VALUE CREATION HIGHLIGHTS

INPUTS	PROCESS	OUTPUTS AND OUTCOMES
<ul style="list-style-type: none"> <li>• <b>Rs. 274 Mn</b> investment in community development</li> <li>• <b>Rs. 3.8 Bn.</b> paid to suppliers.</li> <li>• Strong supplier relationships</li> <li>• Customer communication and product innovations</li> <li>• <b>10</b> welfare officers across our estates</li> <li>• <b>32</b> new suppliers screened using environmental and social criteria</li> </ul>	<ul style="list-style-type: none"> <li>• Community development</li> <li>• Customer relationship management</li> <li>• Supplier engagement</li> <li>• Supplier development</li> <li>• Community health clinics</li> <li>• Student scholarship programs</li> </ul>	<ul style="list-style-type: none"> <li>• <b>186</b> new suppliers</li> <li>• <b>313</b> new customers</li> <li>• <b>14</b> new products</li> <li>• Loyal customer base</li> <li>• <b>36%</b> Net Promoter Score (Tea Sector)</li> <li>• <b>34,010</b> CSR beneficiaries</li> </ul>



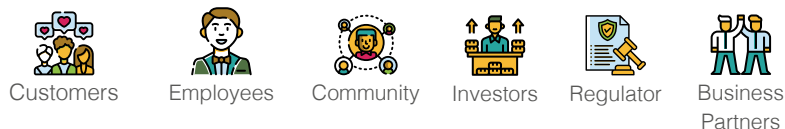
## Capital Tradeoffs

	<p>Investing in community development and quality certifications is a strategic use of financial resources that yields long-term revenue growth by justifying premium prices.</p>
	<p>Supporting environmental stewardship by screening suppliers for environmental performance and maintaining compliance.</p>
	<p>Fostering a loyal, committed, and equitable workforce by creating a conducive work environment and improving employee health and other benefits.</p>
	<p>Compliance with certifications and regulations enhances our brand reputation while securing the social license to operate.</p>

## Our Material Topics

Employee Well-being	Knowledge Enhancement	Supplier assessment
Local Communities	Food Safety	

### Related Stakeholders



### Related Strategies



### Future Focus

#### Targets

	Short-term 2025/26	Medium-term 2027/28	Long-term 2029/30
Community Development	Increase annual investment in estate community infrastructure, health, and education	Expand reach and impact of community programs; measurable uplift in living standards	Achieve self-sustaining, empowered estate communities with improved quality of life.
Stakeholder Engagement	Maintain zero food wastage in factories; continue distribution of produce to communities.	Scale up crop diversification and food cultivation initiatives	Establish estate communities as models for local food security and regenerative agriculture.
Employment & Livelihoods	Sustain employment for 35,000+, prioritise vulnerable communities.	Enhance employee welfare, upskilling, and career development programs.	Be recognised as a top employer in the sector, with high retention and satisfaction rates.
Business Partnerships	Strengthen supplier and partner relationships for mutual value creation.	Embed sustainability in supply chain and partner selection criteria.	Achieve a fully sustainable, resilient supply chain with long-term partner collaborations.
Community Development	Increase annual investment in estate community infrastructure, health, and education	Expand reach and impact of community programs; measurable uplift in living standards	Achieve self-sustaining, empowered estate communities with improved quality of life.
Apply the Supplier Code of Ethics to key suppliers	All Large Scale suppliers	All Medium Scale suppliers	All Small Scale Suppliers
Screening suppliers	60% of the key suppliers	90% of the Key Suppliers	100% of the Key Supplier
Supplier evaluation	All Large Scale Suppliers	50% Of the Medium Scale Suppliers	100% of the Medium Scale and 75% of the Small Scale suppliers
Supplier training & development	16% of the total suppliers	30% of the total suppliers	56% of the total suppliers

GRI 3-3

#### MANAGEMENT APPROACH

Our management emphasises strong, transparent relationships with customers, suppliers, and communities, underpinned by business ethics. We are committed to producing high-quality tea by investing in modern field and factory operations and leveraging our expertise—forming our core customer value proposition. This involves a strategic focus on product stewardship, communication, and effective complaint

management. We strictly adhere to national and international food safety standards (validated by certifications and competitive auction results) and employ systematic quality monitoring for timely corrective actions.

#### CUSTOMERS

We serve both global and local customers, adhering to stringent environmental and social commitments, ensuring that our products uphold the highest quality standards.

#### Non-value added products

Leading tea and rubber exporters

#### Value-added products

B2B, B2C customer segments including SEC A & B+

### Management approach

Our commitment to product safety, convenience, and usability extends to integrating environmental and social responsibility into development and upholding relevant local and international standards and certifications.

### Customer relationship management

We deliver the goodness of our estates directly, offering customers a convenient farm-to-fork experience that guarantees quality, safety, and nutrition by removing middlemen. Customer-centricity is paramount; we tailor products for niche markets, seek feedback for enhanced accessibility, and continuously adapt our processes to meet consumer needs.

This approach is executed through a structured customer management strategy featuring distinct market segments (Modern Trade, General Trade, HORECA/ B2B) and a dedicated field sales force. Business Development Representatives (BDRs) manage defined territories, nurturing relationships and driving sales during regular customer visits, carefully documenting interactions and key data.

Recognising that fresh berry cultivation constitutes ~90% of our value-added sales, we are strategically expanding our sales team. Simultaneously, to stabilise revenue, we are focused on diversifying our portfolio. Our BDRs are therefore instrumental in introducing and promoting new product lines like jams, canned goods, and teas to appropriate customer segments.

We are enhancing our Customer Relationship Management by proactively addressing complaint resolution delays, especially those originating from modern trade channels. Our strategy involves deploying a restructured, dedicated sales force where each representative manages a smaller customer portfolio. This enables more frequent, focused in-store visits to monitor product quality, ensure shelf presence, and swiftly address potential issues. Concurrently, we are strengthening quality assurance protocols across the supply chain and implementing robust preventative measures to minimise product issues at the source. These combined actions aim to significantly reduce complaints and elevate the experience for both end-consumers and our retail partners.



## Enhancing Customer Experience & Reducing Complaints



Our process for managing supply constraints involves proactive monthly forecasting provided to key partners, followed by receiving their purchase commitments, and finally allocating the available product. This structured communication helps manage expectations and ensures fair distribution despite harvest variability.

## Maintaining customer communications

Tea	Rubber	Oil Palm	Berries	Value-added products
<ul style="list-style-type: none"> <li>• 145 buyers</li> <li>• 4 brokers</li> <li>• 4 direct overseas buyers</li> </ul>	<ul style="list-style-type: none"> <li>• 24 buyers</li> <li>• 1 broker Customer dialogue maintained through</li> </ul>	02 Direct buyers	<ul style="list-style-type: none"> <li>• Leading supermarket chains</li> </ul> <ol style="list-style-type: none"> <li>01. Keells – 124 Outlets</li> <li>02. Cargills - 227</li> <li>03. Arpico – 26</li> <li>04. SPAR – 11</li> <li>05. Glomark – 10</li> <li>06. Other - 62</li> </ol>	<ul style="list-style-type: none"> <li>• Retail customers of “Harrow House”- 620</li> <li>• Online customers - 2,392 Customer</li> </ul>

### Customer dialogue maintained through

<ul style="list-style-type: none"> <li>• Regular Customer visits</li> <li>• Claim management system of the Sri Lanka Tea Brokers' Association</li> <li>• Estate visits with key buyers</li> <li>• Trade fairs</li> </ul>	<ul style="list-style-type: none"> <li>• Regular customer visits</li> <li>• One to one engagement</li> <li>• Estate visits with key buyers</li> </ul>	<ul style="list-style-type: none"> <li>• One to one engagement</li> </ul>	<ul style="list-style-type: none"> <li>• One to one engagement with leading supermarket chains</li> </ul>	<ul style="list-style-type: none"> <li>• Engagement at retail outlet</li> <li>• Social media platforms</li> <li>• Engagement with consumers through the hotline</li> </ul>
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## Customer engagement

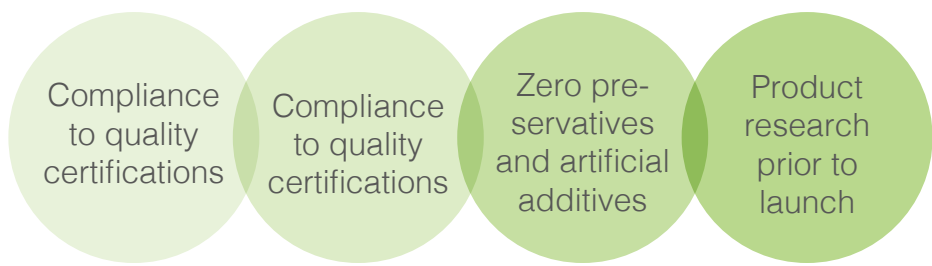
We maintain a strong focus on customer engagement, primarily through targeted estate visits for key and high-potential buyers, a strategy continued from last year. These visits include facility tours, on-site tea evaluations, and direct interaction with estate management, fostering stronger relationships and generating new tea business opportunities.



## ENSURING PRODUCT QUALITY

The NPD and Quality Department meticulously oversees every production stage, ensuring strict adherence to quality standards for each batch. Unique identification codes guarantee seamless traceability. We partner exclusively with certified, GAP-compliant agricultural producers to ensure quality inputs. Our processing facilities operate under rigorous ISO and HACCP certifications for safety and quality. For specific products such as tea, drinks, and jams, we maintain excellence by using certified outsourcing partners.

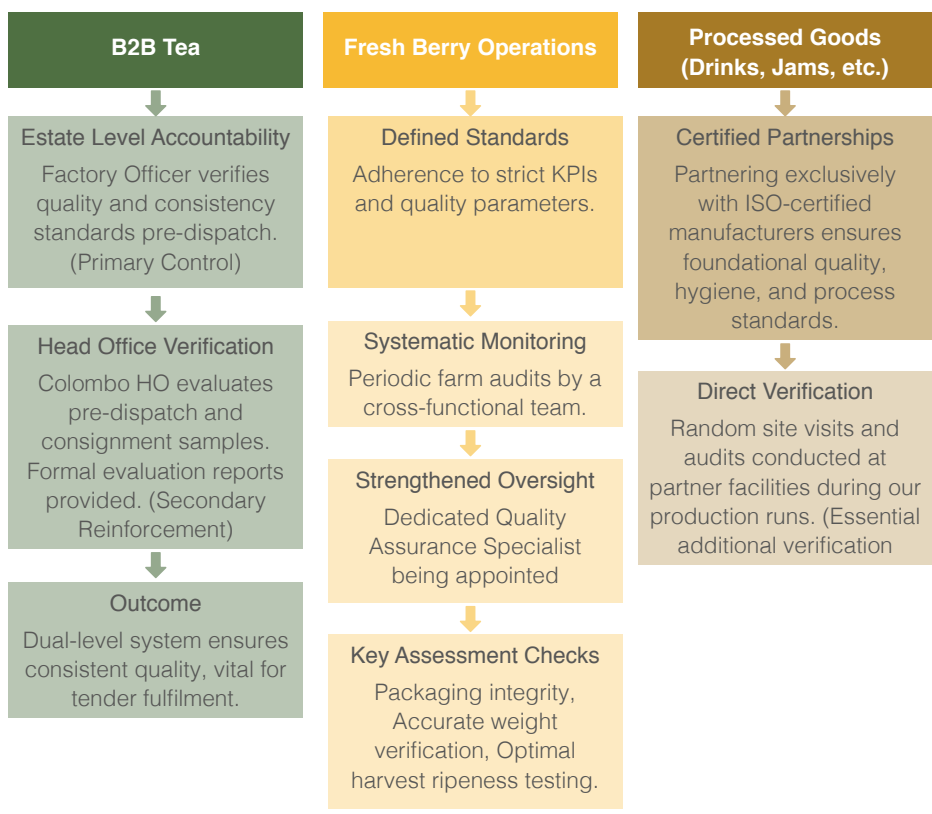
**PRODUCT RESPONSIBILITY**



Our global customer base, primarily reached through direct exporters, operates in markets with strict requirements for supplier quality, environmental performance, and social responsibility. We proactively meet these high standards, embedding these factors into our product development and processes. Our success in maintaining and growing our customer relationships demonstrates the effectiveness of this focus. Furthermore, our portfolio of local and international certifications serves as objective proof of our product quality and sustainability commitments.

Our value-added product strategy focuses on delivering accessible, convenient, and safe consumer experiences. Rooted in ethical and local sourcing, our offerings address increasing market demand for sustainable, nutritious, and value-driven choices. We have introduced a carefully curated product range, directly informed by comprehensive consumer research to ensure alignment with customer preferences.

Compliance Record: We upheld stringent customer data privacy standards throughout FY 2024/25, recording zero breaches or data loss incidents.



**PRODUCT SAFETY**

Our commitment to product integrity involves strict adherence to relevant organic and food safety certifications, standards set by the Sri Lanka Tea Board, and guidance from the Tea Research Institute, including rigorous controls on chemical inputs. We ensure the authenticity and natural quality of our value-added product range by excluding preservatives and artificial additives, while employing optimal harvesting practices for berries to maximise freshness and quality.

This dedication to standards is validated by key certifications across our operations: organic certification for our cinnamon, verified through comprehensive farmer group audits and tests; Rainforest Alliance (RA) certification for our core operations; and ISO certification maintained by our two outsourced processing partners.

**Compliance Record:** During the year under review, approximately 37% of our products were assessed for health and safety concerns. We confirm there were zero incidents of non-compliance related to the health and safety impacts of our products and services during FY 2024/25.

During the 24/25 FY, we have analysed around 37% VAPs according to the SLSI specifications.



**MARKETING COMMUNICATION**

**Marketing Communications Policy and Practices**

We uphold transparency and integrity in all marketing communications, guided by the Aitken Spence Group Communication Policy applicable to all group companies.

**B2B Tea Marketing**

Consistent with industry practice, our tea sales rely on reputation, quality, and strong relationships facilitated through tea brokers, rather than traditional advertising channels.

**Value-Added Brands Marketing (Harrow House, Berry Much)**

We utilise targeted below-the-line (BTL) advertising, primarily via Facebook and Instagram, to engage consumers for our value-added brands.

**Approval Process & Customer Protection**

A rigorous approval process is mandatory for all advertising material, requiring clearance from the Marketing Department and a multi-functional committee (including key Chief Operating Officers). This process emphasises evidence-based claims to protect customer interests.

**Compliance Record**

There were zero incidents of non-compliance concerning marketing and communication regulations during FY2024/25.



Reflecting business growth from increased yields and sales, we have shifted our Advertising & Promotional (A&P) budgeting from a historical fixed percentage of revenue (typically 5-6%) to a more flexible activity-based model. This approach determines budget based on specific planned initiatives, better supporting dynamic growth needs such as targeted activations, sampling, and new product introductions, even if it results in a slightly higher overall investment percentage.

**BERRY MUCH**

**Followers**

**f 58k**

**ig 2.1k**

**Reach**

**f 1 Mn**

**ig 177.2k**

**HARROW HOUSE**

**Followers**

**f 2.8k**

**ig 974**

**Reach**

**f 691.5k**

**ig 213.3k**

**Sustainable Sourcing Practices and Communication**

**Scope of Sourcing**

- **Raw Materials (Tea, Berries)**  
Our primary raw materials are sourced locally (99-100%), predominantly from our own estates.
- **External Sourcing**  
Primarily relates to packaging materials and a portion of green tea leaf ('bought leaf') supplementing our own production.

**Ensuring Sustainable Practices**

- **Certifications**  
Adherence to standards mandated by certifications including Rainforest Alliance (RA) and HACCP is fundamental, especially for our B2B tea operations. We view these certifications (particularly RA) as inherently covering significant aspects of sustainable sourcing and practices.
- **External Supplier Management (Bought Leaf)**  
For green leaf sourced externally, these local suppliers are carefully selected, vetted ('reliable'), and receive regular (annual) training on our quality and sustainability requirements. This integrates them into our responsible supply chain practices.
- **General Supplier Selection**  
We have an established process for selecting suppliers, aiming for responsible partnerships.

## Communication to Customers

- B2B Channels (Tea Focus)
  - On-Packaging: Relevant certification logos (e.g., RA, HACCP) are printed directly on B2B packaging.
  - Marketing Materials: Certifications are explicitly listed under each specific garden mark/category within printed materials used for the public auction system (e.g., product catalogues). This clearly communicates compliance to the trade.
- General Advertising
 

Our broader marketing communications periodically include messaging emphasising 'sustainability at the core' of our operations.

## Managing sales channels

Product distribution occurs through multiple channels, with modern trade contributing 60% of total revenue. Channel performance and strategy are managed via monthly review meetings held mid-month. These sessions comprehensively cover sales evaluation, revenue forecasting, buying potential assessment, promotional planning, analysis of past performance, identification of customer trends, and strategic adjustments to enhance market responsiveness.

GRI 417-1, 2

## Product labelling

Our commitment to transparent communication and enabling informed customer choice is primarily executed through targeted digital marketing and comprehensive product labelling, conducted in all three languages – English, Sinhala and Tamil.

Accordingly, our marketing communications are carefully designed to align with the specific requirements outlined by our regulators and certifications. In particular, the Sri Lanka Tea Board and Ceylon Tea Traders Association mandate clear disclosures, including estate name, selling mark, grade, manufacturing number, and net and gross weight, among other details.

## Targeted Digital Communication & Content Verification

- Given the geographically specific distribution of certain products, particularly fresh berries (not yet island-wide), our primary communication platform is social media. This enables targeted engagement with consumers

in relevant market areas, optimising communication efficiency compared to national campaigns.

- Content accuracy is ensured through a rigorous verification process. We collaborate with an external agency on monthly content plans, which are reviewed weekly for authenticity. Crucially, all technical claims related to health or nutritional benefits undergo mandatory vetting by our internal food technology team prior to publication, safeguarding customer interests.

## Clear Product Labelling

- Complementing our digital communication, clear product labelling provides essential information directly to consumers. Our labels comply with all regulatory disclosure requirements, clearly stating ingredients, nutritional information, origin, and usage instructions.
- Specific labelling protocols are followed: tea products adhere strictly to industry standards, while rubber packaging follows robust internal estate-level guidelines.
- In the value-added range, product labelling adheres strictly to Consumer Authority regulations, ensuring compliance in all three languages for content, ingredient lists, expiry dates, MRP, batch codes, and nutrition data. Moreover, we continuously refine our labelling protocols based on the recommendations of our marketing department.

## Product Responsibility & Compliance Assurance

- Product responsibility, which is particularly vital for our global B2B customer base, is reinforced through adherence to internationally recognised standards. Key certifications such as HACCP and Rainforest Alliance are maintained and communicated to buyers as evidence of our commitment.
- We proactively manage compliance with specific market regulations, including EU Maximum Residue Levels (MRLs) for tea, striving diligently to remain within permissible limits.
- Our process for addressing potential concerns includes commissioning independent third-party testing and transparently sharing the results to validate product quality. This approach was recently employed successfully to resolve a buyer's MRL query, demonstrating our commitment to verification and transparency.

**Compliance Record:** During FY 2024/25, there were no incidents of non-compliance with regulations concerning product labelling and information.



Our tea labelling



Our Tropifruit product labelling

## Customer Complaint Management

We employ distinct processes for managing customer complaints and feedback across our business segments, valuing all input as crucial for continuous improvement.

### B2B Tea Operations

Complaints are formally managed through the centralised claim system developed and maintained by the Colombo Brokers' Association, providing transparency for producers, brokers, and buyers. Upon receiving a complaint notification via this system, our standard procedure is to liaise directly with the buyer through the relevant broker to investigate and achieve a satisfactory resolution. Additionally, we benefit from direct feedback and improvement suggestions shared by tea exporters, stemming from our long-standing relationships.

Moreover, recognising the value of direct market exposure for our estate leadership, we revised our handling procedure for significant B2B tea complaints last year. The enhanced process involves bringing designated Plantation Executives from the relevant estate to Colombo. These executives participate in collaborative visits with our Colombo team to the complaining buyer's warehouse. This direct engagement allows our production leaders to gain immediate, practical insights into buyer requirements and the critical nature of resolving specific issues. This initiative, conducted multiple times since implementation, fosters a stronger connection and shared understanding between our estate operations and market demands.



### Value-Added Product Range

Our approach to customer engagement and quality management for the value-added product range is multi-faceted, focusing on direct communication, responsive issue resolution, and proactive quality assurance.

#### Direct Engagement and Responsive Support

- We utilise dedicated channels, including a customer hotline and WhatsApp groups integrated into our monitoring mechanisms, to facilitate direct customer engagement and ensure prompt tracking and resolution of inquiries or issues.
- To enhance service levels and ensure efficient handling, we have expanded our customer support staff.
- Operational concerns are addressed systematically; for example, managing equitable distribution of fresh produce involves analysing historical sales data by outlet and chain to allocate available harvest based on demonstrated sales potential, ensuring fairness and maximising sell-through.

#### Leveraging Feedback for Continuous Improvement

- We view every customer complaint as a critical opportunity for learning and improvement, recognising that direct feedback is invaluable for customer retention, especially for consumers trying our newer brands.
- Our response protocol guarantees immediate attention: we conduct thorough investigations, provide transparent explanations regarding potential causes (including natural product variations), detail the preventative actions being implemented, and offer replacements when warranted.
- This commitment to addressing feedback with seriousness and transparency demonstrably strengthens customer appreciation and fosters brand loyalty.

#### Proactive Quality Assurance and Complaint Prevention

- Recognising inefficiencies and delays when complaints were routed indirectly through modern trade partners (retailers) – negatively impacting both resolution time and retailer experience – we are strategically strengthening and restructuring our sales force.
- This involves assigning smaller customer portfolios per representative, enabling more frequent and focused in-store visits. The primary objective is proactive monitoring of product quality and shelf presence, allowing us to identify and address potential issues before they reach the consumer.
- This front-end, preventative approach is designed to significantly reduce complaint occurrences, minimise disruption for our retail partners (particularly relevant given policies such as 'no returns' on certain goods), and ultimately strengthen these crucial relationships.
- These sales force enhancements are integrated with ongoing improvements to our back-end Quality Assurance processes, creating a more robust end-to-end quality management system focused on prevention and customer satisfaction.

## Customer Satisfaction Scores

Annually, our Group HR Department conducts a stakeholder survey on our behalf. This survey gathers feedback from our key tea and rubber customers, along with other industry stakeholders.

Indicator	Performance in 2024/25
No. of customers who lodged complaints	1058
Number of customers who received responses	1058
<b>Net Promoter Score</b>	
Customers / Tea Buyers	36

GRI 2-6

## SUPPLIERS

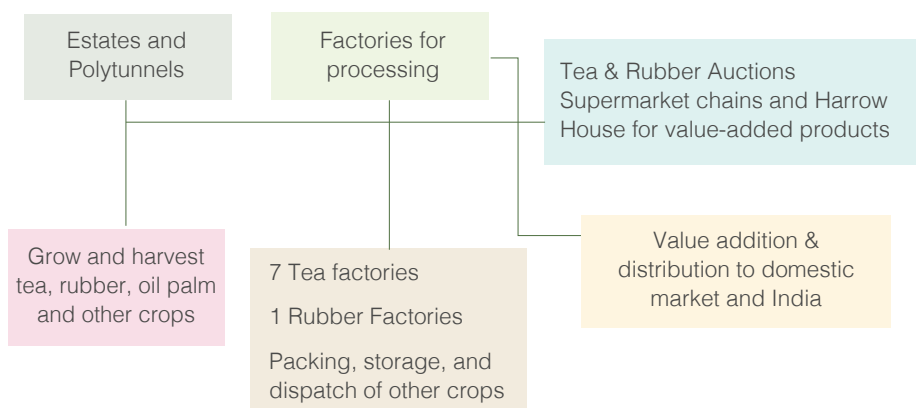
Our suppliers play a crucial role in ensuring the continuity of our business. The inputs they provide are essential for our ongoing operations.

### Management Approach

Committed to building a strong supplier network, we select partners who meet operational standards, align with our values, and reliably fulfil strategic sourcing needs. Central to this is fostering sustainable, ethical, and mutually beneficial relationships, especially with the small-scale tea plantation holders vital to our bought leaf supply chain.

### Supply Chain

Our presence along the value chain



### Supplier Analysis (FY 2024/25)

Category	No. of suppliers	Definition
Total Suppliers	484	
Local Suppliers	118	Within 35-45km radius of operations (outside Colombo) or local community (outside Sri Lanka).
SME Suppliers	249	Employees: 11-299 & Annual Revenue: LKR 17M - 750M.
MSME Suppliers	209	Employees: <10 & Annual Revenue: < LKR 17M.

## Our Supplier Categories



### Supplier Selection

We conduct detailed supplier assessments at onboarding to ensure initial compliance with all regulatory requirements and our standards for ethical sourcing, fair labour practices, and food safety. Periodic assessments are then performed to verify continued adherence. All new suppliers engaged during the reporting period underwent screening using social criteria as part of this process. Through these ongoing evaluations, we enforce strict quality control measures and ensure that sustainability and social responsibility remain integral to our procurement activities, upholding product integrity.

#### Our supplier selection criteria



### Strengthening the supply chain

We nurture the bought leaf supply chain by partnering exclusively with small-scale plantation owners and home growers (SMEs). These vital partners are integrated into our value chain through commitments to fair pricing, targeted technical training, and dedicated support for sustainable farming. Key strategic interventions involve capacity-building programmes designed to enhance agricultural best practices, financial literacy, and climate-smart adaptation, thereby increasing supplier productivity and resilience. The positive impacts are clear: elevated supplier livelihoods, superior raw material quality, and a more robust local economy. Anticipating challenges such as climatic risks and market fluctuations, we employ mitigation strategies, including supplier diversification, vigilant monitoring, and consistent engagement to ensure the long-term sustainability and stability of our supply chain.

### Integrating and empowering local suppliers

Our bought leaf suppliers, comprising small-scale plantation owners and home growers—all classified within the SME category—are integral partners in our value chain. We systematically integrate these vital suppliers through commitments to fair pricing, the provision of comprehensive technical training, and dedicated support for sustainable farming practices. Strategic interventions further strengthen this relationship, featuring capacity-building programs focused on best agricultural practices, financial literacy, and climate-smart techniques. These initiatives empower suppliers to enhance productivity, build resilience against climate variability, and improve their livelihoods, yielding positive outcomes such as increased supplier income, superior raw material quality, and a more robust local economy.

#### Supplier screening statistics – 2024/25





Knowledge sharing seminar for 50 block holders on coffee cultivation

### Supplier communication

We foster ongoing engagement with suppliers through a combination of regular communication channels (email, phone, video conferencing) and scheduled meetings, both formal and informal. These platforms facilitate performance reviews, the sharing of strategic updates, and collaborative discussions essential for achieving shared objectives.

GRI 204-1

### Promoting local procurement and sourcing

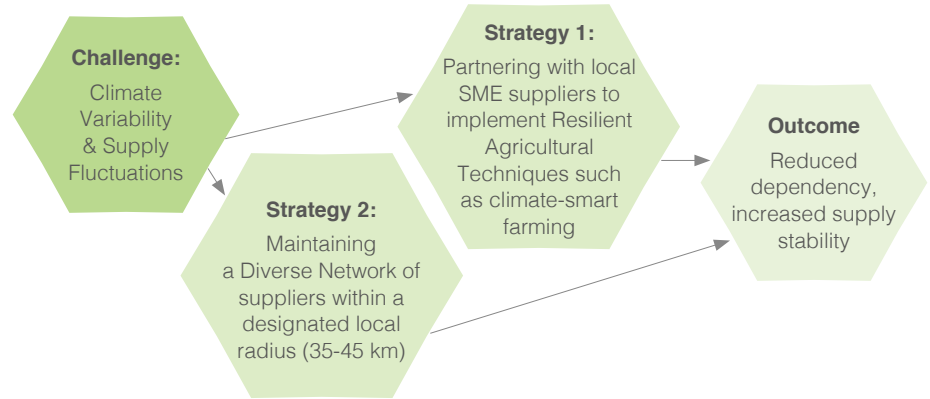
Fostering local economic development is key to our procurement strategy. We build partnerships with local suppliers, neighbouring smallholder tea growers, an approach reinforced by our 45 km sourcing radius mandated by tea leaf perishability. This localised model guarantees freshness, reduces emissions, and directly invests in the rural agricultural economy. We ensure supplier compliance and capacity through regular assessments. Our support extends further: we provide fertiliser on interest-free

credit and facilitate a unique savings scheme where joint contributions earn 8% compound interest, bolstering supplier financial security. This commitment translated to 41% of procurement and Rs. 1,273 Mn. in payments to local suppliers during the reviewed year.

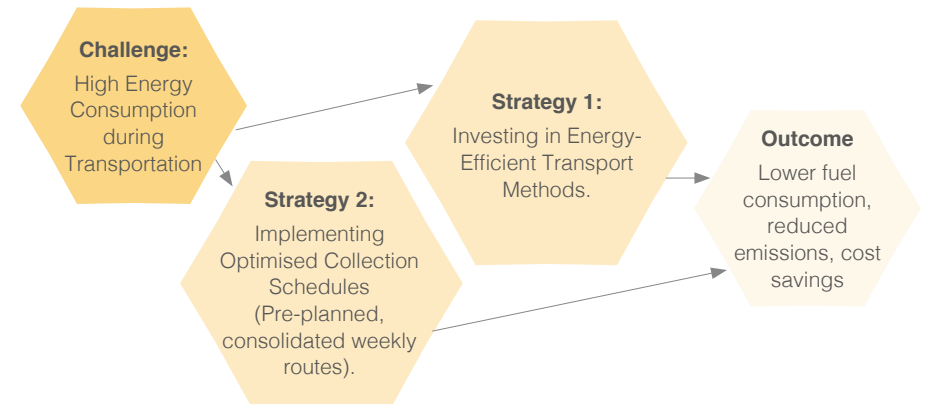
**Rs. 1,273 Mn**  
Total spend on local suppliers in 2024/25

**41%**  
Spend on local suppliers

### 1. Building Resilience Against Risk



### 2. Optimising Logistics & Reducing Carbon Footprint



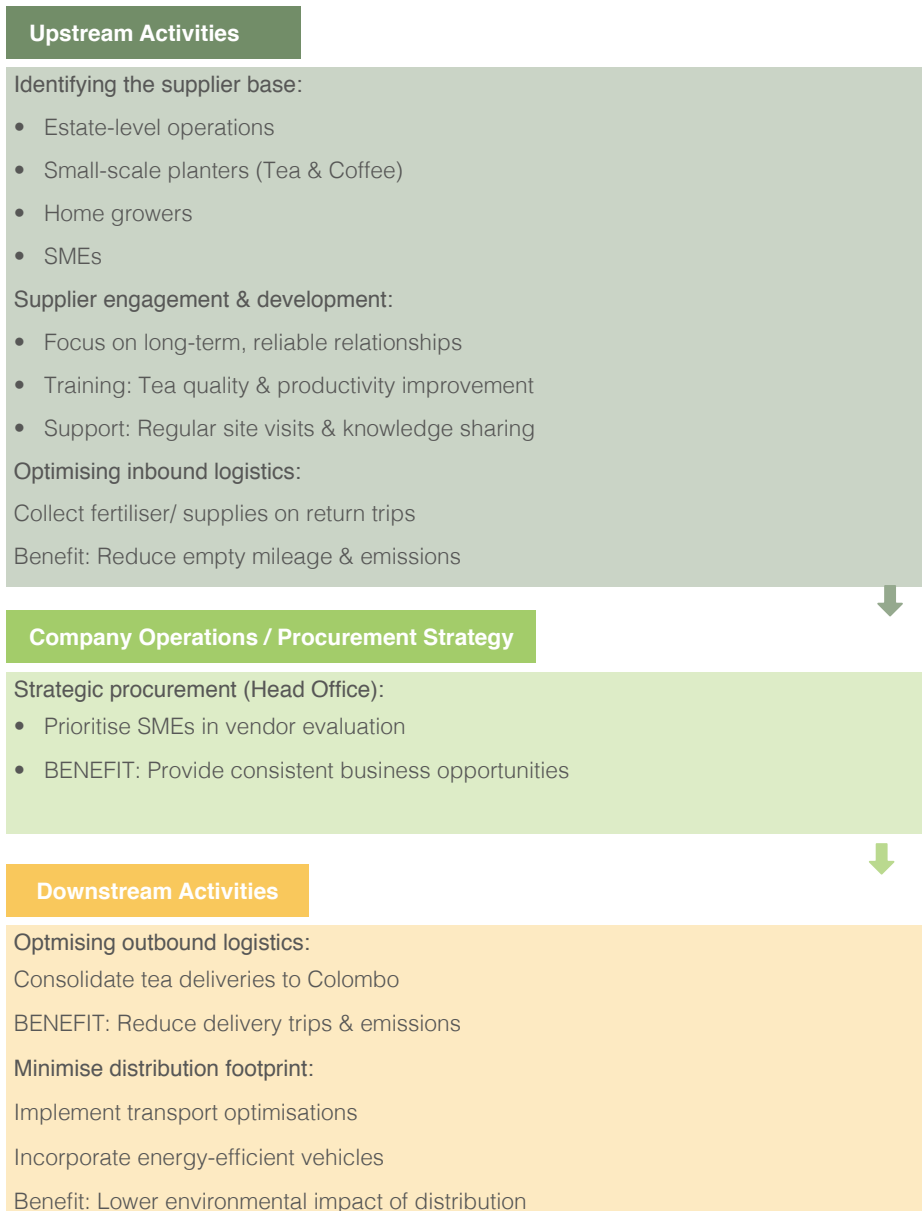
### 3. Nurturing Soil Health & Biodiversity



### Implementing Governance Standards: Supplier Code of Conduct

To uphold key Environmental, Social, and Governance (ESG) standards, our Group has implemented a comprehensive Supplier Code of Conduct. The systematic rollout across our supply base is underway, beginning with initial communication to a core group of suppliers. We have set clear objectives for the end of 2030, achieving 100% supplier awareness of the Code and completing assessments for 75% of key suppliers against its requirements. The target for full implementation and integration throughout the supply chain is the 2025-2026 timeframe.

### Greening the supply chain



### Upskilling suppliers

To enhance supplier capabilities and foster collaboration, we employ key actions. These include developing targeted training programmes, conducting workshops and seminars, and utilising knowledge-sharing platforms focused on upskilling, best practices, and insight exchange. Complementing these initiatives, regular communication channels ensure a continuous flow of information. We specifically invest in training smallholder farmers in critical areas such as crop health, productivity improvements, and sustainable agricultural methods. Through strategic collaborations with government bodies and industry experts, suppliers also gain access to best practices, financial literacy training, and technical assistance, bolstering their long-term viability. Furthermore, we promote fair pricing structures and responsible agriculture, training suppliers specifically on climate-smart techniques and soil conservation to align with global sustainability goals. Details of the programmes conducted in FY 2024/25 are provided below.

<b>Type of programme</b>	One to one discussions and Regular visits to knowledge Sharing and developments
<b>Number of programmes held</b>	24
<b>Supplier category/s</b>	Local suppliers
<b>Number of suppliers participated</b>	82

### Developing suppliers as partners

To build strong, mutually beneficial supplier relationships, we actively engage them in collaborative planning, joint forecasting, and strategic discussions, ensuring alignment with our business objectives. We solidify these partnerships by extending long-term contracts for greater stability and assurance. Performance is managed through regular feedback loops and joint efforts on improvement plans, including dedicated one-to-one consultations to refine processes for key and regular suppliers. Additionally, we partner on sustainability initiatives, championing environmentally sound and socially responsible practices across our supply base.

### Guaranteed purchasing and pricing schemes

We support a sustainable agricultural ecosystem by committing to purchase specified crop quantities from small farmers and out-growers at fair prices. This guarantee ensures consistent market access, bolstering economic stability and empowering local farming communities.

### Sustainable packaging

Our packaging strategy balances sustainability with effective product presentation. While prioritising eco-friendly materials, we recognise the need for packaging that highlights our berries' unique qualities and are exploring improved solutions. For tea, we adhere to industry norms using paper sacks sourced via public auction from nominated suppliers. A key sustainability initiative within tea packaging is sourcing zero-carbon materials. One of our two main suppliers provides fully certified zero-carbon packaging and processes. We are collaborating closely with the second supplier, whose materials are already certified, to achieve process certification as well, reinforcing our commitment to minimising environmental impact throughout the supply chain



#### Supplier success story

Partnering for Process Improvement: Roshan (Carbonic Manure Supplier)

As part of our commitment to supplier development, we partnered with Roshan, a carbonic manure supplier initially using handwritten documentation. We provided guidance on adopting standardised, printed documents and aligning with key company processes like Purchase Orders, signed Delivery Advice notes, and formal invoicing. This collaborative effort helped Roshan streamline his operations, improving organisation and efficiency, which benefits both his business and our procurement process through clearer communication and record-keeping.

GRI 413-2

### Community Capital

As a human-intensive business, we hold a responsibility towards the over 30,000 individuals residing within our plantation communities. Our commitment focuses on enhancing well-being, improving livelihoods, and fostering independence. Demonstrating this responsibility, there were no incidents of negative impacts on local communities during the reporting period.

GRI 2-28

### Our Membership in industry associations

- Ceylon Chamber of Commerce
- Palm Oil Association of Sri Lanka
- Ceylon Tea Traders Association

### Memberships

- The Ceylon Rubber Traders' Association (CRTA)
- The Planters Association of Ceylon (PA)
- Employers Federation of Ceylon (EFC)
- Employers Federation of Ceylon Network on Disability
- Ceylon Planters Provident Society (CPPS)
- Estate Staffs' Provident Society (ESPS)
- Ceylon Planters Benevolent Society
- Biodiversity Sri Lanka,
- Lanka Rainwater Harvesting Forum.
- Oil Palm growers Association.
- Lanka Coffee Growers association
- Ceylon Cinnamon Growers association.
- United Nations Global Compact (UNGC)

### Affiliations;

- Sri Lanka Tea Board
- Tea Commissioners' Office
- Tea Promotion Bureau
- Tea Research Institute (TRI)
- Rubber Research Institute (RRI)
- Coconut Research Institute (CRI)
- National Institute of Plantation Management (NIPM)

## Management Approach

We leverage our resources and expertise to champion socioeconomic empowerment and cultivate thriving communities. This is a strategic priority within our sustainability framework, termed 'Uplifting Communities'. Our community development initiatives are built upon four foundational pillars:



GRI 13.9.1,2

## Strengthening food security



To enhance food security in Sri Lanka, our efforts focused on sustainable cultivation, community support, waste reduction, and technological efficiency.

### Waste Minimisation

Conducting awareness campaigns and continuous supervision among staff and workers in fields and factories promoted the reduction of food waste.

The total weight of food loss amounted to 0.8 metric tons, and the food loss percentage was 0.28% in FY 2024/25.



### Community Support

Through the 'Ready to be Ready' programme, we have allocated one hectare per plantation (23.80 hectares total) to community-led cultivation, distributing 5,073 kg of fruits and vegetables free of charge to our workers.



### Sustainable Cultivation & Resilience

We adopted regenerative agriculture principles, aligned with Rain Forest Certification (RFC), developing microclimates to strengthen our ecosystem against adverse weather and ensure long-term food production. We also diversified our crops, adding tropical fruits such as avocado, Durian and Pineapple.



## Efficiency & Yield Enhancement

We leveraged technology to improve harvesting and processing, utilising precision agriculture, drones for spraying and mapping, automated factory processes, and mechanised field operations to increase efficiency and yields.



GRI 13.12

## Responding to community needs

We have adopted a comprehensive system to understand and respond to community and employee needs.






<p><b>On-the-Ground Presence</b></p>	<p>Estate Welfare Officers directly engage with communities.</p>
<p><b>Employee Voice</b></p>	<p>Regular trade union discussions, annual satisfaction surveys, and co-worker groups provide channels for feedback, idea generation, knowledge sharing, and addressing work-related and social issues.</p>
<p><b>Data Insights</b></p>	<p>Tracking key social indicators (nutrition, education, health, attrition) provides quantitative understanding.</p>
<p><b>External Perspectives</b></p>	<p>Partnerships with government agencies, NGOs, and experts inform our approach based on wider social priorities.</p>
<p><b>Action &amp; Monitoring:</b></p>	<p>Issues identified by Welfare Officers are escalated through estate welfare committees to the Company's Sustainability Committee. All community initiatives are continuously monitored locally. Progress reports are submitted periodically to the Sustainability Committee and onward to the Board of Directors to track effectiveness, ensure accountability, and guide future actions.</p>


## Employee volunteerism

We foster community ownership in our engagement activities. While management provides financial support and leadership offers guidance, dedicated community members take the lead in executing estate-level initiatives. This approach complements our strategies for encouraging employee volunteerism.

## Community Development

All our estates are recognised through an external program for providing environments that support the well-being of women and children, a holistic proposition to enhance their lives.

<p><b>Key Pillar 1:</b> Improving access to healthcare</p>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>Improving access to healthcare</li> <li>Reduce the Incidence and Prevalence of NCDs</li> <li>Promote Healthy Lifestyles</li> <li>Improve mental health</li> <li>Promote Mental Health Awareness and Education</li> </ul>	<p><b>No. of Beneficiaries:</b> 534</p> <p><b>Resources Allocated:</b> Rs. 40.26Mn.</p>
<p><b>Key initiatives for FY 2024/25:</b></p> <ul style="list-style-type: none"> <li>Medical camp including eye checkup for all the head office employees</li> <li>Medical awareness program on non-communicable diseases</li> <li>Blood Donation</li> <li>Conduct nutritional programme</li> <li>Dengue Prevention Awareness Programme</li> </ul>		
<p><b>Key Pillar 2:</b> Supporting quality childcare</p>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>Promote Early Childhood Development</li> <li>Increasing Accessibility of Childcare Services</li> </ul>	<p><b>No. of Beneficiaries:</b> 25</p> <p><b>Resources Allocated:</b> Rs. 0.9 Mn.</p>
<p><b>Key initiatives for FY 2024/25:</b></p> <ul style="list-style-type: none"> <li>Upgrading the Child Development Centres (CDC) Building and Infrastructure</li> <li></li> </ul>		 
<p><b>Key Pillar 3:</b> Expanding educational opportunities</p>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>Enhancing Quality of Teaching and Learning</li> <li>Strengthening Education Infrastructure</li> <li>Encourage technology learning</li> </ul>	<p><b>No. of Beneficiaries:</b> 2,568</p> <p><b>Resources Allocated:</b> Rs. 2.6 Mn.</p>
<p><b>Key initiatives for FY 2024/25:</b></p> <ul style="list-style-type: none"> <li>Book Distribution for estate children</li> <li>Providing Books and Uniform clothes to the students</li> </ul>		 

<b>Key Pillar 4:</b> <b>Tackling pressing social issues</b>	<b>Objectives:</b> <ul style="list-style-type: none"> <li>• Improve employee livelihood</li> <li>• Facilitate financial support</li> <li>• Improve Living Conditions and Basic Infrastructure</li> <li>• Strengthening Social Protection and Welfare Services</li> </ul>	<b>No. of Beneficiaries:</b> <b>750</b>  <b>Resources Allocated:</b> <b>Rs. 97.65 Mn.</b>
<b>Key initiatives for FY 2024/25:</b> <ul style="list-style-type: none"> <li>• Financial Literacy Program - SDB Bank conducted a session to teach the community about money management.</li> <li>• New Cooperative Building - Funded by the Divisional Secretariat - Kotmale.</li> <li>• Free Wood Cookers for Workers - Distributed by Nill Carbon (NGO) to promote clean cooking.</li> <li>• Housing Project at Meddecombra Estate - Indian Government started a project to build 123 houses.</li> <li>• Providing of the Lanther to Indian housing Beneficiary -Donated By Indian Government</li> </ul>		

## Other projects

Project	Initiatives for FY 2024/25
<b>Community Kitchen – Dunsinane Estate</b>	This project aims to enhance the health and well-being of tea estate workers by providing affordable, nutritious meals through a centralised community kitchen. By preparing meals in bulk, the initiative reduces individual cooking costs by 30%, ensures balanced nutrition, and fosters community bonding through shared dining experiences. It also supports worker welfare by addressing the challenges of long working hours and remote living. Monthly gatherings and partnerships with local suppliers promote engagement and sustainability. During FY 2024/25 Rs. 21.6Mn was allocated and 600 Beneficiaries were benefited.
<b>Sahana Yathra – Ketandola Estate</b>	This initiative aims to enhance the financial stability and well-being of Katandola Estate employees by providing essential goods and financial services under one roof. Through a concessionary outlet, workers can purchase dry rations on an instalment basis aligned with attendance, easing their daily burden. Additionally, the cooperative society enables employees to repay low-interest loans directly, reducing dependency on external lenders with high interest rates. The project promotes workforce retention, strengthens loyalty, and supports a more self-sufficient estate community. 150 Beneficiaries were benefited.
<b>Braille typewriter for young achiever - Talgaswella Estate</b>	A Braille typewriter was recently donated to the son of one of our dedicated workers in Talgaswella Estate. This remarkable young student achieved the highest grades among visually impaired students in the recent O/L (Ordinary Level) examination.





# NATURAL CAPITAL

As an agricultural organisation, our success is intrinsically linked to the health and sustainability of the natural resources we depend upon. Managing estates across 8,838 hectares of ecologically significant land, we embrace our responsibility as custodians to protect this environment. This drives our commitment to sustainable operations, optimised resource use, and minimising our environmental footprint, recognising that responsible stewardship is strategically vital for our future.



## VALUE CREATION HIGHLIGHTS

INPUTS	PROCESS	OUTPUTS
<ul style="list-style-type: none"> <li>Raw materials consumption - <b>30,152 MT</b></li> <li>Energy consumption - <b>163,548 GJ</b></li> <li>Water consumption – <b>81,101 CuMts.</b></li> </ul>	<ul style="list-style-type: none"> <li>Biodiversity conservation</li> <li>Regenerative agriculture practices</li> <li>Improved soil fertility</li> <li>Responsible waste, water, energy and emissions management</li> </ul>	<ul style="list-style-type: none"> <li>GHG Emissions</li> <li>Wastewater discharged –<b>20,868 CuMts.</b></li> <li>Solid waste – <b>299 MT</b></li> <li>Rainwater harvested <b>52,051,000 Litres</b></li> </ul>



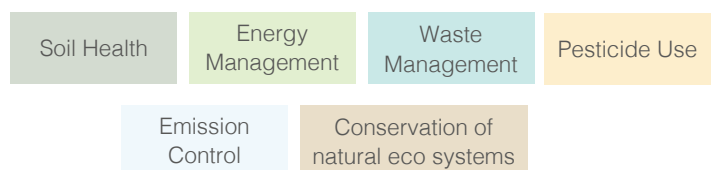
Gray headed canary flycatcher - *Culicicapa ceylonensis*

LC

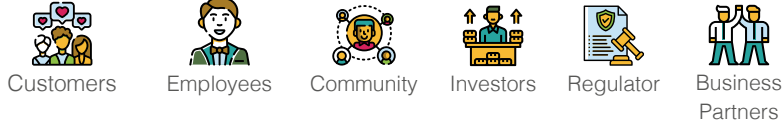
## Capital Tradeoffs

	<p>While investments in environmental sustainability initiatives require upfront financial commitment, they yield significant long-term cost savings.</p>
	<p>Enhances community well-being, strengthens the sustainable value chain, and ensures environmental compliance.</p>
	<p>Enhances employee well-being and creates employment opportunities.</p>
	<p>Investment in research and development of sustainable agricultural methods, coupled with technology adoption, builds our intellectual capital.</p>

## Our Material Topics



## Related Stakeholders



## Future Focus

### Targets

	Short-term 2025/26	Medium-term 2027/28	Long-term 2029/30
Emissions Reduction	10% reduction	15%	Net Zero
Enhance Land Productivity	2% productivity in-crease	3% productivity in-crease	10% productivity in-crease
Rainwater Harvesting	530 million litres	533 million litres	300 Million Litres
Renewable Energy Generation	Implementation of Battery Energy Storage Systems (BESS) – All low country factories	Implementation of Battery Energy Storage Systems (BESS) – Up & mid country factories  All Diesel Vehicle Fleet Conversion to Hybrid & EVs	All Petrol Vehicle Fleet Conversion to Hybrid & EVs  300% electrical energy demand met by RE  100% Thermal energy demand by RE  50% of Vehicle Fleet for transportation

## Related Strategies

### Soil Health, Pesticide use, emissions control

- Emissions Reduction & Land Productivity
- Reduce chemical fertiliser 50%, chemical weedicide 65%, and pesticide usage 75%
- 10% Increase of green shade cover

### Energy and emissions control

- Implement Battery Energy Storage Systems (BESS) in select Net Plus factories to store daytime solar energy and export to the CEB grid during peak

hours (6:30 PM–10:30 PM)

- Transition Elpitiya Plantations' vehicle and equipment fleet to a sustainable, cost-effective, and environmentally friendly model by converting the existing diesel and petrol fleet to Hybrid & EV technology in a phased manner from 2024 to 2030.

### Vehicle fleet conversion

- Conduct detailed feasibility and cost analysis
- Explore partnerships with EV suppliers

- Apply for Government incentives for EV adoption
- Set up EV charging infrastructure across estates
- Develop a training plan for staff on new technologies



**MANAGEMENT APPROACH**

Our commitment to natural capital centres on enhancing the long-term health and productivity of our environment. Key objectives include sustaining land productivity, strengthening biodiversity, enhancing ecosystem services, improving the resilience of our agroecosystems, ensuring resource circularity, and reducing carbon emissions.

We pursue these goals by implementing regenerative agriculture principles, investing in, and adopting sustainable agricultural practices and innovative precision techniques. Moreover, we prioritise cultivating crops among native trees (agroforestry) and foster strong relationships with stakeholders and the community. Furthermore, we invest significantly in renewable energy (solar, hydro), transition towards Electric & Hybrid vehicles, and conserve water through rainwater harvesting.

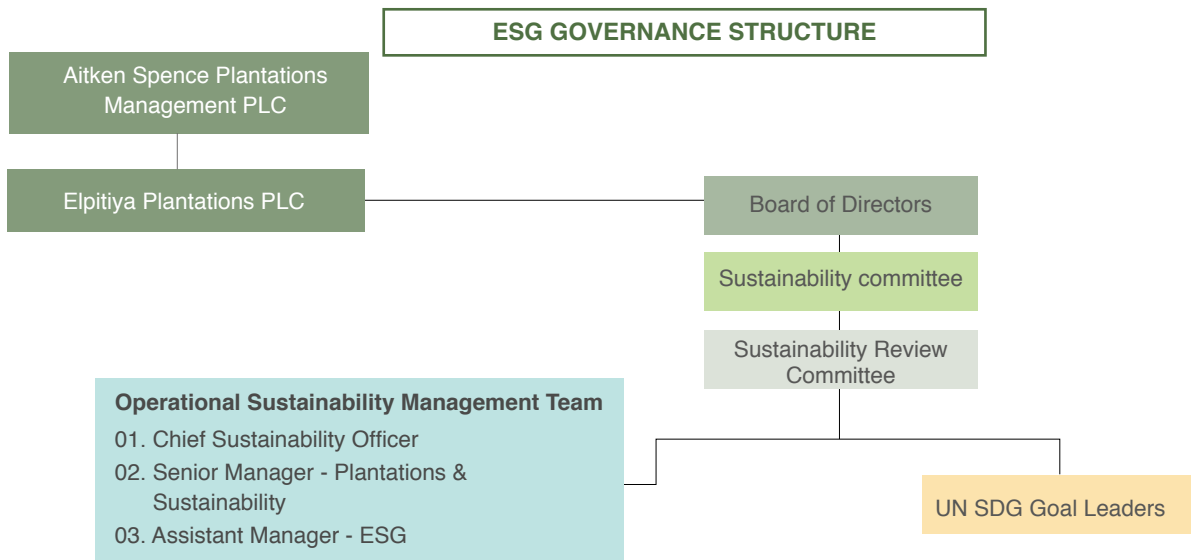
These integrated efforts yield significant positive impacts, such as creating wildlife corridors, maintaining herbicide-free plantations, and enabling sustainable food production. They contribute to the development of beneficial microclimates, foster more resilient ecosystems, and support our journey towards net-zero emissions through clean energy adoption. Ultimately, these actions also help mitigate water risks within our operations.

**GOVERNANCE**

During the year under review, the Board-level Sustainability Review Committee was established to strengthen sustainability-related governance. The committee is mandated to review and evaluate the company's sustainability performance and ensure alignment with strategic ESG objectives, corporate commitments, regulatory requirements, and global best practices.

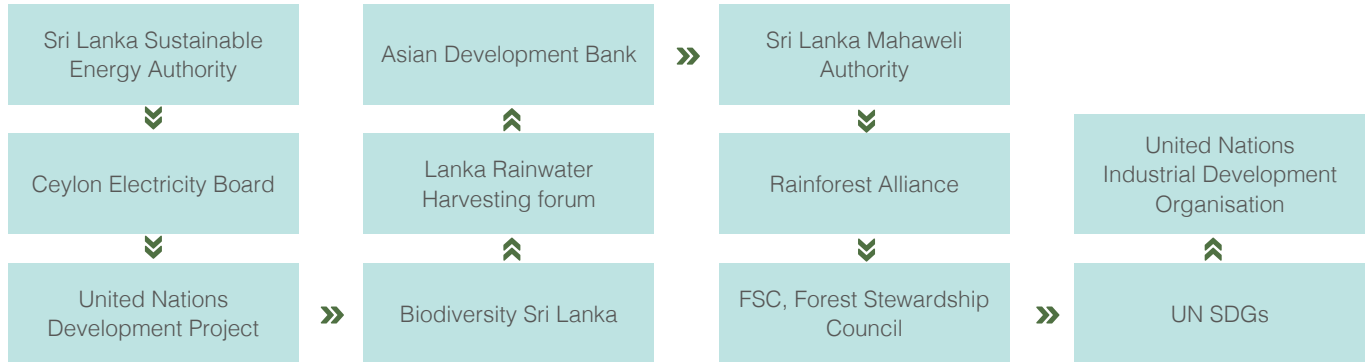
Comprising three Directors, including one Independent Director (Dr. R. A. Fernando - Chairman, Prof. Ajantha S. Dharmasiri, Mr. A. T. S. Sosa), the committee meets at least quarterly. It provides guidance on climate action and socio-economic strategies, assesses adherence to global standards (such as GRI and SASB), evaluates ESG risks and opportunities, and recommends relevant policies and initiatives to the Board. The Committee has the authority to require performance reports, determine audit scopes, engage external experts, and investigate compliance matters, ensuring robust oversight and accountability in our sustainability journey.

**Responsibilities of the Sustainability Review Committee**



## OUR COLLABORATIONS

Our collaborations include partnerships with the listed organisations. Furthermore, our environmental management framework is structured in alignment with the following local and international standards.



GRI

201-2, 201-3, SASB 1FB-AG-440a.1

## CLIMATE-RELATED RISKS AND OPPORTUNITIES

PLANTATION SECTOR					
Risk	Description	Probability of Occurrence	Physical / Transition Risk	Impact on business if the risk/opportunity materialises	Impact of strategy and decision-making
Changes in precipitation patterns	Regional Climate Impacts: <ul style="list-style-type: none"> <li>• <b>Upcountry and Mid-Country:</b> Increased rainfall intensity, particularly during extreme events, leads to higher incidence of fungal diseases and reduces flowering and yields.</li> <li>• <b>Low Country:</b> Unpredictable rainfall patterns and extended droughts result in significant losses in revenue and productivity for water-sensitive perennial crops like tea and rubber.</li> </ul>	H	Physical	Inventory	N
				Equipment	M
				Building	N
				People	N
				Data	N
				Business Activity	H
				Supply Chain	L
<ul style="list-style-type: none"> <li>• <b>Strategic Crop Diversification:</b> Shift investment from less resilient crops (e.g., rubber) towards climate-adaptive alternatives (e.g., oil palm, berries, cinnamon) to mitigate risk and enhance resilience.</li> <li>• <b>Protective Structures (Polytunnels):</b> Deploy polytunnels, especially in berry farms, to guard against extreme rainfall and reduce fungal disease incidence.</li> <li>• <b>Precision Agriculture Piloting:</b> Initiate trials (e.g., Nayapane) for precision agriculture techniques to optimise resource use and improve climate responsiveness.</li> </ul>					

High	Moderate	Low	Negligible
H	M	L	N

PLANTATION SECTOR

Risk	Description	Probability of Occurrence	Physical / Transition Risk	Impact on business if the risk/opportunity materialises	Impact of strategy and decision-making														
RISKS	Increased Frequency of Extreme Weather Events	H	Physical	<table border="1"> <tr><td>Inventory</td><td>H</td></tr> <tr><td>Equipment</td><td>H</td></tr> <tr><td>Building</td><td>L</td></tr> <tr><td>People</td><td>L</td></tr> <tr><td>Data</td><td>L</td></tr> <tr><td>Business Activity</td><td>L</td></tr> <tr><td>Supply Chain</td><td>H</td></tr> </table>	Inventory	H	Equipment	H	Building	L	People	L	Data	L	Business Activity	L	Supply Chain	H	<ul style="list-style-type: none"> <li>Unpredictable weather patterns significantly impact strategic decisions on product forecasting and market distribution. To mitigate this, focus is placed on:</li> <li><b>Enhanced Weather Monitoring:</b> Investing in better weather monitoring and early warning facilities.</li> <li><b>Risk Transfer:</b> Securing comprehensive insurance coverage for crops and facilities.</li> <li><b>Disaster Relief Funding:</b> Establishing external state and non-state collaborations for funding.</li> </ul>
	Inventory	H																	
Equipment	H																		
Building	L																		
People	L																		
Data	L																		
Business Activity	L																		
Supply Chain	H																		
Pests and disease outbreaks	H	Physical	<table border="1"> <tr><td>Inventory</td><td>H</td></tr> <tr><td>Equipment</td><td>H</td></tr> <tr><td>Building</td><td>L</td></tr> <tr><td>People</td><td>L</td></tr> <tr><td>Data</td><td>L</td></tr> <tr><td>Business Activity</td><td>L</td></tr> <tr><td>Supply Chain</td><td>H</td></tr> </table>	Inventory	H	Equipment	H	Building	L	People	L	Data	L	Business Activity	L	Supply Chain	H	<p>To enhance resilience against pests and diseases, the strategy focuses on:</p> <ul style="list-style-type: none"> <li><b>Investing in Resistant Varieties:</b> Transitioning to crop varieties with inherent or enhanced resistance to specific pests and diseases.</li> <li><b>Implementing Integrated Pest Management (IPM):</b> Adopting sustainable pest control practices, including biological controls and precision agriculture.</li> </ul>	
Inventory	H																		
Equipment	H																		
Building	L																		
People	L																		
Data	L																		
Business Activity	L																		
Supply Chain	H																		

High	Moderate	Low	Negligible
H	M	L	N

PLANTATION SECTOR																			
Risk	Description	Probability of Occurrence	Physical / Transition Risk	Impact on business if the risk/opportunity materialises	Impact of strategy and decision-making														
RISKS						<ul style="list-style-type: none"> <li>• <b>Driving Research &amp; Development:</b> Funding R&amp;D to develop disease-resistant crop strains and identify new treatment options.</li> <li>Establishing Early Detection: Deploying early warning and monitoring systems using technology to minimise damage through timely intervention.</li> <li>• <b>Forging Strategic partnerships:</b> Collaborating with research institutions or government bodies to access resources and expertise during large-scale outbreaks.</li> </ul>													
	Carbon Sequestration and Ecosystem Services	Plantation companies can enhance carbon sequestration by investing in reforestation, agroforestry, and soil management practices. This creates opportunities to participate in carbon credit markets, generating additional revenue streams.	H	Transition	<table border="1"> <tr><td>Inventory</td><td>L</td></tr> <tr><td>Equipment</td><td>L</td></tr> <tr><td>Building</td><td>L</td></tr> <tr><td>People</td><td>M</td></tr> <tr><td>Data</td><td>L</td></tr> <tr><td>Business Activity</td><td>M</td></tr> <tr><td>Supply Chain</td><td>M</td></tr> </table>	Inventory	L	Equipment	L	Building	L	People	M	Data	L	Business Activity	M	Supply Chain	M
Inventory	L																		
Equipment	L																		
Building	L																		
People	M																		
Data	L																		
Business Activity	M																		
Supply Chain	M																		
OPPORTUNITIES																			

High	Moderate	Low	Negligible
H	M	L	N

**PLANTATION SECTOR**

Risk	Description	Probability of Occurrence	Physical / Transition Risk	Impact on business if the risk/opportunity materialises	Impact of strategy and decision-making														
<b>OPPORTUNITIES</b>					<ul style="list-style-type: none"> <li>• <b>Build Sustainable Brand:</b> Position EPP as a leader in sustainable agriculture to boost market presence (AC1:AC8) and appeal to environmentally conscious investors and consumers.</li> <li>• <b>Foster Long-Term Resilience:</b> Enhance natural ecosystems and reduce reliance on artificial inputs to build ecological resilience and strengthen climate adaptation.</li> </ul>														
	Increased demand on sustainability certifications	Businesses need to be more environmentally and socially conscious in their operations.	H		<table border="1"> <tr><td>Inventory</td><td>M</td></tr> <tr><td>Equipment</td><td>H</td></tr> <tr><td>Building</td><td>M</td></tr> <tr><td>People</td><td>H</td></tr> <tr><td>Data</td><td>M</td></tr> <tr><td>Business Activity</td><td>H</td></tr> <tr><td>Supply Chain</td><td>H</td></tr> </table>	Inventory	M	Equipment	H	Building	M	People	H	Data	M	Business Activity	H	Supply Chain	H
Inventory	M																		
Equipment	H																		
Building	M																		
People	H																		
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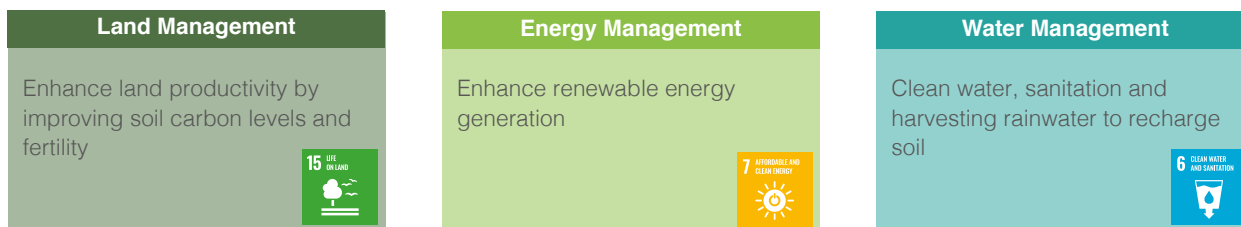
High	Moderate	Low	Negligible
H	M	L	N

NON-PLANTATION SECTOR																				
Risk	Description	Probability of Occurrence	Physical / Transition Risk	Impact on business if the risk/opportunity materialises		Impact of strategy and decision-making														
RISKS	Changes in precipitation patterns	<ul style="list-style-type: none"> <li><b>Hydro Power:</b> Reduced water availability diminishes mini-hydro power output, causing revenue loss.</li> <li><b>Solar Power:</b> Excessive rainy weather limits sunlight availability, potentially reducing solar power generation efficiency.</li> </ul>	H	Physical	<table border="1"> <tr><td>Inventory</td><td>N</td></tr> <tr><td>Equipment</td><td>M</td></tr> <tr><td>Building</td><td>N</td></tr> <tr><td>People</td><td>N</td></tr> <tr><td>Data</td><td>N</td></tr> <tr><td>Business Activity</td><td>H</td></tr> <tr><td>Supply Chain</td><td>L</td></tr> </table>	Inventory	N	Equipment	M	Building	N	People	N	Data	N	Business Activity	H	Supply Chain	L	<ul style="list-style-type: none"> <li>Diversify into solar PV projects to mitigate reliance on water resources.</li> </ul>
	Inventory	N																		
	Equipment	M																		
Building	N																			
People	N																			
Data	N																			
Business Activity	H																			
Supply Chain	L																			
Increased Frequency of Extreme Weather Events	<ul style="list-style-type: none"> <li><b>Solar Power:</b> Rising temperatures reduce the efficiency of solar PV systems</li> </ul>	H	Physical	<table border="1"> <tr><td>Inventory</td><td>N</td></tr> <tr><td>Equipment</td><td>M</td></tr> <tr><td>Building</td><td>N</td></tr> <tr><td>People</td><td>N</td></tr> <tr><td>Data</td><td>N</td></tr> <tr><td>Business Activity</td><td>H</td></tr> <tr><td>Supply Chain</td><td>L</td></tr> </table>	Inventory	N	Equipment	M	Building	N	People	N	Data	N	Business Activity	H	Supply Chain	L	<ul style="list-style-type: none"> <li>Explore heat-tolerant PV technology and optimised cooling systems to enhance solar panel performance and efficiency under high temperatures.</li> </ul>	
Inventory	N																			
Equipment	M																			
Building	N																			
People	N																			
Data	N																			
Business Activity	H																			
Supply Chain	L																			
Higher material costs due to global climate-related supply chain disruptions.	Increased capital expenditure for solar panels, inverters, mounting structures, and turbines.	H	Transition	<table border="1"> <tr><td>Inventory</td><td>M</td></tr> <tr><td>Equipment</td><td>H</td></tr> <tr><td>Building</td><td>L</td></tr> <tr><td>People</td><td>N</td></tr> <tr><td>Data</td><td>N</td></tr> <tr><td>Business Activity</td><td>H</td></tr> <tr><td>Supply Chain</td><td>Very High</td></tr> </table>	Inventory	M	Equipment	H	Building	L	People	N	Data	N	Business Activity	H	Supply Chain	Very High	<ul style="list-style-type: none"> <li>Invest in inventory management systems to predict and mitigate future disruptions.</li> </ul>	
Inventory	M																			
Equipment	H																			
Building	L																			
People	N																			
Data	N																			
Business Activity	H																			
Supply Chain	Very High																			
OPPORTUNITIES	Rising government incentives for renewable energy installations	Rooftop solar projects benefit from reduced installation costs and a higher Return on Investment (ROI). (e.g., Sooryabala Sangaramaya Initiative)	H	Transition	<table border="1"> <tr><td>Inventory</td><td>L</td></tr> <tr><td>Equipment</td><td>M</td></tr> <tr><td>Building</td><td>N</td></tr> <tr><td>People</td><td>N</td></tr> <tr><td>Data</td><td>L</td></tr> <tr><td>Business Activity</td><td>H</td></tr> <tr><td>Supply Chain</td><td>L</td></tr> </table>	Inventory	L	Equipment	M	Building	N	People	N	Data	L	Business Activity	H	Supply Chain	L	<ul style="list-style-type: none"> <li>Pursue incentive driven projects.</li> </ul>
Inventory	L																			
Equipment	M																			
Building	N																			
People	N																			
Data	L																			
Business Activity	H																			
Supply Chain	L																			

High	Moderate	Low	Negligible
H	M	L	N

## GO GREEN AND BEYOND

Our environmental strategy is guided by the “Go Green and Beyond” initiative, launched in 2018/19. This holistic approach structures our management of environmental impacts, energy usage, and water consumption, focusing on three core areas identified as having the most significant operational influence: Land, Water, and Energy. It supports the development of a climate-resilient business model and aligns directly with three UN Sustainable Development Goals (UN SDGs).



GRI 13.5.1, 13.6.1

## LAND MANAGEMENT

Enhancing land productivity through improved soil health is a strategic priority. Our focus involves increasing soil carbon levels and fertility, preserving microbial life, restoring degraded soils, and preventing erosion and pollution. Key practices employed to achieve this include:

	Actions	Benefits
<b>Precision and Integrated Agriculture</b>	<ul style="list-style-type: none"> <li>Implemented soil fertigation and precision agriculture technologies to optimise resource use.</li> <li>Adopted integrated agricultural practices, including managing invasive weeds.</li> <li>Employed traditional methods such as hand weeding and mulching to maintain soil health and reduce chemical reliance.</li> <li>Adopted integrated pest management (IPM) techniques, including smoke and biological methods, minimising chemical pesticide needs.</li> </ul>	<ul style="list-style-type: none"> <li>Removed 2.7 Mn. kgs of weed used for making organic compost</li> <li>Minimised soil erosion</li> <li>Strengthened the rubber supply chain</li> <li>Produced rubber with a higher economic value</li> </ul>
<b>Sustainable Energy Source Development</b>	<ul style="list-style-type: none"> <li>Planted 27,893 bamboo plants specifically designated for sustainable biomass generation, contributing to thermal energy self-sufficiency goals.</li> </ul>	
<b>Soil Health &amp; Input Management</b>	<ul style="list-style-type: none"> <li>Produced and applied organic inputs, including 7,374 MT of organic compost derived from biodegradable waste.</li> <li>Applied 142 Mt of biochar to enhance soil structure and carbon retention.</li> <li>Reduced reliance on chemical inputs</li> <li>Improved soil structure and minimised erosion through practices including maintaining proper drainage systems and restricting heavy machinery use on steep terrain.</li> <li>Increased the use of cover crops to protect soil and enhance fertility.</li> <li>An innovative drainage system was strategically implemented across erosion-prone areas.</li> <li>Conducted a Watershed Education and Awareness Training Programme at Dunsinane Estate for the estate community.</li> </ul>	<ul style="list-style-type: none"> <li>Improves water holding capacity and nutrient availability</li> <li>Increase soil carbon content</li> <li>Boosts microbial life and diversity</li> <li>Remediates soil by reducing toxins.</li> <li>Each ton of biochar sequesters 3.7 tons of atmospheric carbon</li> <li>Control runoff and prevent soil displacement, especially during heavy rainfall</li> <li>Conserves vital topsoil, enhances land stability, and underpins sustainable farming practices.</li> <li>Prevent frequent repairs and land degradation, reducing operational expenses in the long run.</li> </ul>



GRI 302-1, 3, 4

**ENERGY MANAGEMENT**

Driven by our strategic goal of achieving net positive energy status, we continue to invest in expanding our renewable energy capacity. A key milestone was becoming the first Regional Plantation Company (RPC) to secure Asian Development Bank (ADB) funding for rooftop solar installations. These systems are now operational across all our factories, significantly advancing our transition to sustainable energy sources. Our energy consumption profile is detailed below.



Source	Type	Unit	Conversion to Joules/GJ	2022/23	2023/24	2024/25
<b>Non-renewable</b>	Petrol	Litres	0.0325	48,226	52,591	64,057
	Diesel	Litres	0.037	243,757	206,039	203,231.81
	LPG	Kgs	3.09	6,100	6016	7,280
	National Grid	KWh (Units)	0.0036	3,663,117	3,560,326	3,161,252
<b>Renewable</b>	Biomass	Kgs '000	16.2	10,114	11,167	8,713
	Total energy consumed	GJ		188,594	240,346	163,548
	Energy intensity	GJ per unit		7.17	8.55	5.65

**Our renewable energy portfolio**

Our total renewable energy generation capacity was 4,165 kW as of 31 March 2025.



**2,317,304kwh**

15 rooftop solar projects



**3,772,417kwh**

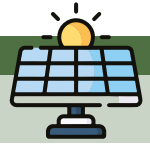
3 Mini hydro projects



**8,786,126kwh**

Biomass

## Expanding Our Solar Footprint: 2.5 MW Total Rooftop Capacity Achieved!



FY 24/25 Rooftop Solar-PV Installations	
247 kW	
Total New Capacity Installed (434 Panels)	
Bulk Installations - Factory Power <ul style="list-style-type: none"> <li>• Sheen Tea Factory: <b>140.22 kW</b></li> <li>• Harrow Tea Factory: <b>107.16 kW</b></li> </ul>	Domestic Installations- Supporting Communities <ul style="list-style-type: none"> <li>• Meddacombra Elders' Home: <b>5 kW</b></li> <li>• Talgaswella Asst. Manager Bungalow: <b>4 kW</b></li> <li>• Devithurai Asst. Manager Bungalow: <b>5 kW</b></li> </ul>



### Future Focus - Ground-Mounted Solar-PV

Our long-term strategy prioritises the development of ground-mounted solar PV to substantially boost our renewable energy capacity. Accordingly, the groundwork is laid for a 3 MW project, having obtained the necessary energy permit from the Sri Lanka Sustainable Energy Authority (SLSEA).

We have adopted the following practices to enhance energy generation and utilisation:

Focus area	Initiatives in FY 2024/25	Benefits/Impact
<b>Increase biomass energy production</b>	<ul style="list-style-type: none"> <li>• Already Planted 27,893 bamboo trees to generate sustainable fuel sources for thermal energy needs</li> <li>• Avoided purchasing firewood sourced from forests, ensuring reliance on sustainable inputs.</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of thermal requirements met through sustainable biomass</li> <li>• Cultivated 56 hectares of bamboo and fuelwood</li> </ul>
<b>Technology &amp; Infrastructure Upgrades</b>	<ul style="list-style-type: none"> <li>• Implemented energy-efficient LED and/or CFL lighting (Sheen, New Peacock, Gulugahakanda, Lelwala, Ketandola).</li> <li>• Installed Variable Speed Drives (VSDs) on motors, including high-voltage ones (Sheen, New Peacock, Ketandola).</li> <li>• Installed a capacitor bank (Ketandola).</li> <li>• Installed 434 rooftop solar panels with a combined generation capacity of 247 kW (Dunsinane, Elpitiya, and Ketandola).</li> </ul>	<ul style="list-style-type: none"> <li>• Decarbonisation and reduced our reliance on fossil fuel.</li> <li>• Added clean energy to the national grid</li> <li>• 13% excess generation of renewable energy</li> <li>• Achieved 'carbon negative' status in our electrical energy consumption</li> <li>• Offset over 15,676 tons of CO<sub>2</sub>e</li> <li>• Reduce long-term electricity costs through self-generation</li> </ul>
<b>Operational Efficiency and Management</b>	<ul style="list-style-type: none"> <li>• Acquired a new firewood splitter and established appropriate firewood storage to improve efficiency (Dunsinane).</li> <li>• Implemented regular monitoring of energy consumption (Sheen).</li> </ul>	<ul style="list-style-type: none"> <li>• Properly prepared fuel (dry, uniform size) burns more efficiently, maximising energy yield and potentially reducing fuel consumption.</li> <li>• Enable informed decisions about where to focus future energy-saving efforts for the greatest impact.</li> </ul>

Focus area	Initiatives in FY 2024/25	Benefits/Impact
<b>Awareness and Training</b>	<ul style="list-style-type: none"> <li>Conducted programmes for factory teams and estate staff focused on reducing electricity consumption usage (Sheen, Gulugahakanda, Lelwala, Ketandola).</li> <li>Organised a programme specifically for estate electricity users, conducted by the CEB (Talgaswella).</li> <li>Foster energy-saving behaviours among staff and mitigate electrical risks for users, contributing to reduced energy waste and more effective overall energy management.</li> </ul>	<ul style="list-style-type: none"> <li>Foster energy-saving behaviours among staff and mitigate electrical risks for users, contributing to reduced energy waste and more effective overall energy management.</li> </ul>

<b>21704 GJ</b> green energy generated in excess	<b>2</b> new solar projects initiated to increase the power generation capacity, YoY	<b>Rs.05 Mn.</b> invested in solar capacity expansion	As a result of the energy conservation and efficiency initiatives, we have reduced our energy consumption by <b>76,798 GJ</b> in FY 2024/25.
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**GRI** 305-1,2,3,4,5,6,13.1  
SASB FB-AG-110a.1  
SASB FB-AG-110a.2

### EMISSION MANAGEMENT

Steady progress was made in reducing emissions towards our 2030 net-positive target. The reduction in FY 2024/25 was enabled by continued adoption of renewable energy and the systematic decrease of chemical fertilisers, targeting a primary source of agricultural sector emissions.

### Energy efficiency improvement programme

- Elpitiya Plantations PLC was selected for the prestigious 2-year Programme, "New Solutions for Low-Emission Food Production in Sri Lanka." As part of this initiative, we were working towards ISO 50001 Implementation, provided

free of charge by the National Cleaner Production Centre (NCPC) at Dunsinane Tea Factory.

- Dunsinane Estate was successfully verified by NCPC for GHG emissions and awarded the certificate for Dunsinane Estate - Elpitiya Plantations PLC.

### Initiatives implemented to reduce emissions

- To reduce GHG emissions and enhance soil health, we transitioned from nitrogen-based chemical fertilisers to organic manures, achieving an 53.88% increase (base year -2017/18) in organic compost fertiliser usage in FY 2024/25 and significantly impacting our largest emission source (over 50% of total).
- Planted 17,276 trees to increase the green cover by 10%

- Applied 142,444 kilograms of biochar to enhance carbon sequestration, effectively embedding a century-long reserve of activated carbon within the soil.
- By sourcing tea from nearby smallholders, we cut transport emissions, support local communities, and ensure fresh, high-quality produce.
- Initiated the purchasing process of 02 electric vehicles for operational purposes.



Source	Unit	2021/22	2022/23	2023/24	2024/25
Direct (Scope 1) GHG emissions	tCO2e	5,459	5,572	5,577	5,464
Indirect (Scope 2) GHG emissions	tCO2e	2,692	2,601	1,885	1,352
Indirect (Scope 3) GHG emissions	tCO2e	-	-	-	-
Total GHG emissions	tCO2e	8,151	8,173	7,462	6,817
Emission intensity	GHG tCO2e/ Rs. Mn. revenue	1.59	0.97	1.03	0.89
Total Emissions offset and/ or reduced	tCO2e	15,866	17,560	21,177	15,676
Emissions of ozone-depleting substances (ODS)	tCO2e	0	0	0	0
Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	tCO2e	Negligible	Negligible	Negligible	Negligible

**Energy consumption was calculated based on**

- The types of gases included in the calculations: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O
- The base year of calculation: 2018/19 FY
- Source of the emission factors: IPCC Emission Factors

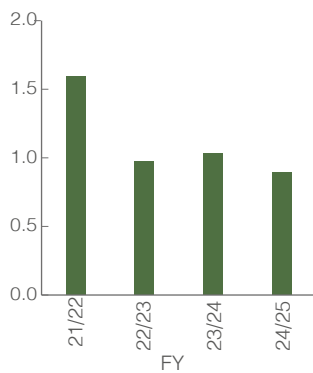
- The global warming potential (GWP) rates used, or a reference to the GWP source

Source	CO <sub>2</sub> (kg/TJ)	CH <sub>4</sub> (kg/TJ)	N <sub>2</sub> O (kg/TJ)
GWP	1	21	310
Emission factor	63,100	1	0.01
Total emissions	21.29	0.01	-

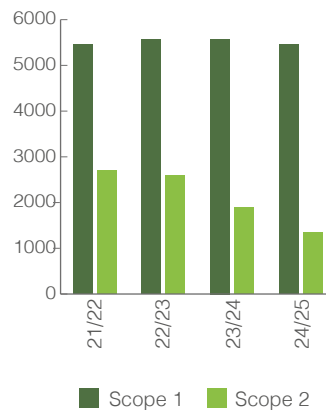
\*The calculation and Verification of Scope 3 emissions for the FY 2024/25 is in progress. The management approval has been obtained to get the service of the Sri Lanka Climate Fund for the verification, and currently, the calculation process is undergoing.



**Emission Intensity (tCo2e/Revenue)**



**Emissions (tCO<sub>2</sub>e)**



**14%**

decrease in energy intensity

**9%**

reduction in emissions, YoY

**15,676**

Emissions offset/reduced

GRI 303-1, 303-2, 17.7 SASB 4FB-AG-440a.2, SASB 5FB-AG-140a.1 SASB 6FB AG-140a.2 SASB 7FB-AG-140a.3

**WATER AND EFFLUENT MANAGEMENT**

Water is a vital resource for our operations, mainly used in crop cultivation and for our estate employees and communities. This FY, 0% of our agricultural products were sourced from regions with High or Extremely High Baseline Water Stress, emphasising the need for careful stewardship. Moreover, we maintained full compliance with all water quantity and quality permits, standards, and regulations, reporting zero incidents of non-compliance.

Focus area	Initiatives in FY 2024/25	Benefits/Impact
<b>Conserving water bodies</b>	<ul style="list-style-type: none"> <li>Protected natural waterways, water bodies, and riparian zones, including their connectivity, quantity, and quality.</li> <li>Reduced water consumption during tea plucking operations.</li> <li>Implemented regular checks for water leaks (Ketandola Estate)</li> </ul>	<ul style="list-style-type: none"> <li>Ensured access to clean drinking water for nearby village communities.</li> <li>Fostered greater diversity of terrestrial wildlife within managed estate habitats.</li> </ul>
<b>Harvesting rainwater</b>	<ul style="list-style-type: none"> <li>Managed a system/network of 79 water retention ponds.</li> <li>Harvested 52,051,000 litres of rainwater.</li> <li>Expanded pond storage capacity by increasing depth and width.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced reliance on ground and surface water sources</li> </ul>
<b>Enrich the soil by applying organic compost</b>	<ul style="list-style-type: none"> <li>Applied 7374 MT of organic compost</li> </ul>	<ul style="list-style-type: none"> <li>Replenished soil moisture, reducing the impact of drought and lowering the water requirements for cultivation purposes</li> </ul>
<b>Water effluent management</b>	<ul style="list-style-type: none"> <li>Ensured safe handling of all chemical containers and instruments according to established safety procedures.</li> <li>Provided targeted awareness and training on safe chemical handling to all relevant employees.</li> <li>Strictly prohibited the use of natural water bodies for cleaning chemical equipment (containers, instruments, sprayers).</li> <li>Enforced a ban on discharging chemical waste into or near waterways.</li> <li>Reduced the usage of chemical fertilisers, pesticides, and weedicides.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced soil and groundwater contamination</li> </ul>



## MEASURING WATER QUALITY

We measure our water quality annually by a reputed institute in the country for drinking water, factory wastewater, and streams in rubber uprooting fields as shown below:

Drinking water
SLSI Standards (pH, coliform and selected physical and chemical parameters)

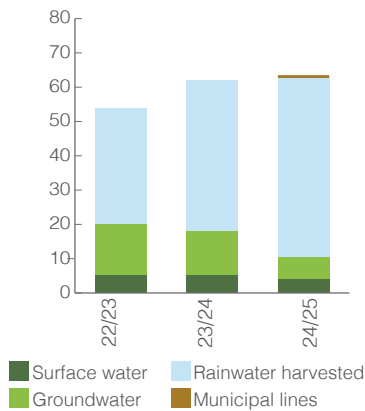
Factory wastewater
SLSI and RRISL standards (pH, BOD, COD, Turbidity)

Up-rooting field
SLSI Standards (pH, BOD, COD, Turbidity)

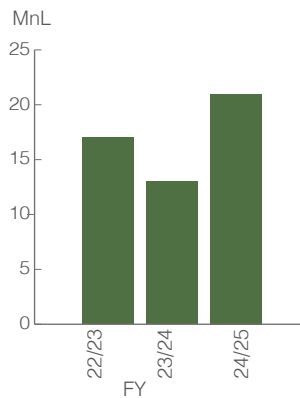
### Water withdrawal

	Unit	2022/23	2023/24	2024/25
Surface water	Mn. Litres	5	5	4
Groundwater	Mn. Litres	15	13	7
Rainwater harvested	Mn. Litres	34	44	52
Municipal lines	Mn. Litres	-	-	0.001
Total water withdrawn	M3	54,394	60,826	63,119
Total water discharge	Mn. Litres	17	13	21
Total water consumption	Mn. Litres	37	47	42

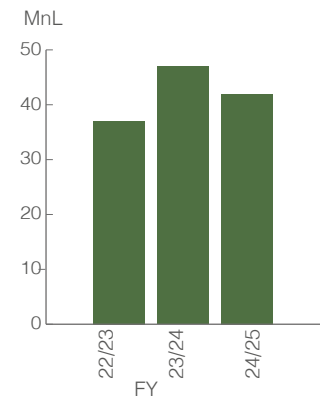
Water Withdrawn



Total water discharge



Total water consumption



### Water discharged by location in FY 2024/25

Location	Quantity discharged (Litres)	Location	Quantity discharged (Litres)
<b>Surface Water</b>		<b>Ground water</b>	
Nayapane	141,811	Gulugahakanda	Outsourced processing
Dunsinane	7,200	Ketandola	Outsourced processing
Meddecombra	10,200	Devitura	Outsourced processing
New Peacock	20,160	Bentota	Outsourced processing
Fernlands	180,000	Elpitiya	8,939,000
Sheen	880,945	Lelwala	Outsourced processing
Total surface water discharged	1,240,316	Total groundwater dis-charged	8,939,000

## Water management plan

The Water Management Plan at the Gulugahakande Estate provides a strategic roadmap for optimising water use and sustainability throughout our operations. It involves systematically assessing consumption, pinpointing inefficiencies, and executing targeted measures, including enhanced monitoring, infrastructure improvements, and water-saving techniques. Guided by measurable conservation goals, this initiative strengthens our resilience to water stress, supports sustainable farming practices, and advances our environmental stewardship goals.

### Objectives



**52,051,000** Lts

Of rainwater harvested

GRI 306-1,2,3,4,5, 13.6.2,13.8

### WASTE MANAGEMENT

We practice responsible waste management across our operations, ensuring minimal environmental impact and safeguarding our land. All waste handling from collection and transport to disposal is conducted in an environmentally sound manner. Moreover, we implement composting (reusing over 90% of biodegradable waste), recycling, and other eco-friendly disposal methods across our estates. Total waste generated this fiscal year amounted to 299 MTs.

### Minimising waste

- Minimised tea wastage (from plucking to transport) by reclaiming, reusing (for secondary products), and composting residue.
- Converted non-marketable berries into value-added products or fertiliser, limiting wastage to 3% of production.
- Converted weeds into compost and utilised tree loppings/cinnamon wood for biochar production.
- Treated and recycled rubber factory effluent water for reuse.

**79**

Water retention ponds



**100%**

of estate households provided with potable water



*Discarded boots were repurposed to create unique landscaping, transforming the outdoor area into a creative and imaginative space for children*

# 01%

Of biodegradable waste recycled

# 20%

Reduction in paper usage, YoY

Non-hazardous waste	
Description	Quantity (Tons)
Waste Paper	0.3
Iron Scraps	0.2
Composted Waste	297.3
Food Waste	0.8

### Volume and intensity of pesticides used

Intensity of the pesticides Volume	Volume
Extremely hazardous	nill
Highly hazardous	nill
Moderately hazardous	5,237
Slightly hazardous (Weedicide)	14,239
Unlikely to present an acute hazard	nill



### Training provided to workers on pest management and the application of pesticides

Training compliant with RA and FSC EMS requirements was provided to all chemical sprayers and relevant staff, covering safe chemical storage/handling, buffer zone protection, and first aid.

### Recycled Paper and Upcycled Office Material Initiative

To minimise paper and cardboard waste, Gulugahakande Estate implemented an initiative promoting reuse and reduction. Key staff actions included reusing envelopes for internal mail, adopting double-sided printing, and using the blank side of printed documents for drafts. Moreover, shifting towards paperless operations was encouraged through digital communication and documentation. This effort directly supported our sustainability goals of resource efficiency, waste minimisation, and fostering an environmentally aware culture.

### Objectives



GRI 304-2, 13.3 13.4  
SASB 7FB-AG-000.C

### BIODIVERSITY CONSERVATION

As stewards of over 8800 hectares of biodiverse land, we are committed to safeguarding these precious ecosystems. Accordingly, we conducted comprehensive Biodiversity Assessments to maintain an inventory of the fauna and flora within our ecosystems, identifying 134 threatened flora species, 269 threatened fauna species, 186 nationally threatened species, and 5 globally endangered species according to the IUCN Red List. Our field officers maintain records of identified species within the estates. In collaboration with the Rainforest Alliance, we have developed a comprehensive biodiversity conservation plan to protect these ecosystems.

**International Union for Conservation of Nature Conservation Status**

EX – Extinct	EX
EW – Extinct in the wild	EW
CR – Critically Endangered	CR
EN – Endangered	EN
VU – Vulnerable	VU
NT – Near Threatened	NT
LR – Lower Risk	LR
LC – Least Concern	LC



Brown Fish Owl - *Ketupa zeylonensis* LC



Lankascincus sripadensis - Sri pada lankaskink - Endemic CR



Pseudophilautus asanki - Asanka's shrub frog - Endemic - CR

**THE DUNSINANE VALLEY PROJECT**

Spanning 6,593 acres in the Central Highlands (including tea plantations and communities), the Dunsinane Valley project introduces a regenerative tourism model that goes beyond sustainability. By blending ecological restoration, community-led development, and immersive high-end travel, it seeks to restore the environment and local social fabric. Core commitments include carbon neutrality, zero-waste, biodiversity restoration, and community empowerment, aiming to create a pioneering hub for environmental health, local prosperity, and unique visitor experiences.

The project places the local community and environmental well-being at the centre of any decision-making and development.



The valley's development will be guided by scientific data and monitored for measurable environmental and social impacts. Independent verification will ensure that the project's goals are being met.

**Key Pledges of the Project**

- 100% Plastic- Free
- 100% carbon neutral
- Strive to regenerate degraded soil
- Produce organic, heirloom agriculture
- Designed and driven by the Community for the Community
- Empower the local community through profit redistribution
- 100% regionally sourced farm-to-table
- Protect and enhance the biodiversity of the Valley
- 100% Fair Trade
- Improve the region's air, water, and soil quality
- Commitment to Science-Based, verifiable outcomes



## Implementing Regenerative Agriculture

As the world's first plantation company to adopt regenerative agriculture, we continued to implement practices that prioritise improving soil health, biodiversity, climate resilience, and water resources with minimal environmental impact. This approach has enhanced farm productivity and profitability simultaneously. A successful pilot project demonstrating these benefits was implemented at our Nayapane Estate in collaboration with Kirin Japan, a key buyer who initiated interest in this innovative method.

GRI 304-1, 3, 4

### Threatened species in our estates

Committed to safeguarding Sri Lanka's biodiversity, we protect our natural ecosystems. Biodiversity Assessments allow us to inventory fauna and flora and identify IUCN Red List threatened/ endangered species within these areas.

Accordingly, with a focus of safeguarding critical biodiversity and ecosystem services across our 911.87 ha, our High Conservation Value (HCV) initiative aligns with Forest Stewardship Council (FSC) standards through targeted identification, protection, and management actions. Key biodiversity assessments within these HCV areas have revealed:

- **Fauna:** 190 identified species, including 35 endemic and 33 nationally threatened species.
- **Flora:** 93 recorded species, including 11 endemic and several endangered plants.
- **Aquatic Life:** Protection of critical freshwater ecosystems supporting 14 fish species, 8 of which are endemic.

Following detailed biodiversity assessments, two key High Conservation Value (HCV) areas were demarcated:

- The Atuwagala Monastery & Surrounding Forest (Nagathenna Division, 39 Ha)
- The Paththini Dola Stream Ecosystem (Giragoda Division, approx. 750m stretch)



*Polypedates eques* - Mountain tree frog

EN



*Ichthyophis glutinosus* - Ceylon caecilian

VU



*Cyrtodactylus triedrus* - Spotted Bow-fingered Gecko

VU



*Ceratophora tennentii* - Tennent's Leaf-nosed Lizard

EN



*Prinia sylvatica* - Jungle Prinia

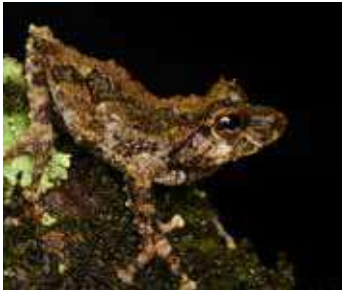
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These zones support significant biodiversity, including numerous endemic and threatened flora, mammals, birds, and freshwater fish. A particularly important resident is the Sri Lanka Black Ruby Barb (*Pethia nigrofasciata*, locally known as Bulath Hapaya), a nationally endangered fish found within the Paththini Dola stream ecosystem.

Identified species are as follows:

Freshwater Fish	Butterflies
<p>14 species recorded:</p> <ul style="list-style-type: none"> <li>• 8 endemic species, including: <i>Pethia nigrofasciata</i> (Sri Lanka Black Ruby Barb – Bulath Hapaya) – EN</li> <li>• <i>Rasbora daniconius</i> (Dandiya) – EN</li> <li>• <i>Belontia signata</i> (Thal Kossa/ Ceylon Combtail) – NT</li> </ul>	<p>36 species recorded:</p> <ul style="list-style-type: none"> <li>• Common Pierrot (<i>Castalius rosimon</i>)</li> <li>• Lesser Grass Blue (<i>Zizina otis</i>)</li> <li>• Indian Cupid (<i>Everes lacturnus</i>)</li> </ul>

Amphibians	Reptiles
<p><b>4 species</b> identified:</p> <ul style="list-style-type: none"> <li>• 2 endemic species, both Near Threatened : <i>Pseudophilautus alto</i> <span style="background-color: #4F7942; color: white; border-radius: 50%; padding: 2px;">NT</span></li> <li>• <i>Pseudophilautus schmarda</i> -Schmarda's shrub frog -Endemic <span style="background-color: #FFA500; border-radius: 50%; padding: 2px;">CR</span></li> </ul>	<p><b>9 species</b> recorded:</p> <ul style="list-style-type: none"> <li>• 2 endemic species:</li> <li>• <i>Bungarus caeruleus</i> -Common Krait</li> <li>• <i>Cyrtodactylus frenatus</i></li> <li>• <i>Aspidura ceylonensis</i></li> </ul>



Birds (Avifauna)	Mammals
<p><b>61 species</b> recorded</p> <ul style="list-style-type: none"> <li>• 6 endemic species, including: <i>Black naper Monarch</i></li> <li>• <i>Pied bushchat</i></li> <li>• <i>White browed fan tail</i></li> <li>• <i>Orange billed babbler</i></li> </ul>	<p><b>16 species</b> recorded</p> <ul style="list-style-type: none"> <li>• 2 endemic species: <i>Macaca sinica aurifrons</i> <span style="background-color: #FFA500; border-radius: 50%; padding: 2px;">EN</span> (Sri Lanka Toque Macaque)</li> <li>• <i>Semnopithecus vetulus vetulus</i> <span style="background-color: #FFA500; border-radius: 50%; padding: 2px;">EN</span> (Sri Lanka Purple-faced Langur)</li> </ul>



Dragonflies	Flora
<ul style="list-style-type: none"> <li>• Sri Lanka Ana Mia's Shadowdamsel (<i>Ceylonosticta anamia</i> , Bedjanic, 2010) Elpitikanda Division of Elpitiya Estate</li> <li>• Sri Lanka Brinck's Shadowdamsel (<i>Ceylonosticta brincki</i> , Lieftinck, 1971)</li> </ul>	<p><b>93 plant</b> species from <b>42 families</b></p> <ul style="list-style-type: none"> <li>• 11 endemic species</li> <li>• <i>Rhynchosyris totonianum</i> (Diya-nilla) <span style="background-color: #FFA500; border-radius: 50%; padding: 2px;">EN</span></li> <li>• <i>Impatiens subcordata</i> <span style="background-color: #FFA500; border-radius: 50%; padding: 2px;">CR</span> <span style="background-color: #FFA500; border-radius: 50%; padding: 2px;">EN</span></li> <li>• <i>Rubus niveusz</i> (Rodu-ketambila) <span style="background-color: #4F7942; border-radius: 50%; padding: 2px;">NT</span></li> <li>• <i>Zehneria thwaitesii</i> <span style="background-color: #FFA500; border-radius: 50%; padding: 2px;">VU</span></li> </ul>



**Key objectives:**

- Preserve habitats within High Conservation Value (HCV) areas for endemic, vulnerable, and endangered species.
- Enhance ecological resilience by restoring secondary forests and riparian zones.
- Protect culturally significant sites, such as the Atuwagala Monastery.
- Safeguard riverine ecosystems to support freshwater biodiversity and regulate local hydrology.
- Integrate traditional knowledge and actively engage local communities in conservation initiatives.

**Key actions:**

- Establish and protect designated High Conservation Value (HCV) zones.
- Monitor and manage priority species (e.g., Red Slender Loris, Forest Day Gecko, endemic birds/amphibians).

- Apply sustainable water use and flood control strategies for the Paththini Dola stream.
- Undertake reforestation with native species and erosion control in degraded areas.
- Foster environmental stewardship via community education and stakeholder involvement.

**GRI** 13.4

**NATURAL ECOSYSTEM CONVERSION**

In line with FSC principles, we enforce a strict policy against converting natural forests and maintaining existing natural forest patches. Critically, none of our plantations were established on land cleared of natural forest after 1994, and we do not convert existing natural forests into plantations.

While allowing for up to 5% crop type

changes within established agricultural areas, our forest plantations focus on timber and fuelwood species. In unavoidable conversion scenarios (outside of natural forests), we guarantee no High Conservation Value Forest (HCVF) is utilised and minimise negative impacts on forest patches.

Moreover, we safeguard ecologically vital marshy lands and ponds within our Forest Management Units (FMUs) through established buffer zones and conduct awareness programmes emphasising their importance. These ecosystems are protected from conversion during planting and harvesting. Furthermore, limited community access to water bodies is permitted under strict conditions that prohibit pollution and other harmful activities.

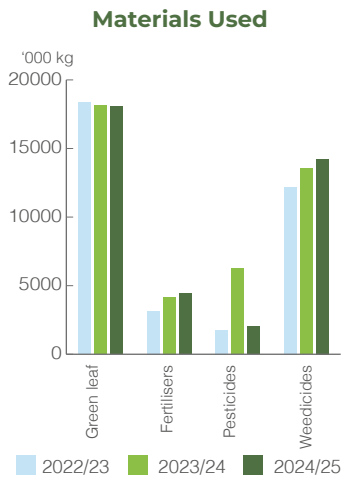
**GRI** 301-1,2,3

**MATERIAL MANAGEMENT**

Our sustainability efforts focus on two key areas: increasing the use of renewable materials in processing and packaging, and minimising non-renewable inputs (such as chemical fertilisers, pesticides, weedicides) in cultivation. This builds upon our foundation of using 100% renewable green leaf as our primary raw material.

Since our main products are export oriented, we have limited ability to reclaim the packaging materials. Therefore, our reclaimed products and packaging materials is 0%.

		Unit	2022/23	2023/24	2024/25
Renewable	Green leaf	Kg '000	18,364	18,123	18,053
Non-renewable	Fertilisers	Kg '000	3,140	4,158	4,430
	Pesticides	Litres	1,755	6,258	2,028
	Weedicides	Litres	12,198	13,544	14,239



Recycled material usage in manufacturing amounted to

**85%**

**CLIMATE-RELATED DISCLOSURES**

Progress on TCFD Disclosure Requirement - FY 2024/25	
<b>Governance</b>	The board exercises oversight on climate matters primarily through the newly established Sustainability Review Committee. This committee is tasked with assessing and managing climate-related risks and opportunities. It develops mitigation strategies and ensures our sustainability agenda aligns with long-term business objectives. Moreover, operational tracking of climate actions supports the committee’s work and is reviewed in monthly sustainability meetings chaired by Dr. Ravi Fernando.
<b>Strategy</b>	<p>Climate resilience is integral to our group strategy, embedded within our core agriculture and processing strategy, Design 2020 Strategy, and sustainability strategy. These frameworks address short-, medium-, and long-term climate change impacts, ensuring our operations remain adaptive and sustainable.</p> <p>Implementation is driven by designated UN SDG goal leaders, with progress monitored at the board level. This ensures effective execution of climate adaptation plans across three key dimensions:</p> <ul style="list-style-type: none"> <li> <b>Economic Adaptation:</b> <ul style="list-style-type: none"> <li>Diversifying products and expanding non-plantation revenue streams.</li> <li>Investing in climate-resilient crops and alternative income sources (e.g., agro-tourism) to mitigate climate impacts on traditional agriculture.</li> </ul> </li> <li> <b>Environmental Adaptation:</b> <ul style="list-style-type: none"> <li>Transitioning to organic manures from nitrogen-based chemical fertilisers to reduce GHG emissions and enhance soil health.</li> <li>Implementing rainwater harvesting for soil recharge and drought resilience.</li> <li>Accelerating the shift to clean energy (solar, biomass, hydro) and sustainable transport (EVs, Hybrid Vehicles).</li> </ul> </li> <li> <b>Social Adaptation:</b> <ul style="list-style-type: none"> <li>Upskilling and empowering the plantation community and youth, addressing demographic shifts and labour needs.</li> <li>Supporting community sustainability through climate-resilient home gardening.</li> <li>Enhancing climate adaptation skills and technological knowledge for long-term community resilience.</li> </ul> </li> </ul>

## Progress on TCFD Disclosure Requirement - FY 2024/25

<b>Risk Management</b>	<p>Following our parent company’s risk management framework, our approach to climate risk involves three distinct lines:</p> <ol style="list-style-type: none"> <li>1. Risk Identification (1st Line): Operational teams and risk owners are responsible for identifying and reporting emerging climate risks such as changing precipitation patterns, extreme weather events, logistical disruptions, and pest/disease outbreaks.</li> <li>2. Risk Management &amp; Oversight (2nd Line): The sustainability committee and board monitor these risks, manage mitigation efforts, and make strategic decisions. This includes driving product diversification, overseeing Climate actions (Clean Energy, Sustainable Land Use), fostering sustainable communities, and providing feedback on identified Climate-Related Risks and Opportunities (CRROs).</li> <li>3. Independent Assurance (3rd Line): Ernst &amp; Young (EY) provides third-party assurance, validating our approach through activities including scenario analysis, financial assessment review, and external auditing.</li> </ol>
<b>Metrics and Targets</b>	<p>Our specific targets for reducing climate impact by 2030 include:</p> <ul style="list-style-type: none"> <li>• Generate renewable electrical energy equivalent to 300% of our demand, achieving a net-positive energy status.</li> <li>• Reduce chemical fertiliser usage and associated GHG emissions by 50%.</li> <li>• Harvest 300 million litres of rainwater annually.</li> <li>• Meet 100% of thermal energy requirements using sustainable biomass sources.</li> <li>• Transition 50% of the vehicle fleet to electric or hybrid models.</li> <li>• Expand green cover by 10% through targeted planting of shade trees and bamboo.</li> </ul>

# SUPPORTIVE CONFIGURATION

## GOVERNANCE AND RISK

Grounded in robust systems, effective oversight, and ethical leadership, our governance framework forms the foundation that enables us to adapt, grow, and thrive in a complex world.



# CORPORATE GOVERNANCE

**A sound Corporate Governance Framework enabled the Group to successfully navigate recent challenges, emerging even stronger than before. As an associate Company of Aitken Spence Group, the corporate governance practices of the Elpitiya Plantations PLC are aligned to Aitken Spence Group and customised to reflect the industry-specific factors and sensitivities**

## HIGHLIGHTS 2024/25

Category	Event	Date
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Annual General Meeting of the Shareholders</li> <li>Payment of a final dividend of Rs. 5/- per share totalling Rs. 364 Mn., for the Financial Year ended 31st March 2024.</li> </ul>	28th June 2024
<b>Appointment of CEO</b>	<ul style="list-style-type: none"> <li>Appointment of Mr. A. G. G. Dayananda as Chief Executive Officer</li> </ul>	2nd April 2025
<b>New Appointments to the Board</b>	<ul style="list-style-type: none"> <li>Mrs. M. K. G. Peiris was appointed as a Non-Independent Non-Executive Director.</li> <li>Ms. M. D. A. Perera was appointed as a Non-Independent Non-Executive Director.</li> <li>Mrs. M. K. D. N. Madampe was appointed as a Non-Independent Non-Executive Director.</li> <li>Prof. A. S. Dharmasiri was appointed as an Independent Non-Executive Director.</li> <li>Mr. M. J. S. Rajakariar was appointed as an Independent Non-Executive Director.</li> <li>Dr. R. A. Fernando was appointed as an Independent Non-Executive Director.</li> </ul>	31st May 2024 27th August 2024 27th November 2024 1st January 2025 1st January 2025 1st January 2025
<b>Resignations from the Board</b>	<ul style="list-style-type: none"> <li>Mrs. D. A. S. Dahanayake</li> <li>Mr. D. C. Fernando</li> <li>Mr. A. T. S. Sosa ceased to be an Alternate to Mr. D. C. Fernando,</li> <li>Mrs. M. K. G. Peiris</li> <li>Dr. S. A. B. Ekanayake</li> <li>Mr. S. C. Ratwatte</li> <li>Mr. B. Bulumulla - deceased</li> </ul>	31st May 2024. 1st August 2024 1st August 2024 27th November 2024 31st December 2024 31st December 2024 15th March 2025
<b>Key Changes to Matters Relating to the Board and its Subcommittees</b>	<ul style="list-style-type: none"> <li>Board Sub-Committees were re-constituted</li> </ul>	1st January 2025
<b>Governance Framework</b>	<ul style="list-style-type: none"> <li>Compliance with the Revised Listing Rules on Corporate Governance, issued under Section 9 of the Listing Rule of the CSE.</li> <li>Adherence to the Revised Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka, following the revisions in the Listing Rules of the Colombo Stock Exchange on Corporate Governance in 2023, 2024 and 2025.</li> </ul>	1st October 2024

## GOVERNANCE AND REGULATORY COMPLIANCE

The governance framework has broadened in scope over the years, adapting to changing priorities as we moved beyond mere compliance with legal and regulatory requirements.

### Key changes occurred in the regulatory framework during the year under review are as follows:

- Implementation of Section 9 of the CSE Listing Rules on Corporate Governance – Refer Table 1.2 (ii) of the Corporate Governance Report for the Statement of Compliance with Section 9 of the Listing Rules.
- Introduction of a new Code of Best Practice on Corporate Governance by the Institute of Chartered Accountants of Sri Lanka in December 2023 – The Company is proactively ensuring compliance with the Code along with the revised Listing Rules. Scan this QR Code to see Company’s compliance levels with the Code of Best Practice on Corporate Governance 2023.
- Early adaption of SLFRS Sustainability Standards S1 and S2.



The Group’s governance framework is based on the following internal and external instruments:

Mandatory Compliances	Voluntary Compliances
<p><b>External instruments</b></p> <ul style="list-style-type: none"> <li>• Companies Act No. 7 of 2007 and the amendments thereto.</li> <li>• Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 (SLFRS/LKASs)</li> <li>• Listing Rules of the Colombo Stock Exchange (“CSE”)</li> <li>• Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 and the amendments thereto</li> <li>• Inland Revenue Act No. 24 of 2017 and the amendments thereto</li> <li>• Foreign Exchange Act No. 12 of 2017 and the amendments thereto</li> <li>• The Anti-Money Laundering Laws and Regulations and Financial Transaction Reporting Act No. 6 of 2006 and the amendments thereto</li> <li>• Personal Data Protection Act No. 9 of 2022</li> <li>• Anti-Corruption Act No. 9 of 2023</li> <li>• Employees Provident Fund Act</li> <li>• Employees Trust Fund Act</li> <li>• Payment of Gratuity Act</li> <li>• Plantation Staff / Workers Collective Agreements between the RPCs and Trade Unions</li> <li>• Maternity Benefit Ordinance</li> <li>• Wages Board ordinance</li> <li>• Industrial Disputes Act</li> <li>• Shop and Office Employees Act</li> <li>• Online Safety Act No. 9 of 2024</li> </ul>	<ul style="list-style-type: none"> <li>• Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka – 2023</li> <li>• Codes of regulatory authorities, professional institutions and Trade Associations</li> <li>• United Nations Global Compact (UNGC)</li> <li>• Global Reporting Initiative’s (GRI) Universal Standards 2021</li> <li>• Integrated Reporting Framework</li> <li>• Women’s Empowerment Principles</li> <li>• Social and Environmental Certification Requirements</li> <li>• UN Guiding Principles on Business and Human Rights</li> <li>• Management Systems (Environment &amp; Social)</li> </ul> <p><b>Internal Standards and Principles</b></p> <ul style="list-style-type: none"> <li>• Articles of Association</li> <li>• Group Code of Ethics and Professional Conduct</li> <li>• Group internal policy frameworks.</li> <li>• Board and Board sub-committee terms of reference.</li> <li>• Human Resources Policies</li> <li>• Health and Safety Policies</li> <li>• Environmental Policies</li> <li>• Integrated Sustainability Policy and Implementation of Framework</li> </ul>

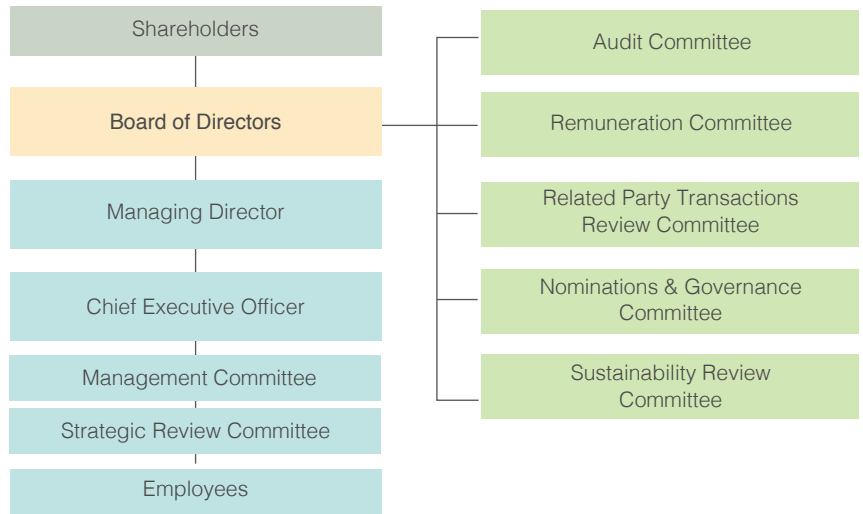
There have not been significant instances of non-compliance pertaining to laws and regulations.

**GOVERNANCE POLICIES OF THE GROUP**

The Board has endorsed a comprehensive policy framework and codes in line with the Aitken Spence Group to ensure adherence to both regulatory mandates and voluntary standards. The policies are reviewed periodically as required and updated, amended, altered or removed as deemed appropriate. All policies are approved by the Board and are available on the intranet for information of all employees and are reinforced at all levels through training and structured communication.

**GOVERNANCE STRUCTURE**

The Board of Directors as the highest governing body and decision-making authority holds overall responsibility for determining the Group’s strategic direction, providing leadership and ensuring that risks are managed in line with the Group’s risk profile. The Board is assisted by four Board-Sub committees, which hold oversight responsibility for certain functions warranting greater attention enabling the Board to allocate sufficient time to matters within its scope. As such, the Governance structure of the Group ensures accountability and empowerment in strategic matters. The Chairman of the company is a Non-Executive Director.



**KEY RESPONSIBILITIES OF THE BOARD**

- i. Providing directions and guidance to the Group in formulating and implementing the corporate strategy for value creation in short, medium and long term and monitoring the implemented strategies.
- ii. Making decisions on Board appointments and evaluating Board performance and ensuring succession planning and the continued ability of the Company to operate without any disruption.
- iii. Overseeing Company’s financial performance and adopting appropriate accounting policies.
- iv. Ensuring that the Company adheres to the best practices in corporate governance including ethical business practices and compliance with rules, regulations and internal policies of the Group including concerns on ethics, bribery and corruption.
- v. Establishing and overseeing systems of internal control and risk management to ensure that the Company has effective risk management systems in place to identify, assess and mitigate risks.
- vi. Ensuring that business operations are conducted with adherence to environmental, social and governance (ESG) considerations.
- vii. Building and improving stakeholder relationships.
- viii. Reviewing and approving major investments, acquisitions, disposals and capital expenditure whilst considering their impact on society and the environment.

**SEGREGATION OF KEY ROLES**

The roles of Chairman and Managing Director are segregated, strengthening Board balance and ensuring principles of good corporate governance. The roles and responsibilities of the C-Suite are clearly defined by mandates and job descriptions, establishing the means by which authority is delegated, and accountability is ensured.

**Role of Chairman**

- Leading the Board, preserving good corporate governance and ensuring that the Board works effectively.
- Setting the Board’s annual work plan and the agendas.
- Ensuring that the Board is in control of the affairs of the Company.
- Ensuring effective participation of all Board members during Board meetings and ensuring efficient conduct of Board Meetings.
- Building and maintaining stakeholder trust and confidence.

### Role of the Managing Director

- Implementing strategy and driving performance.
- Ensuring succession planning of the corporate management team and assessing their performance.
- Developing the Company/Group strategy for consideration and approval by the Board in line with guidance provided by the Board.
- Developing and recommending to the Board, budgets supporting the Company/Group long-term strategy.
- Setting the Board agenda in consultation with the Chairman and assisted by the Company Secretaries.
- 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.

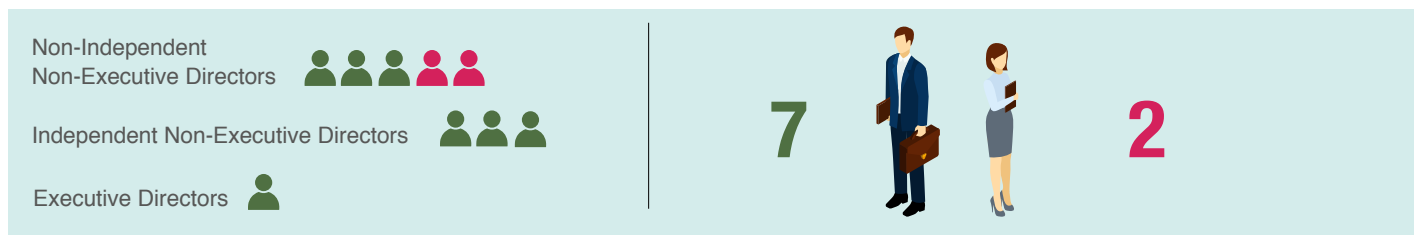
### Role of Company Secretaries

- Ensuring the conduct of Board and General Meetings are in accordance with the Articles of Association and relevant legislation.
- Maintaining statutory registers and the minutes of Board Meetings, General Meetings and of the Sub-Committee Meetings
- Prompt communication to regulators and shareholders.
- Filing statutory returns and facilitating access to legal advice in consultation with the Board, where necessary.

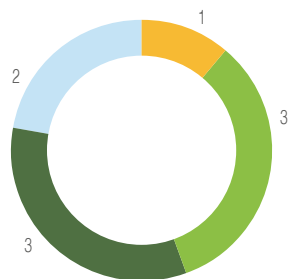
All Directors have access to the advice and services of the Secretaries as necessary. The Secretaries maintain the minutes of Board meetings, which are open for inspection by any Director. Appointment and removal of the Company Secretaries is a matter for the Board as a whole.

### BOARD COMPOSITION

The Board consists of one (01) Executive Director and eight (08) Non-Executive Directors of whom 03 are engaged as independent directors. The nine (09) Directors are diverse in demographic profile, skills and qualifications and industry experience thereby enriching board discussions and decision making through greater diversity.

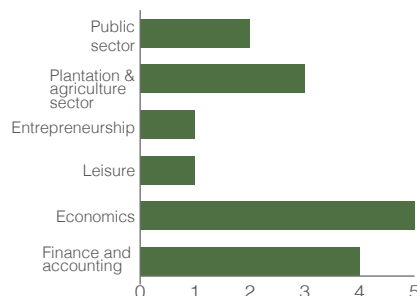


Age Diversity



41-50 51-60 61-70 >71

Skills and Experience



**Dr. M. P. Dissanayake**

Deputy Chairman and Managing Director -  
Aitken Spence PLC

Managing Director -  
Aitken Spence Hotel Holdings PLC

Chairman - Aitken Spence Plantation  
Managements PLC

Executive Director - Browns Beach Hotels  
PLC

Member of Colombo Port City Economic  
Commission

**Dr. R. M. Fernando**

Managing Director - Aitken Spence  
Plantation Managements PLC

Executive Director - Aitken Spence PLC

**Mr. Malik J. Fernando****• Executive Chairman-**

Cape Weligama (Pvt) Ltd

CoCo Palm Beach (Pvt) Ltd

Ereula Hotels (Pvt) Ltd

MJF Leisure (Pvt) Ltd

Red Rock Beach (Pvt) Ltd

Tea Trails (Pvt) Ltd

Resplendent Ceylon (Pvt) Ltd

Wild Coast Lodge (Pvt) Ltd

**• Co-Chair - Executive**

MJF Holdings (Pvt) Ltd

**• Non-Executive Chairman**

Forbes and Walker (Pvt) Ltd

**• Executive Director**

Dilmah Ceylon Tea Company PLC

Brown Hills Development (Pvt) Ltd

Ceylon Tea Farmers (Private) Limited

City Properties (Private) Limited

Dilmah Property Development (Pvt) Ltd

Dilmah Ceylon Cinnamon Company (Pvt)  
Ltd

Dilmah Properties (Private) Limited

Epoch Investments Lanka (Pvt) Ltd

Forbes Plantations (Pvt) Ltd

Kahawatte Cinnamon (Pvt) Ltd

Leopard Research Association

Manel Dream House (Private) Limited

Merrill J Fernando & Sons (Private) Limited

Merrill J Fernando Company Limited

MJF Beverages (Private) Limited

MJF Charitable Foundation

MJFCF-CPLF Centre for Children with  
Cerebral Palsy and Other Developmental  
Disorders

MJF Management Trust (Guarantee)  
Limited

MJF Exports (Private) Limited

MJF Foundation Investments (Private)  
Limited

MJF Holdings (Private) Limited

MJF Media (Private) Limited

MJF Properties (Private) Limited

MJF Tea Gardens (Private) Limited

MJF Teas (Private) Limited

PCL Solutions (Private) Limited

Patiagama Estates (Private) Limited

Tea Time Rocks (Private) Limited

Timber Concepts (Private) Limited

Tourism Alliance (Guarantee) Limited

**• Non-Executive Director**

Aitken Spence Plantation Managements  
PLC

Kahawatte Plantations PLC

Printcare PLC

Renuka Hotels PLC

Royal Palm Beach Hotels PLC

The Fortress Resorts PLC

Talawakelle Tea Estates PLC

Air Lanka (Pvt) Ltd

Durdans Medical & Surgical Hospitals (Pvt)  
Ltd

Eastern Resources Holdings (Pvt) Ltd

Forbes & Walker (Pvt) Ltd

Hayleys Plantations Services (Pvt) Ltd

Packages Lanka (Private) Limited

Printcare Universal (Private) Limited

Printcare Secure Ltd

Sri Lankan Airlines

Sri Lankan Catering Limited

TTEL Hydro Power Company (Private)  
Limited

TTEL Somerset Hydro Power Company  
(Private) Limited

La Forteresse (Private) Limited

Water Villas (Pvt) Ltd

**Mr. D. A. De S. Wickremanayake****Executive Director**

Master Divers (Pvt) Ltd

W A Tucker and Company (Private) Limited

Pelwatte Dairy Industries Ltd

Pelwatte Coconut Industries Ltd

**Non-Executive Director**

Aitken Spence Plantation Management PLC

E P P Hyrdo Power (Private) Limited

Elpitiya Lifestyle Solutions (Private) Limited

Tea Country Homes (Private) Limited

The Dunsinane Valley Company (Private)  
Limited

Water Villas (Private) Limited

Harrow House (Private) Limited

**Ms. M. D. A. Perera****• Non-Executive**

Dilmah Ceylon Tea Company PLC

Dilmah Ceylon Cinnamon Company (Pvt)  
Ltd

First Capital Treasuries PLC

First Capital Asset Management Limited

Forbes & Walkers (Pvt) Ltd

Kahawatte Plantations PLC

**• Independent Director**

Janashakthi Ltd

**• Alternate Director**

Hayleys Plantation Services (Pvt) Ltd – to M  
J Fernando

Tea Trails (Pvt) Ltd – to Mr. D C Fernando

**Prof. A. S. Dharmasiri**

Not applicable

**Mr. M. J. S. Rajakariar**

Non-executive independent Director

Alumex PLC

Hayleys Fibre PLC

Digital Mobility Solutions Lanka Limited  
(Pick-Me)

Access Engineering PLC

Asset Line Finance Limited.

**Dr. R. A. Fernando**

Global Strategic Corporate Sustainability Pvt. Ltd,  
 Dilmah Ceylon Tea Company PLC  
 Melstacorp PLC  
 Distilleries Company of Sri Lanka PLC  
 Madulsima Plantations PLC  
 Balangoda Plantations PLC  
 Aitken Spence Hotel Holdings PLC  
 Browns Beach Hotels PLC  
 UN Global Compact  
 Ceylon Graphene Technologies Ltd  
 Aitken Spence PLC

**Mrs. M. K. D. N. Madampe**

Paddy Marketing Board

**Independence of the Directors**

There were three (03) Independent Directors at the closure of the financial year 2024/2025. Independence of Directors is determined by the Board, based on annual declarations submitted by the Directors in compliance with the Listing Rules of the CSE and in line with Schedule C of the Code of Best Practice on Corporate Governance, 2023 issued by The Institute of Chartered Accountants of Sri Lanka. Accordingly, the Board determined the following Directors as independent Directors.

- Mr. M. J. S. Rajakariar
- Dr. R. A. Fernando
- Prof. A. S. Dharmasiri

**Board Subcommittees**

The Board has delegated certain responsibilities requiring greater attention to five (05) Board Subcommittees with oversight responsibility for same. This arrangement enables the Board to allocate sufficient time to matters reserved for its decision making, particularly the execution of strategy and forward-looking agenda items, while ensuring that delegated matters receive in-depth focus. Committee Chairmen are accountable for the effective functioning of their committees and report regularly to the Board on Committee activities.

Board Committee	Areas of Oversight
<b>Nominations and Governance Committee</b>	
<p><b>Composition</b>                      Three (03) Independent Directors including the Chairman of the Committee</p> <p><b>Members</b></p> <ul style="list-style-type: none"> <li>• Prof. A. S. Dharmasiri - Chairman</li> <li>• Mr. M. J. S. Rajakariar</li> <li>• Dr. R. A. Fernando</li> </ul> <p>Report on the Nominations and Governance Committee is given on page 195.</p>	<ul style="list-style-type: none"> <li>• Evaluate the appointment of Directors to the Board and Board Committees.</li> <li>• Recommend the re-appointment/re-election of current Directors.</li> <li>• Establish and maintain a formal &amp; transparent procedure to evaluate, select and appoint / re-appoint Directors.</li> <li>• Establish and maintain a set of criteria for selection of Directors, taking into consideration the nature of the business of the Entity and industry specific requirements</li> <li>• Establish and maintain a suitable process for the periodic evaluation of the performance of the Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged.</li> <li>• Develop a succession plan for the Board of Directors and Key Management Personnel of the Company.</li> <li>• Review and recommend the overall corporate governance framework of the Listed Entity considering the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices.</li> <li>• Periodically review and update the corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice.</li> <li>• Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance in terms of applicable laws.</li> </ul>

Board Committee	Areas of Oversight
<b>Remuneration Committee</b>	
<p><b>Composition</b> Three (03) Non-Executive Directors and two (02) out of which are Independent.</p> <p>Chairman of the Committee is an Independent Director.</p> <p><b>Members</b></p> <ul style="list-style-type: none"> <li>• Prof. A S Dharmasiri - Chairman</li> <li>• Mr. Mallik J Fernando</li> <li>• Dr. R A Fernando</li> </ul> <p>Report on the Remuneration Committee is given on page 191.</p>	<ul style="list-style-type: none"> <li>• Recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board for final decision.</li> <li>• The Remuneration Committee may engage any external consultant or expertise to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO, if required.</li> <li>• Determine the remuneration policy of the Company and determine the individual remuneration packages which include the compensation on termination of employment.</li> <li>• Evaluates the performance of the individual executives including the senior management of the Company.</li> </ul>
<b>Audit Committee</b>	
<p><b>Composition</b> Three (03) Non-Executive Directors and two (02) out of which are Independent.</p> <p>Chairman of the Committee is an Independent Director</p> <p><b>Members:</b></p> <ul style="list-style-type: none"> <li>• Mr. M J S Rajakariar - Chairman</li> <li>• Ms. M D A Perera</li> <li>• Dr. R A Fernando</li> </ul> <p>Report of the Audit Committee is given on pages 188 to 190.</p>	<ul style="list-style-type: none"> <li>• Risk management and internal control</li> <li>• Financial reporting and financial control</li> <li>• Internal audit</li> <li>• External audit including assessing the independence of External Auditor</li> <li>• Compliance with legal and regulatory requirements</li> </ul>
<b>Related Party Transactions Review Committee</b>	
<p><b>Composition</b> Three (03) Non-Executive Directors and two (02) out of which are Independent.</p> <p>Chairman of the Committee is an Independent Director.</p> <p><b>Members of the Committee</b></p> <ul style="list-style-type: none"> <li>• Dr. R A Fernando - Chairman</li> <li>• Mr. M J S Rajakariar</li> <li>• Ms. M D A Perera</li> </ul> <p>Report on the Related Party Transactions Review Committee is given on page 193.</p>	<ul style="list-style-type: none"> <li>• Review all proposed Related Party Transactions and the post quarter confirmations in accordance with the requirements of the Listing Rules.</li> <li>• Recommend appropriate action for compliance in respect of proposed Related Party Transactions or post quarter confirmations as applicable.</li> <li>• Annual Review of thresholds of transactions falling under the ambit of Section 9.14.5 of the Listing Rules based on the available Audited Financial Statements.</li> </ul>

Board Committee	Areas of Oversight
<b>Sustainability Committee</b>	
<p><b>Composition</b> Two (02) Non-Executive Directors, including the Chairman of the Committee are Independent</p> <p><b>Members of the Committee</b></p> <ul style="list-style-type: none"> <li>• Dr. R. A. Fernando - Chairman</li> <li>• Prof. A. S. Dharmasiri</li> <li>• Mr. A. T. S. Sosa (Managing partner appointed member)</li> </ul>	<ul style="list-style-type: none"> <li>• Review ESG strategy alignment with global sustainability frameworks, ensuring a structured approach to sustainability across all business functions.</li> <li>• Establish, periodically review, and update policies on environment, social and governance, ensuring compliance with regulatory and voluntary sustainability standards.</li> <li>• Advocacy on defining measurable ESG goals and action plans that drive continuous improvement, integrating risk mitigation, opportunity identification, and corporate sustainability commitments into decision-making processes.</li> <li>• Ensure maintaining compliance with local and international ESG regulations, industry certifications, and voluntary sustainability standards ensuring transparency and accountability in operations.</li> <li>• Reviewing key ESG performance indicators, regular internal audits, and third-party assessments to evaluate environmental, social, and governance impacts and drive corrective actions where necessary.</li> <li>• Advocacy on implementing due diligence mechanisms to ensure responsible sourcing, labour rights protection, and traceability of raw materials, preventing environmental degradation and human rights violations within the value chain.</li> <li>• Assess physical risks and transition risks while leveraging opportunities in climate related aspects to drive financial resilience.</li> <li>• Monitor regulatory changes, resource scarcity, and supply chain disruptions while capitalising on circular economy models, ESG-driven investments, and sustainable product innovations for competitive advantage and sustainability related risk &amp; opportunity management.</li> <li>• Reviewing the quantification of financial risks and opportunities related to climate change and sustainability, integrate scenario analysis and align capital allocation with ESG priorities to enhance long-term profitability and investor confidence.</li> <li>• Ensure company's alignment with globally prominent reporting frameworks (Ex: GRI, SASB) ensuring accuracy, materiality-based disclosures, and external assurance where required.</li> <li>• Ensure ESG transparency through regular engagement with investors, regulatory bodies, and sustainability rating agencies, ensuring alignment with emerging non-financial reporting regulations, and trends.</li> </ul>

**GRI** 2-10

**BOARD APPOINTMENTS, RE-APPOINTMENTS, RE-ELECTIONS AND RESIGNATIONS IN FINANCIAL YEAR 2024/25**

The Company obtained annual declarations from the Directors confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria. None of the Director was identified as a person who has failed to fulfil the required assessment criteria during the year under review.

As required by the Listing Rules, new appointments to the Board are promptly

communicated to the CSE through announcements. The announcements typically include a brief detail of expertise, key appointments, shareholdings, the names of companies where the Director holds directorships or memberships in Board Committees and status of independence.

The resignations of directors need to be informed in writing by the Director and are communicated immediately to the CSE upon acceptance by the Board together with any shareholding in the Group.

Nominations and Governance Committee and the Board have recommended that Mr. D.A. De S. Wickremanayake and Dr. R.M. Fernando who are over 70 years of age and vacate office in terms of Section 210(2) (b) of the Companies Act No. 07 of 2007 be re-appointed as Directors of the Company in terms of Section 211 of the Companies Act No. 07 of 2007 specially declaring that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Directors.

Mr. Malik J Fernando who retires by rotation in terms of Article 92 and 93 of the Articles of Association of the Company and offers himself for re-election at the forthcoming Annual General Meeting. Nominations and Governance Committee and the Board have recommended his re-election.

Ms. M. D. A. Perera, Prof. A. S. Dharmasiri, Mr. M. J. S. Rajakariar and Dr. R. A. Fernando who retire in terms of Article 98 of the Articles of Association of the Company and offer themselves for election at the forthcoming Annual General Meeting. Nominations and Governance Committee and the Board have recommended their election.

Refer page 162 in the Corporate Governance report for the appointments and resignations during the year.

**GRI** 2-17

### INDUCTION & DIRECTOR LEARNING

On appointments, Directors are taken through a formal and tailored induction programme coordinated by the Managing Director and Deputy Managing Director/CEO, where they are apprised of the Group values and culture, its operating model, Group policies, governance framework and processes, Group Code of Ethics and Professional Conduct and operational strategies of the Group. Directors are availed the opportunity to have visit sites/factories where appropriate.

Presentations are made to the Board on new developments in corporate governance and the operating environment. In addition, Board members are encouraged to participate in seminars/webinars conducted by professional institutions to enhance their knowledge, particularly in areas that support sustainable development, which would aid and assist the Directors in discharging their duties in a more effective and efficient manner. Directors undertake training

and professional development as they consider necessary, in their personal capacity. Other training and continuous professional development undertaken includes attending seminars/ workshops/ conferences and reading regulatory updates etc.

**GRI** 2-16

### EFFECTIVE BOARD MEETINGS

The Managing Director suggest the agenda for the Board Meeting with the assistance of the Company Secretaries which is reviewed and approved by the Chairman who presides over the meetings. Board papers are made available to the Directors one week prior to the meetings to facilitate review and clarification of matters to be discussed at the meetings. Any critical concerns that require the attention of the Board of Directors are communicated through the Board papers. The Chairman ensures that all members of the Board are sufficiently briefed on matters and Senior Management is available for clarification as and when needed.

Director	Board Meetings	Audit Committee Meetings	RPTR Committee Meetings	Remuneration Committee Meetings	Nominations & Governance Committee Meetings
Dr. M. P. Dissanayake (Chairman)	7/7	N/A	N/A	N/A	N/A
Dr. R. M. Fernando (Managing Director)	7/7	N/A	N/A	N/A	N/A
Mr. B. Bulumulla (Joint Managing Director/CEO) – Demised on 15.03.2025	7/7	N/A	N/A	N/A	N/A
Mr. D. A. De S. Wickremanayake	6/7	N/A	N/A	N/A	N/A
Mr. S. C. Ratwatte - Resigned w.e.f. 31.12.2024	6/6	3/3	4/4	3/3	N/A
Mr. Malik J. Fernando	5/7	0/3	0/4	3/3	N/A
Dr. S. A. B. Ekanayake - Resigned w.e.f. 31.12.2024	5/6	3/3	4/4	N/A	N/A
Mr. D. C. Fernando - Resigned w.e.f.01.08.2024 (Mr. A. T. S. Sosa Alternate Director to D C Fernando-Ceased to be an Alternate Director w.e.f.01.08.2024)	3/4	N/A	N/A	N/A	N/A
Mrs. D. A. S. Dahanayake-Ceased to be a Director w.e.f.31.05.2024	0/3	N/A	N/A	N/A	N/A
Mrs. M. K. G. Peiris- Appointed w.e.f. 31.05.2024 and ceased to be a Director w.e.f. 27.11.2024	2/2	N/A	N/A	N/A	N/A
Ms. M. D. A. Perera – Appointed to the Board w.e.f. 27.08.2024 & to the Sub-Committees w.e.f. 01.01.2025	3/3	1/1	1/1	N/A	N/A

Director	Board Meetings	Audit Committee Meetings	RPTR Committee Meetings	Remuneration Committee Meetings	Nominations & Governance Committee Meetings
Mrs. M. K. D. N. Madampe- Appointed w.e.f. 27.11.2024	1/2	N/A	N/A	N/A	N/A
Prof. A. S. Dharmasiri- Appointed w.e.f. 01.01.2025	1/1	N/A	N/A	N/A	1/1
Mr. M. J. S. Rajakariar- Appointed w.e.f. 01.01.2025	1/1	1/1	1/1	N/A	1/1
Dr. R. A. Fernando- Appointed w.e.f. 01.01.2025	1/1	1/1	1/1	N/A	1/1

Present - √      Excused -\*

GRI 2-15

## BOARD PROCEDURES Identifying and Managing Conflicts

The Company has processes in place to identify and manage conflicts of interest which are listed below:

### • Directors' interest in transactions –

All the Directors of the Company and its subsidiaries are required to make the general disclosures annually as provided for in section 192(2) of the Companies Act. Note 34 to the Financial Statements dealing with related party disclosures includes details of their interests in transactions.

### • Directors' interests in shares –

Directors of the Company and its subsidiaries who have relevant interests in the shares of the respective companies have disclosed their shareholdings and any acquisitions/disposals to their Boards, in compliance with section 200 of the Companies Act. Further, the relevant interests of each Director in the securities of the Company and any acquisition/ disposals of same have been notified to the CSE in accordance with Rule 7.8 of the Listing Rules and, accordingly, the relevant entries have been made in the Company's Interests Register which has been maintained as required by the Companies Act.

### • Annual declarations on Independence –

In compliance with the principles of corporate governance stipulated by the Listing Rules of the CSE and in line with

Schedule C of the Code of Best Practice on Corporate Governance, 2023, Independent Directors submit signed declarations annually confirming their independence or non-independence against the specified criteria given under Rule 9.8.3 of the Listing Rules of the CSE.

### • Related Party Transactions Review Committee –

The Board has appointed a Related Party Transactions Review Committee comprising of Three (03) Non-Executive Directors, out of which Two (02) are Independent Directors, who meet quarterly to review Related Party Transactions during each quarter in line with the Listing Rules of the CSE. The Related Party Transactions Review Committee Report is given on page 193 of this Annual Report.

### • Annual Disclosure on Material Business Relationships with other Directors of the Company –

In keeping with Rule 9.10.4(c) of the Listing Rules of CSE, Declarations were obtained from the Directors of the Company for the purpose of identifying material business relationships, if any, which they or their close family members have with the other Directors of the Company.

### RISK MANAGEMENT

The Board is responsible for setting in place a system to identify, measure, monitor and manage the principal risks of the Group and determining the level of risk it is willing to accept in relation to its strategic goals.

For more details, please refer Risk Management on pages 198 to 202 of this Annual Report.

### INTERNAL CONTROLS, ACCOUNTABILITY AND AUDIT

Standard Operating Procedures (SOPs) are prepared by subsidiary companies and are reviewed by Internal Audit. All employees are required to follow these SOPs and any deviations are reported with corrective action agreed upon by the management. Serious deviations trigger deeper investigations and root cause analysis, potentially leading to disciplinary action. Internal Audit Reports, which include audit findings, risk assessments and management responses, are reviewed by the Audit Committee, and Risk Committee which may recommend additional measures to strengthen controls if deemed necessary.

The Audit and the Risk Committee assist the Board in fulfilling its responsibilities regarding financial reporting, audit oversight and risk management. The Committee reviews performance, internal audit reports and risk management reports regularly. Additionally, it assesses the adequacy of internal controls.

Further details are provided in the Audit Committee Report on page 188.

**LEGAL & REGULATORY COMPLIANCE**

The Chief Financial Officer has to sign off on adherence to compliance with the SLFRS and tax regulations on a quarterly basis. Operational compliance is monitored by the Management Committee who keep the Board informed regarding matters of concern identified. Additionally, the Internal Audit also reviews compliance with regulatory and legal requirements and submits reports to the Audit Committee which convenes on a regular basis to discuss these reports. Any significant issues are further escalated to the Board of Directors. The Audit Committee signs off on an Internal Audit Plan for the year and may request additional reviews as and when required.

**Evaluation of Performance of the Board**

The performance of the Managing Director, other Executive Directors, CEO and the Senior Executives are assessed at the end of each financial year against financial and non-financial objectives set out in consultation with the Board at the commencement of every financial year. The evaluation is carried out by the Chairman, against the backdrop of the operating environment. Remuneration is revised based on performance. Areas identified for improvement are communicated to the respective Director, including training needs and skills and knowledge gaps.

**SHAREHOLDERS  
Shareholder Communications**

Shareholder Communications are managed by the Company Secretarial division. The Annual General Meeting (AGM) of the Company is the main platform. Shareholders also have the opportunity to ask questions, comment or make suggestions to the Board through the Company Secretaries. All significant issues and concerns of shareholders are referred to the Board with the views of the Management. Shareholder queries are responded to by the Company Secretaries for and on behalf of the Management. Opportunity is also provided to address the Board directly at AGMs.

The Board approves the Quarterly Financial Statements for dissemination to shareholders through the CSE in a timely manner. All other price sensitive information such as major acquisitions or disposals and share transaction dealings are also notified promptly to the CSE.

Engagement Mechanism	Frequency of Engagement					
	Annually	Quarterly	Periodically	Regularly	24 Hours 7 days	As and when Required
General meetings	✓					
Annual Report	✓					
Interim Financial Statements		✓				
Disclosures and announcements to the CSE			✓			✓
Corporate website					✓	
General correspondence				✓		
CSR projects				✓		

The Compliance levels with the Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka are available on the website of the Company [www.elpitiya.com](http://www.elpitiya.com) and forms a part of this Corporate Governance Report.



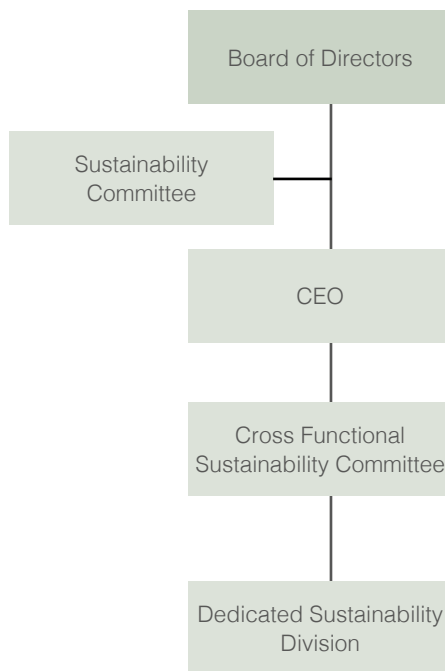
**BOARD CONTRIBUTION TO VALUE CREATION IN FINANCIAL YEAR 2024/25**



**BOARD OVERSIGHT ON SUSTAINABILITY**

**Integration of Sustainability**

The Board holds ultimate responsibility for ensuring that sustainability considerations are embedded into all aspects of the operation. They are assisted by the Sustainability Committee who conduct a detailed review of the sustainability framework, plans and progress and report to the Board on the same. The Group benefits from the expertise of globally renowned sustainability practitioners and industry veterans who through their role as board members provide valuable guidance in embedding sustainability as a core element of its strategy. Accordingly, the Group's sustainability strategy is embedded into the group's corporate strategy through the sustainability pillar and includes specific goals and targets that are linked to 9 of the UN sustainable Development Goals.



Sustainability Reporting and disclosures recommended under the Sustainability Accounting Standards Board (SASB) standards. The Board of Directors holds ultimate responsibility for ensuring that the Report is accurate, credible and addresses all relevant material matters and fairly represents the Group's integrated performance.

**Remuneration Practices**

The Group's Sustainability Division's key performance indicators (which ultimately determine the variable component of its remuneration) include specific targets on managing environmental and social impacts. Performance against these targets is assessed annually, during the performance appraisal and remuneration are determined accordingly. In addition, the Group also has a reward scheme in place to recognise and reward individuals demonstrating strong commitment to sustainability through identified behaviour and actions. Board remuneration is aligned with the practices of Aitken Spence PLC and is discussed in further detail in the Remuneration Committee Report on page 191 of this Report. There is no process currently in place for linking Board remuneration with the Group's sustainability performance.

**Environmental, Social, Governance (ESG) Governance**

A robust ESG governance structure comprising of a cross-functional Sustainability Committee and a dedicated Sustainability Division is in place to ensure transparency and accountability in driving the Group's ESG strategy.

**Monitoring And Reporting On ESG Performance**

Progress on each of these goals is monitored at estate level, aggregated by the Group sustainability team on a monthly basis and regularly reported to the Board through sustainability dashboards and scorecards. The Company also produces an Integrated Annual Report which complies with the Global Reporting Initiative (GRI) Standards on

## MANDATORY COMPLIANCES

### Compliance with the Companies Act No. 07 of 2007

Section Reference	Requirement	Compliance Status	Reference
168 (1) (a)	Any change during the accounting period in the nature of business of the Company or any of its subsidiaries, and the classes of business in which the Company has an interest, whether as a shareholder of another company or otherwise.	Compliant	There has been no change in the nature of business of the Company and its subsidiaries during the year under review.  Please refer to Financial Statements on page 216 and the Annual Report of the Board of Directors on page 207 of this Annual Report.
168 (1) (b)	Financial Statements of the Company and the Group for the accounting period completed and signed.	Compliant	Please refer to Financial Statements on page 216 and the Annual Report of the Board of Directors on page 207 of this Annual Report.
168 (1) (c)	Auditor's Report on the Financial Statements of the Company and the Group.	Compliant	Please refer to the Independent Auditor's Report on page 212 of this Annual Report.
168 (1) (d)	Change of accounting policies during the accounting period.	Compliant	Please refer to the Annual Report of the Board of Directors on page 207 and Note 3 to the Financial Statements on page 216 of this Annual Report.
168 (1) (e)	Particulars of en-tries in the Interest Register made during the accounting period.	Compliant	Please refer to Financial Statements on page 216 and the Annual Report of the Board of Directors on page 207 of this Annual Report.
168 (1) (f)	Remuneration and other benefits paid to the Directors during the accounting period.	Compliant	Please refer to the Annual Report of the Board of Directors on page 207 and Note 9 to the Financial Statements on page 216 of this Annual Report.
168 (1) (g)	Total amount of donations made by the Company and the Group during the accounting period.	Compliant	Please refer to the Annual Report of the Board of Directors on pages 207 and Note 9 to the Financial Statements on page 216 of this Annual Report.
168 (1) (h)	Directorate of the Company and the Group as at the end of the accounting period along with the changes that occurred during the accounting period.	Compliant	Please refer to the Annual Report of the Board of Directors on page 207 and Corporate Information on page 309 of this Annual Report.
168 (1) (i)	Amounts payable to the Auditors as audit fees and fees payable for other related services provided by them.	Compliant	Please refer to the Annual Report of the Board of Directors on pages 207 and Note 9 to the Financial Statements on page 216 of this Annual Report.
168 (1) (j)	Relationship or interest of the Auditors with the Company or any of its subsidiaries.	Compliant	Please refer to the Annual Report of the Board of Directors on pages 207 of this Annual Report.
168 (1) (k)	The Annual Report of the Board of Directors be signed on behalf of the Board	Compliant	Please refer to the Annual Report of the Board of Directors on pages 207 of this Annual Report.

## Compliance with the Continuing Listing Requirements - Section 7.6 on the Content of Annual Report Issued by the Colombo Stock Exchange

Section Reference	Requirement	Compliance Status	Reference
7.6.(i)	Names of persons during the financial year were Directors of the entity	Compliant	Please refer to Corporate Information on page 309 of this Annual Report.
7.6.(ii)	Principal activities of the entity and its subsidiaries during the year and any changes therein	Compliant	Please refer to the Annual Report of the Board of Directors on page 207 and the Corporate Information on page 309 of this Annual Report.
7.6.(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares denominated in LKR or any other class of shares denominated in Foreign Currency and the percentage of such shares held	Compliant	Please refer to Shareholder and Investor Information on page 281 of this Annual Report.
7.6.(iv)	The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement in respect of voting ordinary shares.  The public holding percentage (%) in respect of non-voting ordinary shares (where applicable)	Compliant	Please refer to Shareholder and Investor Information on page 281 of this Annual Report. The Company has not issued non-voting shares.
7.6.(v)	A statement of each Director's holding and Chief Executive Officer's holding in each class of shares of the entity denominated in LKR and in Foreign Currency (as applicable)	Compliant	Please refer to Shareholder and Investor Information on page 281 of this Annual Report.
7.6.(vi)	Information pertaining to material foreseeable risk factors of the Entity	Compliant	Please refer to Risk Management on page 198 of this Annual Report.
7.6.(vii)	Details of material issues pertaining to employees and industrial relations of the Entity	Compliant	Please refer to Human Capital on page 104 of this Annual Report.
7.6.(viii)	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties	Compliant	Please refer Information on Estates Report on page 286 of this Annual Report.
7.6.(ix)	Number of shares representing the Entity's stated capital	Compliant	Please refer to Shareholder and Investor Information on page 281 of this Annual Report.
7.6.(x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Compliant	Please refer to Shareholder and Investor Information on page 281 of this Annual Report.
7.6.(xi)	Ratios and market price information	Compliant	Please refer to Shareholder and Investor Information on page 281 of this Annual Report.
7.6.(xii)	Significant changes in the entity's or its subsidiaries fixed assets and the market value of land	Compliant	Please refer Note 15 to 16 to the Financial Statements on page 216 of this Annual Report.
7.6.(xiii)	If during the year the entity has raised funds either through an initial public offering and/or a further issue of securities (as applicable)	Compliant	The Company had no public issues, rights issues or private placements during the year under review.
7.6.(xiv)	Employee share option/purchase schemes (if any)	Compliant	As at date, the Company has no share option/purchase schemes made available to its Directors or employees.

Section Reference	Requirement	Compliance Status	Reference
7.6.(xv)	Corporate Governance Disclosures	Compliant	Please refer to Corporate Governance on page 162 of this Annual Report.
7.6.(xvi)	Related Party Transactions in terms of Sections 9	Compliant	Please refer Note 34 to the Financial Statements on page 216 of this Annual Report and the Related Party Transactions Review Committee Report on Page 193.

## Compliance with Section 9 of the Listing Rules Issued by the Colombo Stock Exchange

Rule Ref.	Disclosure Requirement	Status of Compliant	How We Comply
<b>9.1 Corporate Governance Rules</b>			
9.1.1 9.1.3	Statement confirming the extent of compliance with the Corporate Governance Rules	Compliant	The extent of compliance with Section 9 of the Listing Rules of the Colombo Stock exchange on Corporate Governance Rules is tabulated in the table given below.  Also refer 'Chairman's Statement on Governance' in the Corporate Governance Report of this Annual Report.
<b>9.2 Policies</b>			
9.2.1	Listed Company shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Company on its website;  a) Policy on the matters relating to the Board of Directors b) Policy on Board Committees c) Policy on Corporate Governance, Nominations and Re-election d) Policy on Remuneration e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities f) Policy on Risk management and Internal controls g) Policy on Relations with Shareholders and Investors h) Policy on Environmental, Social and Governance Sustainability i) Policy on Control and Management of Company Assets and Shareholder Investments j) Policy on Corporate Disclosures k) Policy on Whistleblowing l) Policy on Anti-Bribery and Corruption	Compliant	The Company have formulated the policies referred to in a, b, c, d, e, f, g, h, i, j, k and l and the said policies are periodically reviewed by the Board.

Rule Ref.	Disclosure Requirement	Status of Compliant	How We Comply
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted	N/A	N/A
9.2.3	<ul style="list-style-type: none"> <li>i List of policies in place as per Rule 9.2.1, with reference to website.</li> <li>ii Any changes to policies adopted</li> </ul>	Compliant	Please refer to the link below for reference. <a href="http://www.elpitiya.com">www.elpitiya.com</a>
9.2.4	Listed Company shall make available all such policies to shareholders upon a written request being made for any such Policy.	Compliant	Compliant
<b>9.3</b>	<b>Board Committees</b>		
9.3.1	Listed Company shall en-sure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include: <ul style="list-style-type: none"> <li>(a)Nominations and Governance Commit-tee</li> <li>(b)Remuneration Committee</li> <li>(c)Audit Committee</li> <li>(d)Related Party Transactions Review Committee</li> </ul>	Compliant	The Company has in place a Remuneration Committee, Audit Committee, Related Party Transactions Review Committee and Nominations and Governance Committee.
9.3.2	Listed Company shall comply with the composition, responsibilities and disclosures required in respect of the above Board committees as set out in these Rules.	Compliant	Refer to the Report of the sub-committees on the composition, responsibilities and the disclosure requirements.
9.3.3	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above	Compliant	Compliant
<b>9.4</b>	<b>Principles of democracy in shareholder dealings</b>		
9.4.1	Listed Company shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Company. The Company shall provide copies of the same at the request of the Exchange and/or the Securities and Exchange Commission (SEC). <ul style="list-style-type: none"> <li>a) The number of shares in respect of which proxy appointments have been validly made;</li> <li>b) The number of votes in favour of the resolution;</li> <li>c) The number of votes against the resolution; and</li> <li>d) The number of shares in respect of which the vote was directed to be abstained</li> </ul>	Complaint	The Company Secretaries maintain records of all resolutions of General Meetings and information related thereto.

Rule Ref.	Disclosure Requirement	Status of Compliant	How We Comply
9.4.2	<p>a) Listed Company should have a policy on effective communication and relations with shareholders and investors</p> <p>b) Listed Company should disclose the contact person for such communication</p> <p>c) The policy on relations with shareholders and investors on the process to make all Directors aware of major issues and concerns of shareholders</p>	Compliant	Compliant
9.5.1	Listed Company shall establish and maintain a formal policy governing matters relating to the Board of Directors and such policy shall include the matters listed under this Rule	Compliant	Refer to 'How We Comply' under Rule 9.2.1 above.
9.5.2	Confirmation on compliance with the requirements of the Policy on matters relating to the Board of Directors. If non-Compliant reasons for the same with proposed remedial action	Compliant	Compliant
<b>9.6 Chairperson and CEO</b>			
9.6.1	The Chairperson of every Listed Company shall be a Non-Executive Director, and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below	Compliant	Compliant Chairman is a Non-Executive Director
9.6.2	Where the Chairperson of a Listed Company is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an Immediate Market Announcement if such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules	N/A	N/A
9.6.3	Report of Senior Independent Director demonstrating the effectiveness of duties	N/A	N/A
9.6.4	Rationale for appointing Senior Independent Director	N/A	N/A
<b>9.7 Fitness of Directors and CEOs</b>			
9.7.1	<p>Listed Company shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of the Listing Rules</p> <p>In evaluating fitness and propriety of the persons referred in these Rules, the Company shall utilise the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 of the Listing Rules</p>	Compliant	The Company Secretaries obtain annual declarations from the Directors of the Company to ensure that they are at all times fit and proper persons as specified in the criteria given in Rule 9.7.3 of the Listing Rules of the CSE

Rule Ref.	Disclosure Requirement	Status of Compliant	How We Comply
9.7.2	Listed Company shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made	Compliant	Compliant
9.7.3	A Director or the CEO of a Listed Company shall not be considered as 'fit and proper' if she or he does not meet with the fit and proper assessment criteria specified under "Honesty, Integrity and Reputation", "Competence and Capability" and "Financial Soundness" as set out in Rule 9.7.3 (a), (b) and (c) respectively	Compliant	Refer 'How We Comply' under Rule 9.7.1 above.
9.7.4	Listed Company shall obtain declarations from its Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the financial year concerned and satisfies the said criteria as at the date of confirmation.	Compliant	Annual declarations from Directors confirming that each of them has continuously satisfied the fit and proper assessment criteria set out in the CSE revised Listing Rules were obtained as at 31st March 2025.
9.7.5	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria.	Compliant	Compliant Refer the 'Annual Report of the Board of Directors' of this Annual Report.
	(b) Any non-compliance/s and remedial action taken	N/A	N/A
<b>9.8 Board Composition</b>			
9.8.1	The Board of Directors of a Listed Company shall, at a minimum, consist of five (05) Directors	Compliant	As of the date of the publication of this Annual Report, the Company consists of 9 Directors, thereby complying with the requirement stipulated under Rule 9.8.1 of the Listing Rules of the CSE  The Articles of Association of the Company provide for a minimum number of five (05) Directors.
9.8.2	Minimum Number of Independent Directors:	Compliant	Compliant
	(a) The Board of Directors of a Listed Company shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Company at any given time, whichever is higher		
	(b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change		

Rule Ref.	Disclosure Requirement	Status of Compliant	How We Comply
9.8.3	A Director shall not be considered independent if he/she does not meet the criteria for determining independence as set out in Rule 9.8.3 of the Listing Rules	Compliant	Compliant
9.8.5	<p>(a) Each Independent Director to submit a signed and dated declaration annually of his or her "independence" or "non-independence" against the criteria specified herein and in the format in Appendix 9A, containing at a minimum the content prescribed therein.</p> <p>(b) Make an annual determination as to the "independence" or "non-independence" of each Independent Director based on the Directors' declaration and other information available to it and shall set out the names of Directors determined to be 'independent' in the Annual Report.</p> <p>(c) If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof.</p>	Compliant	<p>The Independent Directors submit signed declarations annually regarding their independence/non-independence against the specified criteria stipulated under Rule 9.8.3 of the Listing Rules of the CSE</p> <p>Refer 'Independence of the Directors' in the Corporate Governance Report of this Annual Report</p>
<b>9.9 Alternate Directors</b>			
9.9	If a Listed Company provides for the appointment of Alternate Directors, it shall be required to comply with the requirements set out in Rule 9.9 of the Listing Rules and such requirements shall also be incorporated into the Articles of Association of the Company	N/A	The Articles of Association of the Company was amended to incorporate the requirements referred to in this Rule.
<b>9.10 Disclosures Relating to Directors</b>			
9.10.1	Listed Company shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Company shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 of the Listing Rules	Compliant	Compliant
9.10.2	<p>Listed Company shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following:</p> <ul style="list-style-type: none"> <li>i. a brief resume of such Director;</li> <li>ii. his/her capacity of directorship; and,</li> <li>iii. Statement by the Company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Company</li> </ul>	Compliant	<p>Compliant</p> <p>Refer 'Appointment, Re-election and Resignation of Directors' in the Corporate Governance Report of this Annual Report</p>

Rule Ref.	Disclosure Requirement	Status of Compliant	How We Comply
9.10.3	Listed Company shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 of the Listing Rules containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof	Compliant	The Company would comply if a need arises.
9.10.4	<p>Directors details</p> <p>a) name, qualifications and brief profile</p> <p>b) nature of his/her expertise in relevant functional areas</p> <p>c) whether either the Director or Close Family Members has any material business relationships with other Directors</p> <p>d) whether Executive, Non-Executive and/or independent Director</p> <p>e) total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed)</p> <p>f) number of Board meetings attended</p> <p>g) names of Board Committees in which the Director serves as Chairperson or a member</p> <p>h) Attendance of board committee meetings</p> <p>i) Terms of Reference and powers of Senior Independent Directors</p>	Compliant	<p>a), b) and d) - refer 'Board profiles' of this Annual Report.</p> <p>c) - Based on the individual declarations obtained from the Directors, it was evident that none of the Directors or their close family members have material business relationships with other Directors of the Company. A Statement to this effect will be included in the 'Annual Report of the Board of Directors of this Annual Report</p> <p>e) - Refer 'Corporate Governance Report' of this Annual Report.</p> <p>f), g) and h) - refer 'Composition of the Board' and 'Details of Directors' Attendance at Board Meetings held during the Financial Year 2024/2025 in the Corporate Governance Report of this Annual Report.</p> <p>i) - N/A</p>
<b>9.11 Nominations and Governance Committee</b>			
9.11.1	Listed Company shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of the Listing Rules	Compliant	Compliant
9.11.2	Listed Company shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee	Compliant	Refer to 'How We Comply' under Rule 9.2.1 above.
9.11.3	The Nominations and Governance Committee shall have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Compliant	Refer to 'How We Comply' under Rule 9.2.1 above.
9.11.4	<p>(1) The members of the Nominations and Governance Committee shall;</p> <p>(a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company</p>	Compliant	Compliant

Rule Ref.	Disclosure Requirement	Status of Compliant	How We Comply
	(b) not comprise of Executive Directors of the Listed Company.		
	(2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors		
	(3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Company		
9.11.5	The functions of the Nominations and Governance Committee	Compliant	Refer 'Nominations and Governance Committee Report' of this Annual Report.
9.11.6	The Annual Report of a Listed Company shall contain a report of the Nominations and Governance Committee signed by its Chairperson.	Compliant	Nominations and Governance Committee Report containing the requirements stipulated under this Rule is included in the Annual Report of the Company for the Financial Year 2024/2025.
	Nominations and Governance Committee Report shall include the following:		
	(a) Names of chairperson and members with nature of directorship.		
	(b) Date of appointment to the committee.		
	(c) Availability of documented policy and processes when nominating Directors.		
	(d) Requirement of re- election at regular intervals at least once in 3 years.		
	(e) Board diversity.		
	(f) Effective implementation of policies and processes relating to appointment and reappointment of Directors.		
	(g) information regarding directors who are re-elected or being proposed for re-election during the year:		
	- Board Committees served on (as a member or Chairperson)		
	- Date of first appointment as a Director		
	- Date of last re-appointment as a Director		
	- Directorships or Chairpersonships and other principal commitments both present and those held over the preceding three years in other Listed Entities; and		
	- Any relationships including close family relationships between the candidate and the directors, the Listed Entity or its shareholders holding more than ten percentum (10%) of the shares of the Listed Entity.		
	(h) Performance of periodic evaluation of board.		
	(i) Process adopted to inform independent directors of major issues.		

Rule Ref.	Disclosure Requirement	Status of Compliant	How We Comply
	(j) Induction / orientation programs for new directors on corporate governance, Listing Rules, securities market regulations or negative statement.		
	(k) Annual update for all directors on corporate governance, Listing Rules, securities market regulations or negative statement.		
	(l) Compliance with independence criteria.		
	(m) Statement on compliance with corporate governance rules, if non-compliant reasons and remedial actions.		
<b>9.12 Remuneration Committee</b>			
9.12.2	Listed Company shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of the Listing Rules	Compliant	Compliant  Refer 'Remuneration Committee Report' of this Annual Report
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration	Compliant	Compliant  Refer 'Remuneration Committee Report' of this Annual Report.
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	Compliant	Refer to 'How We Comply' under Rule 9.2.1 above
9.12.5	Remuneration Committee shall have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Compliant	Compliant
9.12.6	(1) The members of the Remuneration Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company. (b) not comprise of Executive Directors of the Listed Company (2) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	Compliant	Compliant  Refer 'Remuneration Committee Report' of this Annual Report.
9.12.7	The functions of the Remuneration Committee	Compliant	Compliant  Refer 'Remuneration Committee Report' of this Annual Report.

Rule Ref.	Disclosure Requirement	Status of Compliant	How We Comply
9.12.8	Remuneration Committee Report shall contain the following: (a) Names of chairperson and members with nature of directorship (b) Remuneration Policy (c) The aggregate remuneration of the Executive and Non- Executive Directors	Compliant	Compliant  Refer 'Remuneration Committee Report' of this Annual Report.
<b>9.13 Audit Committee</b>			
9.13.1	Where Listed Company does not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Company shall additionally perform the Risk Functions set out in Rule 9.13 of the Listing Rules	Compliant	The Audit Committee of the Company also performs the risk functions.
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	Compliant	Compliant
9.13.3	(1) The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Listed Company, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. (b) not comprise of Executive Directors of the Listed Company. (2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors. (3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market. (4) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. (5) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of a Listed Company shall attend the Audit Committee meetings by invitation. (6) The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body.	Compliant	Compliant  Refer 'Audit Committee Report' of this Annual Report.
9.13.4	The functions of the Audit Committee	Compliant	Compliant

Rule Ref.	Disclosure Requirement	Status of Compliant	How We Comply
9.13.5	Disclosures in the Annual Report (1) Listed Company shall prepare an Audit Committee Report which shall be included in the Annual Report. (2) The Audit Committee Report shall contain disclosures set out in Rule 9.13.5 (2)	Compliant	Compliant
<b>9.14 Related Party Transactions Review Committee</b>			
9.14.1	Listed Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of the Listing Rules.	Compliant	Compliant Refer 'Related Part Transactions Review Committee Report' of this Annual Report.
9.14.2	(1) The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of a Listed Company, out of which two (02) members shall be Independent Directors of the Company. It may also include executive directors, at the option of the Company. An Independent Director shall be appointed as the Chairperson of the Committee	Compliant	Compliant Refer 'Related Part Transactions Review Committee Report' of this Annual Report.
9.14.3	The functions of the Related Party Transactions Review Committee	Compliant	Compliant Refer 'Related Part Transactions Review Committee Report' of this Annual Report.
9.14.4	1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. 2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person. 3) Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction. 4) If a Director of a Listed Company has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: (a) be present while the matter is being considered at the meeting; and, (b) vote on the matter	Compliant	Compliant Refer 'Related Part Transactions Review Committee Report' of this Annual Report.

Rule Ref.	Disclosure Requirement	Status of Compliant	How We Comply
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Compliant	Compliant Refer 'Related Part Transactions Review Committee Report' of this Annual Report.
9.14.6	Listed Company shall obtain Shareholder approval for the Related Party Transactions set out in Rule 9.14.6 of the Listing Rules	Compliant	There were no Related Party Transactions during the year which required shareholder approval . The Company would comply with this Rule should a need arise.
9.14.7	Listed Company shall make an immediate Market Announcement to the Exchange for the Related Party Transactions as set out in Rule 9.14.7 (a) and (b)	Compliant	There were no Related Party Transactions during the year which required an immediate Market Announcement The Company would comply with this Rule should a need arise.
9.14.8	(1) Related Party Disclosures Non-recurrent RPT exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format)	Compliant	Compliant Refer 'Related Party Transactions Review Committee Report' and the 'Annual Report of the Board of Directors' of this Annual Report.
9.14.8	(2) Recurrent RPT exceeding 10% of the gross revenue/income (in the specified format)	Compliant	Compliant Refer 'Related Party Transactions Review Committee Report' and the 'Annual Report of the Board of Directors' of this Annual Report.
9.14.8	(3) Related Party Transactions Review Committee Report. - Names of the Directors comprising the Committee - Statement that committee has reviewed RPTs and communicated comments/observations to the Board - Policies and procedures adopted by the Committee	Compliant	Compliant Refer 'Related Part Transactions Review Committee Report' of this Annual Report.
9.14.8	(4) Affirmative declaration by the Board of Directors on compliance with RPT Rules or negative statement to that effect	Compliant	Compliant Refer 'Report of the Board of Directors' of this Annual Report.
9.14.9	Acquisition and disposal of assets from/to Related Parties Except for transactions set out in Rule 9.14.10, Listed Company shall ensure that neither the Company nor any of its subsidiaries, acquires a substantial asset from, or disposes of a substantial asset to, any Related Party of the Company without obtaining the approval of the shareholders of the Company by way of a Special Resolution	Compliant	Not applicable as the company has not acquired or disposed of any assets from/to Related Parties .

Rule Ref.	Disclosure Requirement	Status of Compliant	How We Comply
9.17	<b>Additional Disclosures</b>		
	Additional disclosures by Board of Directors	Compliant	Compliant  Refer 'Report of the Board of Director' of this Annual Report.
	Declaration on the following:		
	- All material interests in contracts and have refrained from voting on matters in which they were materially interested		
	- Reviewed of the internal controls covering financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence and, if unable to make any of these declarations, an explanation on why it is unable to do so;		
	- Made themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions;		
	- Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations		

# AUDIT COMMITTEE REPORT

The Audit Committee represents and assists the Board in fulfilling its responsibility relating to the integrity of the Company's Financial Statements and the financial reporting process, the systems of internal control, compliance with legal and regulatory requirements, risk management practices and the adequacy of external and internal audit. These endeavours aim to safeguard the interests of shareholders and all other stakeholders.

The committee operates under a formal Charter approved by the board and is in full compliance with the requirements set out in the Colombo Stock Exchange (CSE) listing rules and the Companies Act No.7 of 2007 and the principles of good governance set out in the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)

## COMPOSITION

The Audit Committee was re-constituted with effect from 1st January 2025 in the following manner:

Mr. M. J. S. Rajakariar - Chairman  
Appointed w.e.f. 01.01.2025  
Independent Director

Dr. R. A. Fernando - Member  
Appointed w.e.f.01.01.2025  
Independent Director

Ms. M. D. A. Perera  
Appointed w.e.f. . 01.01.2025  
Non-Executive Non-Independent

Dr. S. A. B. Ekanayake - Chairman  
Resigned w.e.f. 31.12.2024  
Independent Director

Mr. S. C. Ratwatte - Member  
Resigned w.e.f. 31.12.2024  
Independent Director

Mr. Malik J. Fernando - Member  
Resigned w.e.f. 31.12.2024  
Non-Executive Non-Independent

The Committee's composition met the requirements of Section 9.13.3 of the Listing Rules of the Colombo Stock Exchange.

The Audit Committee comprises of two Independent Directors and a Non-Independent Non-Executive Director. The Committee is now chaired by Mr. M J S Rajakariar, an Independent Director. Mr. Rajakariar holds prestigious qualifications from The Institute of Chartered Accountants (CA) Sri Lanka, Chartered Institute of Management Accountants UK and the Institute of Certified Management Accountants of Sri Lanka and is a Fellow member of all three institutions.

All members possess financial and relevant business expertise as required. The board is satisfied that the committee has an adequate combination of skills and commercial experience to facilitate a satisfactory level of discharge of their responsibilities.

The profiles of the Committee Members are given on page 46 of this Annual Report.

## SECRETARY TO THE COMMITTEE :

Mr. D.D.M.A. Saparamadu – Chief Internal Auditor, Aitken Spence PLC.

The attendance at the Audit Committee meetings held during the year under review were as follows:

Director	06.03.2025	11.12.2024	02.09.2024	27.05.2024
Mr. M. J. S. Rajakariar- Appointed w.e.f. 01.01.2025	✓	N/A	N/A	N/A
Ms. M. D. A. Perera - Appointed to the Board w.e.f.27.08.2024 and to Sub-Committees w.e.f. . 01.01.2025	✓	N/A	N/A	N/A
Dr. R. A. Fernando - Appointed w.e.f.01.01.2025	✓	N/A	N/A	N/A
Dr. S. A. B. Ekanayake - Resigned w.e.f. 31.12.2024	N/A	✓	✓	✓
Mr. S. C. Ratwatte - Resigned w.e.f. 31.12.2024	N/A	✓	✓	✓
Mr. Malik J. Fernando - Resigned w.e.f. 31.12.2024	N/A	*	*	*

\* Excused

## COMMITTEE MEETINGS

The Audit Committee functioned throughout the financial year and met (04) four times during the Financial Year and reviewed the process to assess the effectiveness of the internal control system to provide reasonable assurance that assets are safeguarded, and financial reporting system can be relied upon.

All other matters, including Interim Financial Statements, were approved by way of Circular Resolutions where necessary.

Dr. R M Fernando (Managing Director), Late Mr. B Bulumulla (former Joint Managing Director / Chief Executive Officer) and Mr. J A R Nissanka (Chief Operating Officer - Finance & IT Developments) attended the meetings by invitation. In addition, Mr. A M Ranathunga (Deputy General Manager, Internal Audit – Plantations) attended all the meetings.

In addition to the above, the Deputy Chief Executive Officer, the Estate General Managers and Managers whose audit reports were viewed and discussed were also present at the respective meetings. Further, the partner of Messrs. Ernst &

Young, Chartered Accountants responsible for the Group's external audit attended the meetings by invitation as and when required.

#### KEY RESPONSIBILITIES

- Assisting the Board in carrying out its overall independent oversight functions in relation to the accuracy and integrity of the Financial Statements, internal control systems and compliance with Group policies, legal and regulatory requirements with a view to safeguard the interests of shareholders and other stakeholders. The scope of functions and responsibilities are adequately outlined in the Terms of Reference of the Committee, which have been approved by the Board and is regularly reviewed.
- Ensuring the effectiveness of the system of internal controls, financial reporting, risk management, compliance with laws and regulations, as well as the adequacy and effectiveness of the governance processes of the Group.
- Exercising its independent oversight on internal and external assurance functions and ensure both internal and external auditor's independence, objectivity and the effectiveness of the audit process.
- Reviewing the internal audit reports and maintaining healthy relationships with the sector senior management to ensure that precautionary measures are taken to mitigate the risk that could arise due to reported control weaknesses, procedure violations, frauds and errors.
- Examining all matters relating to the Group's adopted accounting principles and practices and reviewing all material financial, operational, and compliance controls; the Committee is provided with sufficient resources to perform its duties, including support as necessary, from the internal audit department, the external auditor, and senior management.

#### ACTIVITIES DURING THE FINANCIAL YEAR 2024/2025

##### Risk Management and Internal Control

- The Audit Committee monitored the Group's risk management and internal control processes through detailed discussions with the management and Executive Directors. It also, assisted the Board in evaluating the adequacy, robustness, and effectiveness of the Group's management of risk, in terms of identifying, managing, and mitigating principal risks and emerging risks. Further the Committee ensured that the Group adheres to and complies with all relevant laws, rules and regulations of the country, international laws and codes of ethics and standards of conduct required by regulatory authorities, professional bodies, and trade associations.

##### Financial Reporting and Financial Control

- During the year, the Audit Committee reviewed the Group's quarterly and annual Financial Statements, focusing on the following aspects:
  - Adequacy of disclosures.
  - Uniformity and appropriateness of the accounting policies adopted.
  - Major judgmental areas to ensure compliance with the Companies Act No. 7 of 2007.
  - Adherence to applicable Sri Lanka Accounting Standards and other Accounting Standards of jurisdictions in which each subsidiary operates.
  - Compliance with the Listing Rules of the Colombo Stock Exchange.
  - Compliance with the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka.
  - Meeting requirements of other regulatory bodies applicable to the Group.

- Further, it discussed with the management any future accounting developments likely to affect the Financial Statements. The Committee also reviewed the budgets and strategic plans of the Group to ensure that all forward-looking statements in the Annual Report accurately reflect the Group's position and monitored the integrity of the Group's published financial information and reviewed all significant financial judgements and estimates made by the management.

##### External Audit

- The Audit Committee reviewed and monitored the relationship with the External Auditors including overseeing their appointment, independence, remuneration, tenure, rotation of the engagement partner and engagement for non-audit services. Further, it assessed the effectiveness and the progress of the External Auditors and the audit process. The Committee discussed the Audited Financial Statements with External Auditors and ensured that they were in conformity with the Sri Lanka Accounting Standards and other regulatory requirements and reviewed and discussed the Management Letter and instructed the management to take appropriate follow up actions on matters highlighted therein.

##### Internal Audit

- The Audit Committee reviewed and approved the Annual Audit Plan after considering its depth and coverage and reviewed the operation and effectiveness of the Group Internal Audit function in terms of its independence, effectiveness and competency and resource adequacy. The Committee also continued to ensure the coordination between Group Internal Audit and External Auditors and reviewed and discussed the audit reports submitted by the Internal Audit Department with

the management responses on financial and operational audits, information security and risk assessments carried out in line with approved Annual Audit Plan.

## Reporting

- The Chairman of the Audit Committee reports to the Board at each meeting on the activities of the Committee. The minutes of the Audit Committee meetings are also tabled at the Board Meetings. Further he ensures that the Annual Report incorporates the Audit Committee Report. The Chairman of the Audit Committee attends the Annual General Meeting.

## CONDUCT, ETHICS AND GOOD GOVERNANCE

The Audit Committee remains steadfast in its commitment to ensuring that the Group adheres to the highest ethical standards in business dealings. In this regard, the Group has a Code of Ethics & Professional Conduct, robust policies such as the Whistleblowing Policy and an Anti-Bribery & Anti-Corruption Policy which mandates all staff members to be ethical, transparent and accountable and resort to whistleblowing if they suspect any wrongdoings or other improprieties. Highest standards of corporate governance and adherence to the Group's Code of Ethics & Professional Conduct were ensured. All appropriate procedures are in place to conduct independent investigations into incidents reported through whistleblowing or identified through other means.

## RE-APPOINTMENT OF EXTERNAL AUDITORS – MESSRS. ERNST & YOUNG, CHARTERED ACCOUNTANTS

The Committee perused transactions with the External Auditors and ensured that there was no significant material

transaction between the External Auditors and the companies in the Group. Furthermore, the Committee reassured that the External Auditors do not hold any shares in the Company.

The Committee having considered that there were no significant material transactions between the External Auditors and the Group companies, that there were no shares held by the External Auditors, the confirmation received from the External Auditors and the periodic rotation of the Audit Partner, noted that Ernst & Young, Chartered Accountants are independent and are eligible for re-appointment as the External Auditors of the Group.

Having noted the above, the Committee recommend to the Board that Messrs. Ernst & Young, Chartered Accountants be re-appointed as the External Auditors of the Company for the current financial year, subject to the approval of the Shareholders at the forthcoming Annual General Meeting.

## THE YEAR AHEAD

Looking ahead to the financial year 2025/2026, the Committee's key priorities will include overseeing the Group's risk management and internal control processes, sustaining a strong culture of risk management across the Group, continuing to monitor the impacts of climate change and taking a proactive approach in anticipating and preparing for any legislative or regulatory changes.



Mr. M J S Rajakariar  
Chairman  
Audit Committee

Colombo  
04th June 2025

# REMUNERATION COMMITTEE REPORT

GRI 2-19

## COMPOSITION

The Remuneration Committee was re-constituted with effect from 1st January 2025 in the following manner:

Prof. A. S. Dharmasiri - Chairman - Appointed w.e.f. 01.01.2025  
Independent Director

Dr. R. A. Fernando - Member - Appointed w.e.f. 01.01.2025  
Independent Director

Mr. Malik J. Fernando - Member - Non-Executive Non-Independent

Dr. S. A. B. Ekanayake - Chairman - Resigned w.e.f. 31.12.2024  
Independent Director

Mr. S. C. Ratwatte - Member - Resigned w.e.f. 31.12.2024  
Independent Director

The composition of the Committee complies with the requirements of Section 9.12.6 of the Listing Rules of the Colombo Stock Exchange.

Director	18.06.2024	6.11.2024	19.11.2024
Dr. R. A. Fernando - Appointed w.e.f. 01.01.2025	N/A	N/A	N/A
Prof. A. S. Dharmasiri - Appointed w.e.f. 01.01.2025	N/A	N/A	N/A
Mr. Malik J. Fernando	✓	✓	✓
Dr. S. A. B. Ekanayake - Resigned w.e.f. 31.12.2024	✓	✓	✓
Mr. S. C. Ratwatte - Resigned w.e.f. 31.12.2024	✓	✓	✓

Dr. R. M. Fernando, Managing Director of Elpitiya Plantations PLC attended the meeting by invitation.

## KEY RESPONSIBILITIES OF THE COMMITTEE

The Committee is responsible for determining the remuneration policy of the Company and determines the individual remuneration packages which includes the compensation on termination of employment. The Committee also evaluates the performance of the individual executives including the Senior Management of the Company.

## REMUNERATION POLICY

The Group remuneration policy which was reviewed by the Committee remained unchanged during the year under review.

The remuneration policy is formulated based on competitive remuneration structures of other plantation companies and also with the objective of retaining the best professional and managerial talent and encouraging and motivating good performers to perform at a higher level. The Company has a formal performance appraisal system and regular evaluations are carried out to evaluate each employee's performance. The remuneration policy adopted also takes into consideration the cost of living, inflation and the basic needs of the employees particularly in the lower income groups. The performance of the Company and affordability together with economic conditions which prevail were also considered in recommending increases in remuneration.

The profiles of the Committee members are given on pages 46 to 49 of this Report.

## INDEPENDENCE OF THE COMMITTEE MEMBERS

The members are independent of management and are able to exercise independent judgment when making decisions of the Committee. Mr. Malik J. Fernando is a Non-Executive Director of Aitken Spence Plantation Management PLC, which is the holding company as well as the Managing Agent of the Company. However, Mr. Fernando does not get involved in the day-to-day operations of either the Company or its parent company. The Members of the Committee refrain from taking part in determining their own remuneration.

## COMMITTEE MEETINGS

The Committee met three (03) times during the year under review.

## ACTIVITIES OF THE COMMITTEE

The Committee's decisions were determined based on the following principles and policies:

### Remuneration Policy

- Evaluated the Group Remuneration Policy against the current market trends and industrial norms.
- Reviewed and ensured the implementation of the Group Remuneration Policy.
- Reviewed the policy of the remuneration package of both Executive and Non-Executive Directors.
- Reviewed the specific application of the Group Remuneration Policy to the Managing Director, Joint Managing Director/CEO and Executive Directors and general application of the Group Remuneration Policy to the Senior Management of the Company.

### Performance Based Remuneration

- Evaluated the performance of the Managing Directors, Executive Directors as well as the individual and collective performance of Directors and Senior Management of the Group.
- Reviewed, monitored and evaluated performance of Key Management Personnel as well as their management development and succession planning.

### Performance Incentives

- Evaluated the achievements as well as unaccomplished targets and results which are considered to determine performance-based incentives.

### Remuneration of Managing Director and Joint Managing Director/CEO

- Evaluated the performance of the Managing Director and Joint Managing Director/CEO.

No Director was involved in deciding his/ her own remuneration package.



Prof. A. S. Dharmasiri  
Chairman  
Remuneration Committee

Colombo  
04th June 2025

# SUSTAINABILITY COMMITTEE REPORT

## FORMATION OF THE COMMITTEE

The Board Sustainability Committee of Elpitiya Plantations PLC was formally established with effect from 1st January 2025, reflecting the Company's commitment to integrating Environmental, Social and Governance (ESG) principles into its core business strategy. The formation of this Committee signifies a key milestone in reinforcing the Company's position as a responsible and forward-thinking agribusiness entity, aligned with both national priorities and global sustainability expectations.

## ROLE

The Committee is responsible for establishing, reviewing, and evaluating the Company's sustainability performance while monitoring progress toward its Environmental, Social, and Governance (ESG) objectives. It also oversees the implementation of sustainability initiatives across the economic, environmental, and social pillars, ensuring alignment with the Company's strategic commitments, applicable regulatory requirements, and global best practices.

The key focus is to reduce the Carbon footprint of Elpitiya plantations. In order to do so, it has identified the Key business operations to monitor regularly

- 1) Elpitiya Plantation business (traditional crops are monitored, i.e. Tea, Oil Palm, Cinnamon, Rubber, etc.)
- 2) Diversified business (Berries, Renewable energy, etc.)

Two Fact sheets capturing the Carbon footprint of each of the two were developed and will be monitored in the bi-monthly sustainability meeting. A summarised version of the results will be presented at each Board meeting.

## COMPOSITION

The Sustainability Review Committee was established with effect from 1st January 2025 in the following manner:

**Dr. R. A. Fernando - Chairman -**  
Appointed w.e.f.01.01.2025  
Non-executive, Independent Director

**Prof. A. S. Dharmasiri -**  
Appointed w.e.f. 01.01.2025  
Non-executive, Independent Director

**Mr. A. T. S. Sosa -**  
Appointed w.e.f. 01.01.2025  
(Managing Partner appointed Director)

The key operations team members overseeing the plantation business and diversified business will attend the meetings by invitation.

## KEY RESPONSIBILITIES OF THE COMMITTEE

- Focus on monitoring the carbon footprint annually and initiate actions which reduce the footprint
- Provide executive-level guidance on corporate climate action strategies, ensuring their effective implementation and conducting periodic progress evaluations.
- Provide executive-level direction on the socio-economic development of communities, overseeing their alignment with corporate sustainability objectives and reviewing progress periodically.
- Assess the company's adherence to global ESG standards, ensuring compliance and driving continuous enhancements to align with evolving regulatory and industry benchmarks.
- Evaluate the organisation's capacity to navigate sustainability-related risks and opportunities, and climate-related risks & opportunities, while ensuring long-term resilience.
- Advocate for the integration of global ESG trends and best practices, fostering continuous improvement and strengthening the company's sustainability leadership.

## KEY ACTIVITIES DURING THE YEAR

- Adoption of the Terms of Reference (ToR) for both the Board Sustainability Committee and the Management-level ESG Committee.
- Development of two comprehensive fact sheets on sustainability issues covering both plantation and diversified business.

- Provision of strategic guidance for implementing sustainability reporting frameworks aligned with SLFRS S1 and S2.
- Initiated a gap analysis in collaboration with an external consultancy to identify areas for improvement in existing reporting practices, to achieve full compliance with SLFRS S1 and S2 standards.

## SECRETARY

The Chief Sustainability Officer shall act as the secretary of the committee.

## REPORTING TO THE BOARD

The deliberations and decisions of the Committee are documented in formal minutes, which are tabled at the Board meetings to ensure transparency and informed governance. This enables the full Board to remain abreast of the Company's sustainability agenda and progress.

On behalf of the Board Sustainability Committee,



**Dr. R. A. Fernando**  
Chairman  
Sustainability Committee

Colombo  
04th June 2025

# RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

## ROLE

The role of the Related Party Transactions Review Committee is to advise the Board in relation to transactions with related parties as defined by Sri Lanka Accounting Standard - LKAS 24 and Listing Rules of the Colombo Stock Exchange. The Committee adheres to Rule 9.14 of the updated Listing Rules of the Colombo Stock Exchange, ensuring that the Company considers the interests of shareholders collectively when entering Related Party Transactions.

## COMPOSITION

The Related Party Transactions Review Committee was re-constituted with effect from 1st January 2025 in the following manner:

Dr. R. A. Fernando - Chairman  
Appointed w.e.f.01.01.2025  
Independent Director

Mr. M. J. S. Rajakariar - Member  
Appointed w.e.f. 01.01.2025  
Independent Director

Ms. M. D. A. Perera - Member  
Appointed w.e.f . 01.01.2025  
Non-Executive Non-Independent  
Director

Mr. S. C. Ratwatte - Chairman -  
Resigned w.e.f. 31.12.2024  
Independent Director

Dr. S. A. B. Ekanayake - Member  
- Resigned w.e.f. 31.12.2024  
Independent Director

Mr. Malik J. Fernando - Member -  
Resigned w.e.f. 31.12.2024  
Non-Executive Non-Independent  
Director

The Committee's composition complies with the requirements of Section 9.14.2 of the Listing Rules of the Colombo Stock Exchange.

The Related Party Transactions Review Committee is now composed of three (03) Non-Executive Directors, of whom, two (02) are Independent Directors. The

Committee is now chaired by Dr. R A Fernando, who is an Independent Director. Members' profiles are given on pages 46 to 49 of this Report.

## COMMITTEE MEETINGS

The Committee met every quarter during the year under review.

Director	06.03.2025	11.12.2024	02.09.2024	02.06.2024	28.03.2024
Mr. M. J. S. Rajakariar Appointed w.e.f. 01.01.2025	✓	N/A	N/A	N/A	N/A
Ms. M. D. A. Perera Appointed to the Board w.e.f.27.08.2024 and to Sub-Committees w.e.f . 01.01.2025	✓	N/A	N/A	N/A	N/A
Dr. R. A. Fernando Appointed w.e.f.01.01.2025	✓	N/A	N/A	N/A	N/A
Dr. S. A .B. Ekanayake Resigned w.e.f. 31.12.2024	N/A	✓	✓	✓	✓
Mr. S. C. Ratwatte Resigned w.e.f. 31.12.2024	N/A	✓	✓	✓	✓
Mr. Malik J. Fernando Resigned w.e.f. 31.12.2024	N/A	*	*	*	*

\* Excused

## HIGHLIGHTS DURING THE FINANCIAL YEAR 2024/2025

- Obtained quarterly disclosures from the Key Management Personnel and the Group related companies in relation to proposed related party transactions and post quarter confirmations and the Committee reviewed all such disclosures at its quarterly meetings.
- Communicated Committee's activities to the Board by tabling the minutes of the Committee meetings, at the Board meetings.
- Fixed the thresholds at the first meeting of the Financial Year for Related Party Transactions which require either shareholders' approval or immediate market disclosures, as the case may be for the Financial Year 2024/2025 based on the Audited Financial Statements of the previous Financial Year.

## KEY RESPONSIBILITIES OF THE COMMITTEE

The Committee's key focus is to review all proposed Related Party Transactions prior to entering into or completion of the transaction according to the procedures laid down by Section 9.14 of the Listing Rules of the Colombo Stock Exchange. The responsibilities of the Committee are as follows:

- Evaluate any proposed Related Party Transactions on a quarterly basis and recommend to the management and the Board, the appropriate course of action be taken in order to be compliant with the regulations of the Listing Rules of the Colombo Stock Exchange,

- Review any post quarter confirmations on Related Party Transactions,
- Review the threshold for Related Party Transactions which require either shareholders' approval or immediate market disclosures, as the case may be,
- Regularly report to the Board on the Committee's activities.

#### **KEY MANAGEMENT PERSONNEL**

The Key Management Personnel (KMP) of the Company are the Board of Directors of the Company, Chief Executive Officer and Chief Operating Officers. Declarations were obtained from each KMP of the Company and subsidiaries for the purpose of identifying related parties and for the purpose of annual disclosure.

#### **KEY FUNCTIONS PERFORMED DURING THE YEAR UNDER REVIEW**

- Policies and Procedures:
  - Quarterly disclosures were obtained from the Key Management Personnel of any proposed Related Party Transactions and confirmations of any post-quarter transactions. All such disclosures are tabled at each Related Party Transactions Review Committee meeting,
  - Quarterly disclosures were obtained from all Group companies of any proposed Related Party Transactions and confirmations of any post-quarter transactions and all disclosures are tabled at each Related Party Transactions Review Committee Meeting,
  - Non-recurrent Related Party Transactions, which in aggregate value exceeding lower of 10% of the equity or 5% of the total assets of the Group as per the Audited Financial Statements of the previous year, are communicated to the Committee,
  - Recurrent Related Party Transactions exceeding 10% of the gross revenue of the Group as per the Audited Financial Statements of the previous year, if any, are communicated to the Committee.

- Review of Related Party Transactions:
  - Reviewed all proposed Related Party Transactions as well as post quarter confirmations,
  - Activities of the Committee were communicated to the Board by tabling the minutes of the Related Party Transactions Review Committee Meetings,
  - Reviewed thresholds for Related Party Transactions which require either shareholders' approval or immediate market disclosure based on the Financial Statements for the year ended 31st March 2024.

#### **DECLARATION BY THE BOARD**

The Annual Report of the Board of Directors embodies a declaration confirming compliance with the requirements stipulated in Section 9.14.8(4) of the Listing Rules of the Colombo Stock Exchange.



Dr. R. A. Fernando  
Chairman  
Related Party Transactions Review  
Committee

Colombo  
04th June 2025

# NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

In line with the revised Listing Rules of the Colombo Stock Exchange, the Nominations and Governance Committee was formed on 30th September, 2024. The Committee is comprised of independent Directors.

## COMPOSITION

The Nomination and Governance Committee consists of the following members as at the date of reporting:

Prof. A. S. Dharmasiri - Chairman -  
Appointed w.e.f. 01.01.2025  
Independent Director

Mr. M. J. S. Rajakariar - Member -  
Appointed w.e.f. 01.01.2025  
Independent Director

Dr. R. A. Fernando - Member -  
Appointed w.e.f. 01.01.2025  
Independent Director

Dr. M. P. Dissanayake - Member -  
Resigned w.e.f. 31.12.2024  
Non-Executive Non-Independent

Dr. S. A. B. Ekanayake - Chairman -  
Resigned w.e.f. 31.12.2024  
Non-Executive Non-Independent

Mr. S. C. Ratwatte - Member -  
Resigned w.e.f. 31.12.2024  
Non-Executive Non-Independent

The Committee's composition complies with the requirements of Rule 9.11.4 of the Listing Rules of the Colombo Stock Exchange.

## RESPONSIBILITIES OF THE COMMITTEE

- Evaluation of the quality and composition of the Board of Elpitiya Plantations PLC. The Committee is responsible for ensuring that the Board is well balanced and diversified in terms of effectiveness and composition. Suitable candidates are identified as Directors whilst ensuring that the Board consists of Directors with vast knowledge, experience, competence and entrepreneurial skills to advance the effectiveness of the Boards. The Committee periodically reviews the structure, size and composition of the Board.

- Evaluation of the performance of the Board, its committees and individual Directors to ensure that their responsibilities are satisfactorily discharged.
- Reviewing the Charter for the appointment, re-appointment, re-election, and election of Directors to the Board, as well as their succession planning, and suggesting amendments where necessary.

## KEY FUNCTIONS OF THE COMMITTEE

The Committee reviews and makes recommendations that are fair, free from any bias and not influenced by personal or business relationships, thereby enabling the Company to make sound and measured judgments to attract the best talent for the Company. During the financial year 2024/2025 the Committee performed the following functions:

- Ensured the diversity and effectiveness of the Board as well as the Key Management Personnel (KMPs).
- Reviewed and recommended necessary appointments to the Board whenever necessary.
- Evaluated and recommended suitable internal and external candidates for higher levels of management.
- Evaluated the eligibility of the Directors who have offered themselves re-appointment and re-election to the Board considering the performance and contribution made by the Director concerned towards the overall discharge of the Board's responsibilities and made necessary recommendations to the Board.
- Evaluated the combination of varied skills, knowledge and experience of the Directors of the Company.
- Ascertained that the competencies of Directors are adequate to meet the required strategic demands of the Company.

## RE-APPOINTMENTS AND RE-ELECTIONS

Mr. D. A. De S. Wickremanayake and Dr. R. M. Fernando who retire from the Board at the conclusion of the forthcoming Annual General Meeting in terms of Section 210 and 211 of the Companies Act No. 7 of 2007, have offered themselves for re-appointment.

In terms of Article 92 and 93 of the Articles of Association, Mr. Malik J. Fernando retires by rotation and has offered himself for re-election at the forthcoming Annual General Meeting.

In terms of Article 98 of the Articles of Association, Ms. M. D. A. Perera, Prof. A. S. Dharmasiri, Mr. M. J. S. Rajakariar and Dr. R. A. Fernando retire and have offered themselves for election at the forthcoming Annual General Meeting.

Having given due consideration to each Director's performance, the Committee recommends that the said Directors are eligible for re-appointment, re-election and election as the case may be.

The members of the Nominations and Governance Committee did not participate in the decisions relating to their own re-appointments.



Prof. A. S. Dharmasiri  
Chairman  
Nominations and Governance Committee

Colombo  
04th June 2025

# THE BOARD OF DIRECTORS' STATEMENT ON INTERNAL CONTROLS

The Board of Directors present this statement on Internal Control in accordance with principle D.1.5. of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

## RESPONSIBILITY

The Board of Directors of Elpitiya Plantations PLC acknowledge its responsibility for the adequacy and effectiveness of Company's internal control systems, which is designed to provide assurance on the maintenance of proper accounting records and the reliability of financial information generated and safeguarding of the assets of the Company.

The Board has established an ongoing process of identifying, evaluating and managing significant risks faced by the Company. This process includes enhancing the internal control systems as and when there are changes to the business environment or regulatory guidelines. This process is regularly reviewed by the Board.

The Board has the view that the internal control systems over financial reporting in place are sound and adequate to provide reasonable assurance regarding the reliability of financial reporting and that the preparation of financial statements for external purposes is in accordance with relevant accounting principles and regulatory requirements.

The Board has delegated specific responsibilities to the following sub committees ensuring the effectiveness of Group's daily operations and to ensure that these daily operations are within the corporate objectives, strategies and annual budget ratified by the Board:

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

These committees have the authority to examine issues and report to the Board with their recommendations.

The Board is confident that the Internal Controls are adequate to provide reasonable assurance regarding the reliability of financial reporting which are in accordance with acceptable accounting principles and the applicable regulatory requirements.

## INTERNAL AUDIT

The Internal Audit Department of Aitken Spence Group verifies compliance of operations with policies and procedures and the effectiveness of the internal control systems and highlights significant findings in respect of any non-compliance.

The Group's Internal Audit function is an independent function that reports directly to the Audit Committee. It undertakes regular reviews of the Company's operations and system of internal controls based on annual audit plans approved by the Audit Committee. The internal audit function carries out the reviews with impartiality, proficiency and due professional care. The Internal Audit findings are discussed at estate management level and actions are agreed in response to the internal audit function's recommendations. The progress of implementation of the agreed actions are reviewed and verified by the Internal Audit function through its follow-up reviews. The Audit Committee reviews all internal audit findings, estate management responses and the adequacy and effectiveness of internal controls.

## REVIEW ADEQUACY AND EFFECTIVENESS

The Board and the Audit Committee have reviewed the effectiveness of the financial, operational and compliance controls and internal control systems, including risk management for the period, and have taken appropriate remedial steps where necessary.

In this connection, the Board and the Audit committee conclude that an effective system of risk management and

internal control is in place to safeguard the shareholders' investment and the Company's assets.

## INSURANCE AND PHYSICAL SAFEGUARDS

Adequate insurance and physical safeguards over major assets are in place to ensure Company's assets are sufficiently covered to minimise material loss against any adverse unforeseen events.

## WHISTLEBLOWING POLICY

The Company encourages a whistleblowing policy which enables employees to bring irregularities in financial reporting, internal controls or other matters within the Company/Group to the notice of the higher management.

Proper arrangements are in place to facilitate fair and independent investigation for such matters, if any. The prevalence and effectiveness of this policy is monitored and reviewed regularly by the Audit Committee.

## THE CODE OF ETHICS AND PROFESSIONAL CONDUCT

The Aitken Spence Group Code of Ethics and Professional Conduct which includes a strong set of corporate values and conduct, is circulated to directors and all employees. The Board ensures that directors and all employees strictly comply with the Group Code of Ethics in exercising their duties, communications, role modelling and in any other circumstance, to uphold the Company's integrity and image. Strict disciplinary actions are initiated for any violation of the Group Code of Ethics and Professional conduct.

## CYBER SECURITY

The Company has become more technology driven, thus increasing its reliance on cyber connectivity. In this era, securing and protecting the group's information assets becomes a priority. The Board has taken necessary precautions to minimise the risk of a security breach. During the year under review, necessary steps were rolled out to curtail the exposure to cyber-attacks by reducing the threat surface and any potentially exploitable vulnerabilities.

### **GOING CONCERN**

The Statement of Going Concern is set out in the 'Annual Report of the Directors' on page 207.

### **RISK MANAGEMENT**

The Board has set up an ongoing process for identifying, monitoring and managing the principal and emerging risks faced by the Company.

An overview of the Company's framework for identifying and managing risk, both at an operational and strategic level, is set out on pages 198.

### **ANNUAL REPORT**

The Board of Directors is responsible for the preparation of the Annual Report and confirm that the quarterly reports, annual financial statements and the annual review of operations of the Company and its subsidiaries, joint ventures and associate companies that are incorporated in this Annual Report have been prepared and presented in a reliable manner, based on a balanced and comprehensive assessment of the financial performance of the Company.

### **CONFIRMATION**

Based on the above processes, the Board of Elpitiya Plantations PLC confirms that the financial reporting system of the Company has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements are done in accordance with the requirements of the Companies Act No. 7 of 2007, Sri Lanka Accounting and Auditing Standards, Listing Rules of the Colombo Stock Exchange and other regulatory bodies as applicable for the Company.

We have duly complied with all the requirements prescribed by the regulatory authorities including the Colombo Stock Exchange and the Registrar General of Companies.

The Consolidated Financial Statements for the year ended 31st March 2025 have been audited by Messrs. Ernst & Young, Chartered Accountants.

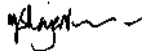
Moreover, the Board has conducted a thorough evaluation of company's internal controls, encompassing financial, operational and compliance controls as well as risk management. This comprehensive assessment has provided reasonable assurance of their effectiveness and successful adherence.



Dr. M. P. Dissanayake  
Chairman



Dr. R. M. Fernando  
Managing Director



Mr. M. J. S. Rajakariar  
Chairman - Audit Committee

Colombo  
04th June 2025

# RISK MANAGEMENT

Risk management is a critical function of the Board as it influences a number of other functions the Board needs to fulfil such as providing strategic guidance, performance reviews and reporting. Arguably, a Board would not be able to function effectively without a comprehensive understanding of the risks that are likely to affect the company in the short, medium and long term. This section of the Annual Report provides insights into how the Board has put in place an effective risk management framework at Elpitiya Plantations PLC.

## RISK LANDSCAPE

	Low	Medium	High
Political	—Political stability	●	
	—Geopolitical Tensions		●
	—Policies & Reforms		●
Economic	—Growth	●	
	—Inflation	●	
	—Interest Rates	●	
	—FX Rates	●	
	—Commodity Prices		●
Social	—Pressure on wages		●
	—Talent Retention		●
	—Health & Safety	●	
Technology	—Cybersecurity		●
	—Pace of Tech Evolution		●
	—Tech Adaptation		●
Environmental	—Impact of Climate Change		●
	—Soil health		●
	—Biodiversity		●
Legal	—Compliance	●	

As an agriculture based entity, Elpitiya is exposed to a numerous risks. Those on the risk radar are summarised alongside using the PESTEL model.

**Political** - 2024 saw political stability restored with a strong mandate for the new government who have maintained policy stability. Globally, geopolitical and geoeconomic tensions remain elevated at the close of the year.

**Economic** – Sri Lanka recorded positive growth after two years which is expected to moderate in 2025 due to external factors and structural weaknesses. Inflation which was in negative territory for 5 months from August 2024 is expected to move to mid single digits. Interest rates are expected to remain low to stimulate growth. Movement of the exchange rate is more uncertain while commodity prices are expected to move up due to climate impacts.

**Social** – Employees and estate communities are intertwined as many employees live on the estate. Migration remains an issue throughout all employee categories. Health and safety is a key concern as we deal with agrochemicals and epidemics have the ability to spread throughout the estate community.

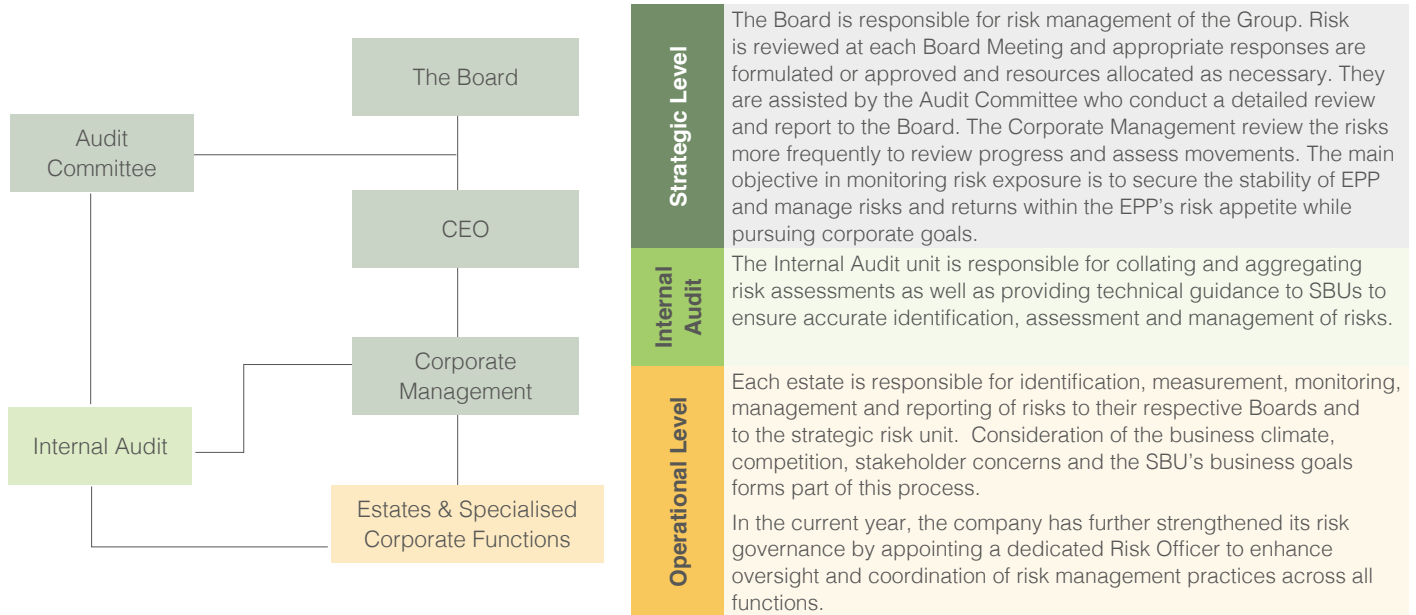
**Technology** – Sri Lanka’s agriculture sector is at the early stage of technology adoption to modernise the industry and is handling the related issues. The pace of agriculture technology continues to pick up pace. As all our transactions are digital, cybersecurity is a critical concerns with increasing threat levels.

**Environment** – EPP deals with the vagaries of weather and closely monitors the changes in weather patterns to protect harvests as much as possible. Soil health and biodiversity need to be preserved and significant efforts are devoted to this.

**Legal** – Compliance with legal and regulatory requirements is a key pillar of the entity’s risk management framework.

**RISK GOVERNANCE**

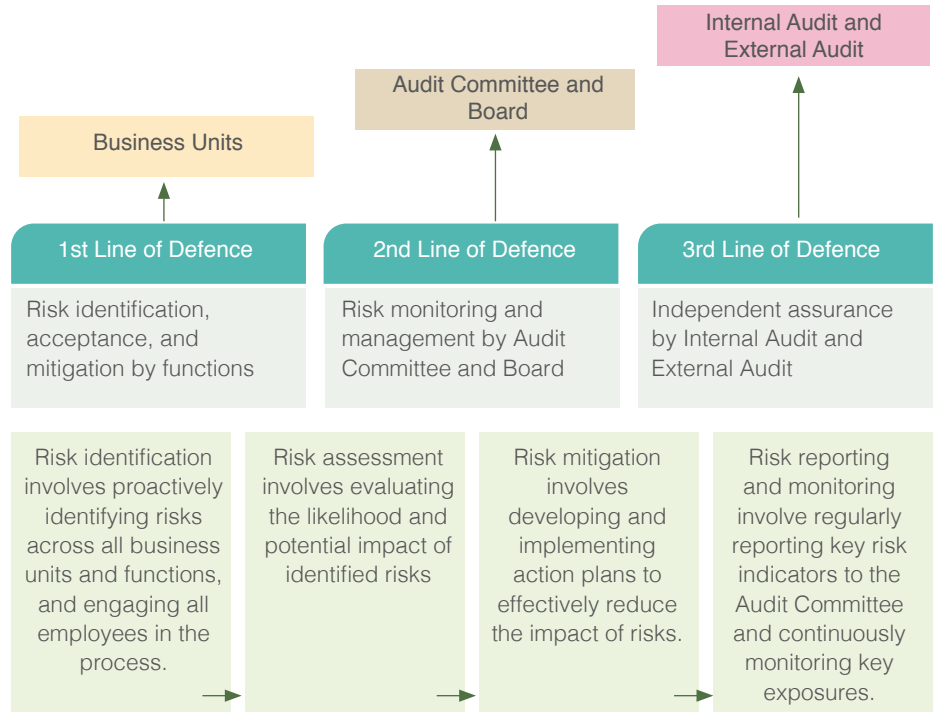
The Board of Directors holds ultimate responsibility for the Group's risk management function. The Audit Committee provides oversight and support to the Board, specifically focusing on risk and internal control matters.



While non-financial risks primarily arise at the business unit and functional levels, all employees are responsible for proactively identifying and monitoring risks. The Group actively cultivates a risk-conscious culture through ongoing training, awareness sessions, mentorship, knowledge sharing, and actively engaging all employees in the risk management process.

**PRINCIPLES AND APPROACH TO RISK MANAGEMENT**

Aligned with our parent entity, the Group adheres to the globally recognised three lines of defence model for risk management. This model promotes clear segregation of duties, ensuring a robust and comprehensive approach to risk assessment, mitigation, and control.



### Risk Tolerance

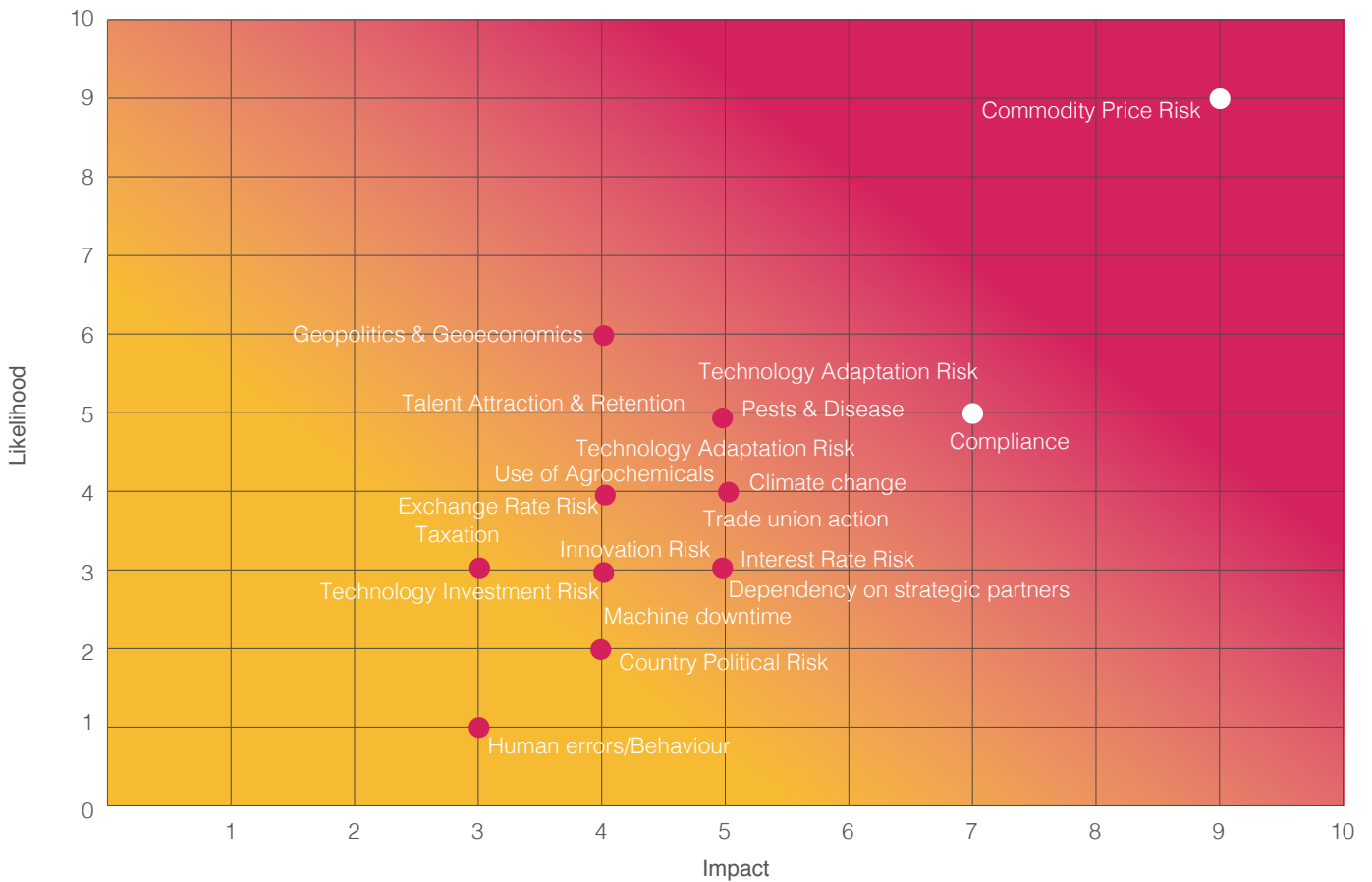
The Group's risk tolerance level defines the acceptable threshold of risk when pursuing its objectives and targets. The following table outlines the different levels of risk and the corresponding treatment strategies employed in our risk management process.

Low risk	High risk	
<b>Risk Treatment: Acceptable Managed</b>	<b>Risk Treatment: Accept and Monitor</b>	<b>Risk Treatment: Avoid</b>
These risks are managed through standard operating procedures, requiring no additional resources.  <b>Risk Response:</b> Monitor and review	Operational managers develop and monitor treatment plans for these risks.  <b>Risk Response</b> Manage through specific monitoring/ response procedures	<b>Risk Response:</b> These risks require senior management attention and specific management responsibilities.

### PRIORITISING OUR RISKS

The table below summarises key risk exposures identified in 2024/25, including mitigation measures and their alignment with our strategic objectives.

**RISK HEAT MAP**



Political	Financial	Technology & Operational
<ul style="list-style-type: none"> <li>Local Political Risks</li> <li>Geopolitic &amp; Geoeconomics</li> </ul>	<ul style="list-style-type: none"> <li>Commodity Price Risk</li> <li>Interest Rate Risk</li> <li>Exchange Rate Risk</li> <li>Taxation</li> </ul>	<ul style="list-style-type: none"> <li>Technology Adaptation Risk</li> <li>Technology Investment Risk</li> <li>Innovation Risk</li> </ul>

Social	Environmental	Operational	Biological
<ul style="list-style-type: none"> <li>Talent attraction &amp; retention</li> <li>Trade union action</li> <li>Human error/behaviour</li> <li>Dependency on strategic partners</li> </ul>	<ul style="list-style-type: none"> <li>Climate change</li> <li>Use of Agrochemicals</li> </ul>	<ul style="list-style-type: none"> <li>Compliance</li> <li>Machine downtime</li> </ul>	<ul style="list-style-type: none"> <li>Pests &amp; disease</li> </ul>

## OUR PRINCIPAL RISKS

EPP's top 12 risks are prioritised and presented below together with their significance and related mitigation plans are given below.

### Other projects

Risk:	Risk Indicators	Mitigation Plans & Actions	Outlook
<p><b>1. Commodity Price Risk</b></p> <p>EPP is dependent on commodity markets for its principal crops</p> <p><b>Assessment</b> Impact: High Likelihood: High</p>	<p>Net Sales Averages for Tea and rubber</p> <p>Global oil palm prices</p>	<ul style="list-style-type: none"> <li>Focus on quality</li> <li>Obtain and maintain relevant certifications</li> <li>Regular dialogue with brokers and buyers to understand refinements required to improve prices</li> </ul>	<p>This is a top risk that is managed at multiple levels as it determines our top line</p>
<p><b>2. Compliance</b></p> <p>EPP operates in a regulated sector and also relies on certifications of best practice to access markets/market segments</p> <p><b>Assessment</b> Impact: High Likelihood: High</p>	<p># of violations of regulatory and certification requirements</p>	<ul style="list-style-type: none"> <li>Rigorous compliance framework in place for regulatory and voluntary certifications</li> <li>A culture of adopting best practices and striving for excellence</li> <li>Internal Audit provides assurance on violations and potential areas of weakness</li> </ul>	<p>Compliance is a critical aspect of our operations due to the scope and breadth of regulation and certification. Additionally, regulations and other requirements continue to change with increasing frequency. Therefore, by default this remains in the high category.</p>
<p><b>3. Technology Adaptation</b></p> <p>Reluctance to adopt new technology hinders efficiency, productivity, and long-term competitiveness.</p> <p><b>Assessment</b> Impact: Medium - High Likelihood: Moderate</p>	<p># of open vacancies</p> <p>Average time to recruitment</p> <p>Retention rate</p>	<ul style="list-style-type: none"> <li>Implementation of comprehensive employee retention strategy</li> <li>Employer branding strategy</li> </ul>	<p>The scars of the recent high numbers of worker migration is likely to continue for the medium term at least as the demand for skilled workers in advanced economies continues to remain at high levels.</p>

Risk:	Risk Indicators	Mitigation Plans & Actions	Outlook
<p><b>4. Talent Attraction &amp; Retention</b></p> <p>The movement of skilled labour to other regions or countries leading to workforce shortages, impacting productivity and operational efficiency.</p> <p><b>Assessment</b> Impact: Medium - High Likelihood: Moderate</p>	<p># of open vacancies</p> <p>Average time to recruitment</p> <p>Retention rate</p>	<ul style="list-style-type: none"> <li>Implementation of comprehensive employee retention strategy</li> <li>Employer branding strategy</li> </ul>	<p>The scars of the recent high numbers of worker migration is likely to continue for the medium term at least as the demand for skilled workers in advanced economies continues to remain at high levels.</p>
<p><b>5. Pests &amp; Diseases</b></p> <p>The emergence of new pests or diseases can damage crops, reduce yields, and increase costs for pest control and mitigation, affecting overall productivity and profitability.</p> <p><b>Assessment</b> Impact: Medium - High Likelihood: Moderate</p>	<p># of pest infestations</p> <p># duration of epidemics</p> <p>Area affected</p>	<ul style="list-style-type: none"> <li>Develop a conducive infrastructure system to facilitate easy crop diversification</li> <li>Identification of new business and new resistant cultivars</li> </ul>	<p>This is an underlying risk that escalates from time to time. Like the COVID-19 pandemic and more recently the army worm, the risk can escalate with short notice to high levels.</p>
<p><b>6. Geopolitics &amp; Geoeconomics</b></p> <p>Geopolitical conflict and tariffs can change consumption and demand patterns, product mixes and net sales averages as buyers align sourcing strategies to cost efficient and reliable supply chains</p> <p><b>Assessment</b> Impact: Medium - High Likelihood: Moderate</p>	<p>Key trading partners for each commodity</p> <p>Freight routes and costs</p> <p>Tariffs in key markets</p>	<ul style="list-style-type: none"> <li>Continuous monitoring to understand market dynamics</li> <li>Build resilience to withstand potential shocks</li> </ul>	<p>This is a continuously morphing risk that needs careful monitoring to adapt sales strategies.</p>
<p><b>7. Trade Union Action</b></p> <p>Strong union influence may lead to labour disputes, strikes, and increased wage demands, impacting operational stability and cost management.</p> <p><b>Assessment</b> Impact: Medium - High Likelihood: Moderate</p>	<p>% of unionised employees</p> <p># of trade union actions</p> <p># of structured formal meetings with union representatives</p>	<ul style="list-style-type: none"> <li>Implement a sound industrial relations strategy</li> <li>Continuous investments in community development/ social strategy</li> <li>Upliftment of the quality of the living standards of the community</li> </ul>	<p>This remains a persistent risk that warrants continuous attention. While current measures are expected to stabilise labour relations, sustained vigilance and proactive dialogue are essential to maintain this stability over time.</p>
<p><b>8. Climate Change</b></p> <p>Shifts in temperature and weather conditions can affect crop yields, plantation productivity, and resource availability. Altered rainfall patterns can lead to water scarcity or flooding, impacting crop growth, soil health, and overall operational planning.</p> <p><b>Assessment</b> Impact: Medium - High Likelihood: Moderate</p>	<p>Temperature</p> <p># of rainy days</p> <p>Lost revenue</p>	<ul style="list-style-type: none"> <li>Improving soil carbon up to 3%,</li> <li>Increasing soil water and nutrient retention capacity by applying organic compost,</li> <li>Rainwater harvesting to mitigate drought effect.</li> <li>Conservation of catchments and restoration stream reservations.</li> </ul>	<p>This risk is expected to increase as impacts of climate change intensify over time. Managing this risk requires a global coordinated effort with every one doing their part.</p>

Risk:	Risk Indicators	Mitigation Plans & Actions	Outlook
<p><b>9. Use of agrochemicals</b></p> <p>The use of agrochemicals and improper waste disposal can lead to soil degradation, water contamination, and harm to local ecosystems, potentially triggering regulatory scrutiny and damaging the company's reputation.</p> <p><b>Assessment</b> Impact: Medium - High Likelihood: Moderate</p>	<p>MT applied</p> <p>Hectarage covered</p>	<ul style="list-style-type: none"> <li>• Reduction of use of chemical fertilisers by 50%,</li> <li>• Reduction use of chemical weedicides by 65%, pesticides by 80% and recycling of all plastics and polythene .</li> <li>• Conversion of all biodegradable waste in to organic compost.</li> </ul>	<p>This risk will abate as we use new technology to facilitate targeted application and agrochemical get gradually replaced with organic fertilisers.</p>
<p><b>10. Interest rate risk</b></p> <p>Changes in interest rates can reduce deposit income and increase borrowing costs, also impacting the investment decisions of the investors.</p> <p><b>Assessment</b> Impact: Medium - High Likelihood: Moderate</p>	<p>Innovation pipeline</p> <p># of innovations successfully implemented</p> <p>Benefits from</p>	<ul style="list-style-type: none"> <li>• Acquisition of R&amp;D arm to fast-track the technology diffusion</li> <li>• Restructuring of the corporate strategy</li> <li>• Implementation of comprehensive employee retention strategy and employer branding strategy</li> </ul>	<p>The risk is expected to abate as modernisation of the agricultural sector gains traction over the medium to long term.</p>
<p><b>12. Exchange rate risk</b></p> <p>Exchange rates movements impact the top line and our ability to absorb costs</p> <p><b>Assessment</b> Impact: Medium - High Likelihood: Moderate</p>	<p>Exchange rate</p>	<ul style="list-style-type: none"> <li>• Effective use of inputs and shift towards locally supplied raw materials</li> <li>• Entering into forward contracts (eg:white sole-crepe)</li> </ul>	<p>This is a market risk that is inevitable and needs to be managed proactively</p>



# PROGRESSIVE ELEVATION

## FINANCIAL REPORTS

With a sharp focus on strategic investment and operational efficiency, we continue to elevate stakeholder value through consistent, progressive financial growth and impact-driven results.



# FINANCIAL CALENDAR 2024/25

## Interim Financial Statements

Interim Financial Statement for the 3 months ended 30th June 2024	Approved on 9th August 2024
Interim Financial Statement for the 6 months ended 30th September 2024	Approved on 13th November 2024
Interim Financial Statement for the 9 months ended 31st December 2024	Approved on 11th February 2025
Interim Financial Statement for the 12 months ended 31st March 2025	Approved on 27th May 2025

## Audited Financial Statements

Audited Financial Statements for the year ended 31st March 2024	Approved on 27th May 2024
Audited Financial Statements for the year ended 31st March 2025	Approved on 27th May 2025

## Dividends

First & Final Dividend for the year ended 31st March 2024	Approved by the Shareholders on 28th June 2024 and paid on 5th and 18th July 2024.
First & Final Dividend for the year ended 31st March 2025	Recommended by the Board on 30th May 2025.

## Annual General Meeting

32nd Annual General Meeting	28th June 2024
33rd Annual General Meeting	27th June 2025

# ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Elpitiya Plantations PLC has pleasure in presenting to the Shareholders the Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2025. The details set out herein provide the pertinent information required under section 168 of the Companies Act No. 7 of 2007, the 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 and the best accounting practices.

## 1. PRINCIPAL ACTIVITIES

The principal activities of the Company are the cultivation, manufacture, and sale of Black Tea, Rubber and Palm Oil and other crops. During the year under review, there were no significant changes in the principal activities of the Company and the Group.

## 2. GROUP STRUCTURE

The Group Structure is given on page 310

## 3. REVIEW OF OPERATIONS

The Chairman's and the Managing Director's reviews contain detailed accounts of the year's operations and developments within the Group.

## 4. BUSINESS REVIEW/FUTURE DEVELOPMENT

A review of the financial and operational performance and future business developments of the Group are contained in the Chairman's Message on page 36 to 39 the Managing Director's Report on page 40 to 43 and About us on pages 7

## 5. AUDITOR'S REPORT

The Company's Auditors Messrs. Ernst & Young, Chartered Accountants carried out an audit on the Financial Statements of the Company and the Group as at 31st March 2025, and their Report is given on page 212

## 6. ACCOUNTING POLICIES AND CHANGES DURING THE YEAR

The Company and the Group prepared the Financial Statements in accordance with the Sri Lanka Accounting Standards (SLFRSs/ LKASs). The significant

accounting policies adopted in the preparation of the Financial Statements of the Company and the Group are given on page 222. The Board of Directors wish to confirm that there were no changes to the accounting policies used by the Company and the Group during the year. Accounting policies adopted in the preparation of the Financial Statements of the Company and the Group are given on page 222 and under the respective notes to the Financial Statements given on page 221 of this Report.

## 7. REVENUE AND PROFITS

### A. Revenue for the Year

The revenue of the Group for the year ended 31st March 2025 was Rs. 7,692 million (2023/24 - Rs. 7,204 million) while the Company's revenue was Rs. 7,682 million (2023/24 - Rs. 7,192 million). An analysis of the income is given in note 6 to the Financial Statements.

### B. Financial Results

The profit earned by the Group for the year ended 31st March 2025 amounted to Rs. 1,329 million (2023/24 - Rs. 1,566 million), whilst the Company recorded a profit amounted to Rs. 1,280 million (2023/24 - Rs. 1,546 million).

The Group's total comprehensive income for the year is Rs. 1,331 million (2023/24 - Rs. 1,406 million) while the Company recorded a total comprehensive income of Rs. 1,281 million (2023/24 - Rs. 1,386 million).

The Consolidated Income Statement, along with the Company's Income Statement for the year, are given on page 216 Details of transfers to/from reserves in respect of the Group and the Company are shown in the Statement of Changes in Equity on page 219

### C. Donations

During the year under review, donations amounting to Rs. 2,794,617/- (2023/24 - Rs. 2,209,405/-) were made by the Company, while no donations were made by the other Group entities during the year under review (2023/24 - Nil).

## D. Taxation

A detailed statement of the income tax rates applicable is set out on page 240.

## E. Dividend

The Directors recommended a first and final dividend payment of Rs. 5.50 per share for the year ended 31st March 2025. The dividend is paid out of profits by the Company. The Directors are satisfied that the Company would meet the solvency test requirement under Section 56(2) of the Companies Act No. 7 of 2007, immediately after the payment of the first and final dividend.

## 8. SYNOPSIS OF THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY AND THE GROUP

### A. Stated Capital and Reserves

As of 31st March 2025, the Company had issued 72,866,430 ordinary shares and the stated capital of the Company was Rs. 694 million (2023/24 - Rs. 694 million).

The Company's earnings as at 31st March 2025 were Rs. 6,976 million (2023/24 - Rs. 6,449 million), whereas the total Group's retained earnings as at 31st March 2025 were Rs. 7,366 million (2023/24 - Rs. 6,790 million). The Timber reserve of the Company as at 31st March 2025 was at Rs. 1,445 million (2023/24 - Rs. 1,054 million). The movement in these reserves is shown in the statement of changes in equity on page 219.

### B. Property, Plant and Equipment

Details of the Property, Plant and Equipment are given in Note 16 to the Financial Statements on page 250 of the Annual Report.

### C. Contingent Liabilities

Details of the contingent liabilities are disclosed in Note 37 to the Financial Statements on page 274 of the Annual Report.

# ANNUAL REPORT OF THE BOARD OF DIRECTORS

## 9. EVENTS OCCURRING AFTER THE REPORTING DATE

The events occurred after the reporting date have been disclosed in Note 38 to the Financial Statements on page 274 of the Annual Report.

## 10. HUMAN RESOURCE

The number of persons employed by the Company at year end was 4,403 (31.03.2024 – 4,547) of which 4,341 (31.03.2024 – 4,476) are engaged in employment outside the District of Colombo.

## 11. SHAREHOLDER INFORMATION

There were 11,976 shareholders as at 31st March 2025. The distribution schedule of the number of shareholders and their shareholdings are detailed on pages 281 to 283 of this Annual Report. The names of the twenty largest shareholders, together with their shareholdings as at 31st March 2025 are given on page 282 of this Annual Report.

The percentage of the shares held by the public as at 31st March 2025 was 16.93% which was in the hands of 11,974 public shareholders.

Information relating to earnings, net assets, market price per share are given in the financial highlights on page 16 and the shareholders and the investor information on page 281 of the Annual Report.

## 12. THE BOARD

### 12.1 Board of Directors

The Board of Directors of the Company as at the date of the Report are as follows. The brief profiles of the Board of Directors are given on the page 46 of this Annual Report.

Director	Executive	Non-Executive	Independent	Non-Independent
Dr. M. P. Dissanayake -Chairman		√		√
Dr. R. M. Fernando -Managing Director	√			
Mr. Malik J. Fernando		√		√
Mr. D. A. De S. Wickremanayake		√		√
Ms. M. D. A. Perera		√		√
Mrs. M. K. D. N. Madampe		√		√
Prof. A. S. Dharmasiri			√	
Mr. M. J. S. Rajakariar			√	
Dr. R. A. Fernando			√	
Mr. B Bulumulla-Jt MD/CEO- Deceased 15.03.2025				

### 12.2 Board Sub-Committees

#### Audit Committee

Mr. M. J. S. Rajakariar- Chairman -  
Appointed w.e.f. 01.01.2025  
Independent Director

Dr. R. A. Fernando-Member -  
Appointed w.e.f.01.01.2025  
Independent Director

Ms. M. D. A. Perera –  
Appointed w.e.f . 01.01.2025  
Non-Executive, Non-Independent

Dr. S. A. B. Ekanayake – Chairman –  
Resigned w.e.f. 31.12.2024  
Independent Director

Mr. S. C. Ratwatte– Member –  
Resigned w.e.f. 31.12.2024  
Independent Director

Mr. Malik J. Fernando - Member–  
Resigned w.e.f. 31.12.2024  
Non-Executive, Non-Independent

#### Remuneration Committee

Prof. A. S. Dharmasiri - Chairman -  
Appointed w.e.f. 01.01.2025  
Independent Director

Dr. R. A. Fernando-Member -  
Appointed w.e.f.01.01.2025  
Independent Director

Mr. Malik J. Fernando - Member  
Non-Executive, Non-Independent

Dr. S. A. B. Ekanayake – Chairman –  
Resigned w.e.f. 31.12.2024  
Independent Director

Mr. S. C. Ratwatte– Member–  
Resigned w.e.f. 31.12.2024  
Independent Director

#### Related Party Transactions Review Committee

Dr. R. A. Fernando-Chairman -  
Appointed w.e.f.01.01.2025  
Independent Director

Mr. M. J. S. Rajakariar- Member -  
Appointed w.e.f. 01.01.2025  
Independent Director

Ms. M. D. A. Perera –Member-  
Appointed w.e.f . 01.01.2025  
Non-Executive, Non-Independent Director

Mr. S. C. Ratwatte – Chairman-  
Resigned w.e.f. 31.12.2024  
Independent Director

Dr. S. A. B. Ekanayake – Member –  
Resigned w.e.f. 31.12.2024  
Independent Director

#### Nominations and Governance Committee

Prof. A. S. Dharmasiri – Chairman-  
Appointed w.e.f.01.01.2025  
Independent Director

Mr. M. J. S. Rajakariar – Member -  
Appointed w.e.f.01.01.2025  
Independent Director

Dr. R. A. Fernando- Member -  
Appointed w.e.f.01.01.2025  
Independent Director

Dr. S. A. B. Ekanayake-Chairman-  
Resigned w.e.f.31.12.2024  
Non-Executive, Non-Independent

Mr. S. C. Ratwatte- Member -  
Resigned w.e.f. 31.12.2024  
Non-Executive, Non-Independent

Dr. M. P. Dissanayake- Member -  
Resigned w.e.f. 31.12.2024  
Non-Executive, Non-Independent

### 12.3 Governance

The Directors declare that:

- the Group has not intentionally engaged in any activity which contravenes national and international laws. The Group rigidly adheres to relevant national and international rules, regulations and codes of Professional Institutes and Associations, Industrial Associations, Chambers of Commerce and other regulatory bodies.
- the Company complies with the Corporate Governance Rules contained in Section 9 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance 2017, as amended in 2023, issued by the Institute of Chartered Accountants of Sri Lanka. The measures taken and the extent to which the Company has complied with the said Section and the Code are given on page 176 of the Corporate Governance Report of this Annual Report.
- the Group applies high standards to protect and nurture the environment in which it operates and ensures strict adherence to all environmental laws and practices. The Group's efforts to conserve non-renewable resources, as well as its environmental objectives and key initiatives are described in the Natural Capital Report on page 139.

- the Company has no restrictions with regard to shareholders carrying out appropriate analysis or obtaining independent advice regarding their investment in the Company and has made all endeavours to ensure the equitable treatment of shareholders.
- they have declared all material interests in contracts involving the Company and the Group and refrained from voting on matters in which they were materially interested.
- they have conducted an evaluation of Group's Internal Controls encompassing financial, operational and compliance controls, risk management and have obtained reasonable assurance of their effectiveness and proper adherence.
- none of the Directors or Close Family Members of the Directors have any material business relationships with other Directors of the Company.
- they have made themselves aware of applicable laws, rules and regulations and are aware of changes particularly in Listing Rules and applicable capital market provisions.

### 13. RECOMMENDATION FOR RE-APPOINTMENT AND RE-ELECTION

Nominations and Governance Committee and the Board have recommended that Mr. D. A. de S. Wickremnayake and Dr. R. M. Fernando who are over 70 years of age and vacate office in terms of Section 210(2) (b) of the Companies Act No. 07 of 2007 be re-appointed as Directors of the Company in terms of Section 211 of the Companies Act No. 07 of 2007 specially declaring that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Directors.

Mr. Malik J. Fernando who retires by rotation in terms of Article 92 and 93 of the Articles of Association of the Company and offers himself re-election at the forthcoming Annual General Meeting. The Nominations and Governance Committee and the Board have recommended his re-election.

Ms. M. D. A. Perera, Prof. A. S. Dharmasiri, Mr. M. J. S. Rajakariar and Dr. R. A. Fernando who retire in terms of Article 98 of the Articles of Association of the Company and offer themselves for election at the forthcoming Annual General Meeting. Nominations and Governance Committee and the Board have recommended their election

### 14. DIRECTORS' INTEREST IN TRANSACTIONS

The Directors have disclosed to the Board their interest in transactions with the Company during the year under review, the details of which are set out in the notes to the Financial Statements on page 221. The disclosures so made were duly recorded in the Interest Register.

### 15. INTEREST REGISTER

The Interest Register is maintained as per the requirements of the Companies Act No. 7 of 2007 and is available for inspection.

### 16. DIRECTORS' REMUNERATION

A sum of Rs. 107.6 million/- (2023/24 – Rs. 161 million) was paid as Directors' fees during the Financial Year 31st March 2025.

### 17. DIRECTORS' SHAREHOLDINGS

None of the Directors hold shares in the Company.

### 18. RELATED PARTY TRANSACTIONS

Related Party Transactions (RPT) of the Group are disclosed in note 34 to the Financial Statements. These interests have been duly declared by the Directors.

Related Party Transactions (RPT) of the Group are disclosed in note 34 to the Financial Statements. These are Recurrent and Non-Recurrent Related Party Transactions, which required to be disclosed in the Annual Report in accordance with the Sri Lanka Accounting Standard No. 24 - Related Party Disclosures. However, there were no Recurrent Related Party Transactions, which in aggregate value exceeded 10% of the consolidated revenue of the Group as per the Audited Financial Statements as at 31st March 2024.

# ANNUAL REPORT OF THE BOARD OF DIRECTORS

There were no Non-Recurrent Related Party Transactions which are in aggregate value exceeding lower of 10% of the equity or 5% of the total assets of the Group as per the Audited Financial Statements as at 31st March 2024, which required additional disclosures in the Annual Report under Section 9.14.8(1) of the Listing Rules of the Colombo Stock Exchange.

The Group companies and their Key Management Personnel have disclosed on a quarterly basis, the proposed Related Party Transactions (if any) falling under the ambit of Rule 9.14.8(1) and (2) of the Listing Rules of the Colombo Stock Exchange. The disclosures so made were tabled at the quarterly meetings of the Related Party Transactions Review Committee, in compliance with the requirements of the above-mentioned rule.

The Directors declare that the Company is compliant with Rule 9.14 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the Financial Year ended 31st March 2025.

## 19. GOING CONCERN

The Directors are satisfied that the Company, its subsidiaries and joint ventures have adequate resources to continue in operational existence for the foreseeable future, to justify adopting the going concern basis in preparing these Financial Statements. The Directors, after considering the financial position, operating conditions, regulatory and other factors including matters addressed in the Corporate Governance Code, have reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future. Therefore, the going concern has been adopted in the preparation of the Financial Statements. Basis of conclusion on the going concern for the Company and the Group is further described in Note 19 under basis of preparation.

## 20. RATIOS AND MARKET PRICE INFORMATION

The ratios relating to equity and debt as required by the Listing Rules of the Colombo Stock Exchange are given under

the Performance scorecard on page 16 and Shareholders and Investor Information on page 281 of this Report.

## 21. RISK MANAGEMENT

The Board confirms that there is an ongoing process of identifying, evaluating and managing any significant risks faced by the Group. Risks faced by the Group are identified, the significance they pose are evaluated and mitigatory strategies are adopted by the Group. The Board reviews the risk management process through the Audit Committee. The Risk Management Report of the Group is on page 198 of this Report.

## 22. ANNUAL GENERAL MEETING

The Thirty Third (33rd) Annual General Meeting of the Company will be held on Friday, 27th June 2025 at 10.00 a.m.

## 23. INTERNAL CONTROLS

The Board of Directors ensures that the Group has an effective internal control system which ensures that the assets of the Company and the Group are safeguarded, and appropriate systems are in place to minimise and detect fraud, errors and other irregularities. The system ensures that the Group adopts procedures which result in financial and operational effectiveness and efficiency.

The Board of Directors' Statement on Internal Control, the Statement of Directors' Responsibilities and the Audit Committee Report set out in this Annual Report provide further information in respect of the above.

## 24. STATUTORY PAYMENTS

The Directors to the best of their knowledge and belief are satisfied that all statutory financial obligations to the Government and to the employees have been either duly paid or adequately provided in the financial statements. Confirmation of same is included in the Statement of Directors' Responsibilities of this Annual Report.

## 25. AUDITORS

The Financial Statements for the year ended 31st March 2025 have been audited by Messrs. Ernst & Young, Chartered Accountants. The retiring Auditors, Messrs.

Ernst & Young, Chartered Accountants, have expressed their willingness to continue in office and a resolution to re-appoint them as Auditors and to authorise the Board to determine their remuneration will be proposed at the Annual General Meeting of the Company. The Independent Auditors' Report on the Financial Statements is given on page 212 of the Annual Report.


The audit fee payable by the Company to the Auditors, Messrs. Ernst & Young, Chartered Accountants was Rs. 3.7 million (2023/24 - Rs. 3.4 million). In addition to the above, Rs. 1.1 million was payable by the Company for the permitted audit related and non-audit related services including tax advisory services in respect of the year under review.

Messrs. Ernst & Young, Chartered Accountants, the Auditors are also the Auditors of subsidiaries and joint ventures of the group. The amount payable by the Group to Messrs. Ernst & Young, Chartered Accountants as audit fees for the year ended 31st March 2025 was Rs. 3.9 million (2023/24 - Rs. 3.6 million) while a further sum of Rs. 1.3 million is payable for permitted audit and non-audit related services including tax advisory services in respect of the year under review.

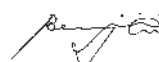
By Order of the Board



**Dr. M P Dissanayake**  
Chairman



**Dr. R M Fernando**  
Managing Director



**Aitken Spence Corporate Services  
(Private) Limited**  
Secretaries

Colombo  
04th June 2025

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act No. 07 of 2007 requires the Directors of the Company to be responsible for the preparation and presentation of the Financial Statements and other statutory reports. The responsibilities of the Directors, in relation to the Financial Statements of Elpitiya Plantations PLC and the Consolidated Financial Statements of the Group are set out in this Report.

The Directors confirm that the Financial Statements and other statutory reports of the Company and the Group for the year ended 31st March 2025 incorporated in this Report have been prepared in accordance with the Companies Act No. 07 of 2007, the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Listing Rules of the Colombo Stock Exchange.

The Directors have taken appropriate steps to ensure that the companies within the Group maintain adequate and accurate records which reflect the true financial position of each such company and hence the Group.

The Directors have taken appropriate and reasonable steps to safeguard the assets of the Company and the Group. The Directors have instituted appropriate systems of internal control in order to minimise and detect fraud, errors and other irregularities. The Directors in maintaining a sound system of internal control and in protecting the assets of the Company, have further adopted risk management strategies to identify and evaluate the risks which the Company could be exposed to and its impact to the Company. The Directors having considered the Group's business plans, and a review of its current and future operations, are of the view that the Company and the Group have adequate resources to continue in operation. The Directors have adopted the going concern basis in preparing the Financial Statements.

The Financial Statements presented in this Annual Report for the year ended 31st March 2025, have been prepared

based on the Sri Lanka Accounting Standards (SLFRS/LKASs). The Directors have selected the appropriate accounting policies and such policies adopted by the Group are disclosed and explained in the Financial Statements.

The Board of Directors confirm that the Company and the Group's Consolidated Statements of Financial Position as at 31st March 2025 and the Comprehensive Income Statements for the Company and the Group for the financial year ended 31st March 2025 reflect a true and fair view of the Company and the Group.

The Directors have provided the Auditors with every opportunity to carry out any reviews and tests that they consider appropriate and necessary for the performance of their duties. The responsibility of the Independent Auditors in relation to the Financial Statements is set out in the Independent Auditors Report.

The Directors confirm that to the best of their knowledge all payments to employees, regulatory and statutory authorities due and payable by the Company and its subsidiaries have been either duly paid or adequately provided for in the Financial Statements. The Directors further confirm that they promote the highest ethical, environmental and safety standards within the Group. The Directors also ensure that the relevant national laws, international laws and codes of regulatory authorities, professional institutes and trade associations have been complied with by the Group.

By order of the Board,  
ELPITIYA PLANTATIONS PLC



Aitken Spence Corporate Services (Private)  
Limited  
Company Secretaries

Colombo  
04th June 2025

# INDEPENDENT AUDITOR'S REPORT



Building a better  
working world

Ernst & Young  
Chartered Accountants  
Rotunda Towers  
No. 109, Galle Road  
P.O. Box 101  
Colombo 03, Sri Lanka

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Email: eysl@lk.ey.com  
ey.com

RDeS/PT/KJF

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ELPITIYA PLANTATIONS PLC

### Report on The Audit of The Financial Statements

#### Opinion

We have audited the financial statements of Elpitiya Plantations PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at, 31 March 2025, and of their financial

performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These

matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

### Key audit matters common to both Group and Company

Key Audit Matter	How our audit responded to the key
<b>1. Measurement of Bearer Biological Assets</b>	
As of 31 March 2025, the Group's bearer biological assets amounted to Rs. 4,184 Mn and represented 30% of the Group's total assets. Bearer Biological Assets comprised of Rs. 1,005 Mn Immature Plantations and Rs. 3,179 Mn of Mature plantations, as disclosed in Note 18.1. to the financial statements. Measurement of Bearer Biological assets in the financial statements was a key audit matter due to following	Our audit procedures included the following key procedures: <ul style="list-style-type: none"><li>Obtained an understanding of management's expense allocation process and the identification of expenses to be capitalized in relation to immature plantations.</li></ul>

Partners: D K Hulugamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yataqala ACA ACMA, Ms. P S Paranavilane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (US-J-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shaktiweil B.Com (Sp)

A member firm of Ernst & Young Global Limited

## Key audit matters common to both Group and Company

Key Audit Matter	How our audit responded to the key
<p><b>1. Measurement of Bearer Biological Assets</b></p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> <li>the materiality of the reported bearer biological asset balance; and</li> <li>The degree of management's judgement involved in identification of costs to be capitalized as immature plantations, point at which transfers are to be made from immature plantations to mature plantations and identification of possible indicators of impairment, as disclosed in Note 3.8.7.1 and 18.1 to the financial statements.</li> </ul>	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> <li>Obtained an understanding of management's expense allocation process and the identification of expenses to be capitalized in relation to immature plantations.</li> <li>Tested the significant expenses incurred by capital expenditure authorizations and other corroborative evidence.</li> <li>Assessed the reasonableness of depreciation provided on the matured plantations by performing independent computations.</li> <li>Inspected the ageing profile of the immature biological assets as of the reporting date to ensure that possible indicators of impairment have been identified, assessed for probable impairment charges/ losses accounted for in the financial statements.</li> </ul> <p>We also assessed the adequacy of the disclosures made in notes 3.8.7.1 and 18.1 to the financial statements.</p>
<p><b>2. Retirement Benefit Obligation</b></p> <p>As disclosed in Note 31 to the financial statements, the Group's retirement benefit obligation amounted to Rs. 914 Mn and represented 20% of the Group's total liabilities as of 31 March 2025. The value of the retirement benefit obligation was based on the actuarial valuation carried out by an external actuary engaged by the Group.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> <li>the materiality of the reported retirement benefit obligation balance; and</li> <li>the degree of assumptions, judgements and estimation uncertainties associated with measurement of the retirement benefit obligation.</li> </ul> <p>Key areas of significant 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 Notes 4.2 and 31 to the financial statements.</p>	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> <li>assessed the competence, capability and objectivity of the external actuary engaged by the Group</li> <li>Tested the data used in the valuation of retirement benefit obligations by agreeing key information to source documents and accounting records.</li> <li>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.</li> <li>assessed the reasonableness of the significant judgements, assumptions and estimates made by the external actuary such as discount rate and future salary / wage growth rate in measuring the value of the retirement benefit obligation.</li> </ul> <p>We also assessed the adequacy of the disclosures made in notes 4.2 and 31 to the financial statements.</p>

# INDEPENDENT AUDITOR'S REPORT

## Key audit matters common to both Group and Company

Key Audit Matter	How our audit responded to the key
<p><b>3. Valuation of Consumable Biological Assets</b></p> <p>Assessment of consumable biological assets are carried at fair value. The fair value of such assets was determined by an external valuer engaged by the Group.</p> <p>This was a key audit matter due to:</p> <ul style="list-style-type: none"> <li>the materiality of the reported fair value of consumer biological assets which amounted to Rs.1,838 Mn representing 13% of the Group's total assets as of the reporting date; and</li> <li>the degree of assumptions, judgements and estimation uncertainties associated with fair valuation of consumer biological assets and the complexity of the valuation process.</li> <li>Key areas of significant judgments, estimates and assumptions used in assessing the fair value of consumer biological assets, as disclosed in Notes 4.3, 18.2, and 18.3 and to the financial statements, included judgements involved in ascertaining the appropriate valuation technique and estimates such as: <ul style="list-style-type: none"> <li>Discount Rate</li> <li>Expected timber volume</li> <li>Price per cubic foot</li> </ul> </li> </ul>	<p>Our audit procedures included the following key procedures:</p> <ul style="list-style-type: none"> <li>assessed the competence, capability and objectivity of the external valuer engaged by the Group.</li> <li>read the external valuer's report and identified the key estimates made and the valuation approaches taken by the valuer in determining the fair value of consumable biological assets.</li> <li>agreed the key data used by the external valuer to the underlying books and records maintained by the Group. This also included assessing the appropriateness &amp; consistency of the application of the formula used for deriving the expected timber volume.</li> <li>assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as discount rate, expected timber volume, price per cubic foot and valuation technique in assessing the fair value of consumer biological assets. Our procedures included comparing with the industry practices that are generally used in determining fair value of consumable biological assets.</li> </ul> <p>We also assessed the adequacy of the disclosures made in Notes 4.3, 18.2, and 18.3 to the financial statements.</p>

### Other Information included in the 2025 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. Other information is expected to be made available to us after the date of this auditor's report.

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.

### Responsibilities of the management and those charged with governance

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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 M- 2448.



27 May 2025  
Colombo

# STATEMENT OF PROFIT OR LOSS

Year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Revenue	6	7,692,249	7,204,027	7,682,543	7,191,741
Cost of sales		(5,308,571)	(5,006,836)	(5,294,015)	(4,993,333)
Gross profit		2,383,678	2,197,191	2,388,528	2,198,408
Gains on change in fair value of biological assets	22.2	400,966	247,207	400,966	247,207
Other income and gains	7	153,401	176,774	189,496	219,311
Administrative expenses		(1,131,943)	(850,798)	(1,126,948)	(847,126)
Management overheads and employee incentives		(127,913)	(158,025)	(127,913)	(158,025)
Finance expenses	8.1	(83,916)	(82,485)	(83,916)	(82,485)
Finance income	8.2	233,761	380,707	233,644	380,554
Share of profit from joint ventures	21.2.1	106,966	77,183	-	-
Profit before taxation	9	1,935,000	1,987,754	1,873,857	1,957,844
Tax expense	10	(605,930)	(421,793)	(594,068)	(412,156)
Profit for the year		1,329,070	1,565,961	1,279,789	1,545,688
<b>Attributable to:</b>					
Equity holders of the parent		1,329,268	1,566,106	1,279,789	1,545,688
Non-controlling interest		(198)	(145)	-	-
Profit for the year		1,329,070	1,565,961	1,279,789	1,545,688
Earnings per share	12.1	18.24	21.49	17.56	21.21

Figures in brackets indicate deductions.

Notes to the Financial Statements from pages 221 to 278 form an integral part of these Financial Statements.

# STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Profit for the year		1,329,070	1,565,961	1,279,789	1,545,688
<b>Other comprehensive income</b>					
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods (net of tax)					
Actuarial gain/(loss) on retirement benefit obligations	31	2,461	(228,619)	2,461	(228,619)
Tax effect	10.4.2	(738)	68,586	(738)	68,586
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods (net of tax)		1,723	(160,033)	1,723	(160,033)
Total other comprehensive income for the year, net of tax		1,723	(160,033)	1,723	(160,033)
Total comprehensive income for the year net of tax		1,330,793	1,405,928	1,281,512	1,385,655
<b>Attributable to:</b>					
Equity holders of the parent		1,330,991	1,406,073	1,281,512	1,385,655
Non-controlling interest		(198)	(145)	-	-
Total comprehensive income for the year (net of tax)		1,330,793	1,405,928	1,281,512	1,385,655

Figures in brackets indicate deductions.

Notes to the Financial Statements from pages 221 to 278 form an integral part of these Financial Statements.

# STATEMENT OF FINANCIAL POSITION

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Non-current assets</b>					
Right-of-use asset	15	535,059	482,774	535,059	482,774
Freehold property, plant and equipment	16	2,054,611	1,998,273	1,898,416	1,833,527
Intangible assets	17	44,311	17,930	41,707	15,326
Bearer biological assets	18.1	4,184,401	4,090,006	4,184,401	4,090,006
Consumable biological assets	18.2	1,837,819	1,414,898	1,837,819	1,414,898
Other non current asset	19	49,666	48,140	49,666	48,140
Other financial asset	20	12,046	12,046	12,046	12,046
Investments	21	581,617	509,981	314,490	299,290
<b>Total non-current assets</b>		<b>9,299,530</b>	<b>8,574,048</b>	<b>8,873,604</b>	<b>8,196,007</b>
<b>Current assets</b>					
Produce on bearer biological assets	22	28,720	29,053	28,720	29,053
Inventories	23	664,121	583,486	664,065	583,430
Trade and other receivables	24	630,357	661,210	629,134	660,832
Amounts due from related parties	34.4	182,952	148,170	215,160	186,612
Short term investment	25	2,998,747	2,346,501	2,998,747	2,346,501
Cash and cash equivalents	26	258,425	103,920	255,360	100,009
<b>Total current assets</b>		<b>4,763,322</b>	<b>3,872,340</b>	<b>4,791,186</b>	<b>3,906,437</b>
<b>Total assets</b>		<b>14,062,852</b>	<b>12,446,388</b>	<b>13,664,790</b>	<b>12,102,444</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Stated capital	27	694,236	694,236	694,236	694,236
Timber reserve		1,444,855	1,054,282	1,444,855	1,054,282
Retained earnings		7,366,259	6,790,173	6,975,894	6,449,287
Total equity attributable to equity holders of the parent		9,505,350	8,538,691	9,114,985	8,197,805
Non-controlling interest		(5,394)	(5,196)	-	-
<b>Total equity</b>		<b>9,499,956</b>	<b>8,533,495</b>	<b>9,114,985</b>	<b>8,197,805</b>
<b>Non-current liabilities and deferred income</b>					
Lease liabilities	30	603,004	519,614	603,004	519,614
Retirement benefit obligations	31	914,582	870,759	914,154	870,407
Deferred income	32	129,320	133,948	129,320	133,948
Deferred tax liability	11	1,755,930	1,589,155	1,746,956	1,582,496
<b>Total non-current liabilities</b>		<b>3,402,836</b>	<b>3,113,476</b>	<b>3,393,434</b>	<b>3,106,465</b>
<b>Current liabilities</b>					
Interest bearing borrowings	29	-	72,216	-	72,216
Lease liabilities	30	7,543	5,681	7,543	5,681
Trade and other payables	33	892,295	618,069	890,637	616,873
Amounts due to related parties	34.5	44,237	27,501	44,237	27,501
Income tax liabilities		215,985	75,950	213,954	75,903
<b>Total current liabilities</b>		<b>1,160,060</b>	<b>799,417</b>	<b>1,156,371</b>	<b>798,174</b>
<b>Total liabilities</b>		<b>4,562,896</b>	<b>3,912,893</b>	<b>4,549,805</b>	<b>3,904,639</b>
<b>Total equity and liabilities</b>		<b>14,062,852</b>	<b>12,446,388</b>	<b>13,664,790</b>	<b>12,102,444</b>
Net Assets Per Share (Rs.)		130.38	117.11	125.09	112.50

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

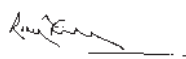


Chief Operating Officer - Finance

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by.



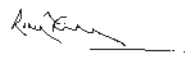
Director



Director



Managing Agent



Managing Agent

Notes to the Financial Statements from pages 221 to 278 form an integral part of these Financial Statements.

27 May 2025  
Colombo

# STATEMENT OF CHANGES IN EQUITY

Group	Attributable to equity holders of the parent				Non-controlling interest	Total equity
	Stated capital Rs.'000	Timber reserve Rs.'000	Retained earnings Rs.'000	Total Rs.'000		
Balance as at 01 April 2023	694,236	805,597	7,017,247	8,517,080	(5,051)	8,512,029
Profit for the year	-	-	1,566,106	1,566,106	(145)	1,565,961
Other comprehensive income for the year	-	-	(160,033)	(160,033)	-	(160,033)
Total comprehensive income for the year	-	-	1,406,073	1,406,073	(145)	1,405,928
Gains/(loss) on change in fair value of consumable biological assets transferred to the timber reserve	-	258,376	(258,376)	-	-	-
Realised gain on harvested timber trees	-	(9,691)	9,691	-	-	-
Interim & final dividend	-	-	(1,384,462)	(1,384,462)	-	(1,384,462)
Balance as at 31 March 2024	694,236	1,054,282	6,790,173	8,538,691	(5,196)	8,533,495
Profit for the year	-	-	1,329,268	1,329,268	(198)	1,329,070
Other comprehensive income for the year	-	-	1,723	1,723	-	1,723
Total comprehensive income for the year	-	-	1,330,991	1,330,991	(198)	1,330,793
Gains/(loss) on change in fair value of consumable biological assets transferred to the timber reserve	-	401,299	(401,299)	-	-	-
Realised gain on harvested timber trees	-	(10,726)	10,726	-	-	-
Interim & final dividend	-	-	(364,332)	(364,332)	-	(364,332)
Balance as at 31 March 2025	694,236	1,444,855	7,366,259	9,505,350	(5,394)	9,499,956

Company	Stated capital Rs.'000	Timber reserve Rs.'000	Retained earnings Rs.'000	Total Equity Rs.'000
Balance as at 01 April 2023	694,236	805,597	6,696,779	8,196,612
Profit for the year	-	-	1,545,688	1,545,688
Other comprehensive income for the year	-	-	(160,033)	(160,033)
Total comprehensive income for the year	-	-	1,385,655	1,385,655
Gains/(loss) on change in fair value of consumable biological assets transferred to the timber reserve	-	258,376	(258,376)	-
Realised gain on harvested timber trees	-	(9,691)	9,691	-
Interim & final dividend	-	-	(1,384,462)	(1,384,462)
Balance as at 31 March 2024	694,236	1,054,282	6,449,287	8,197,805
Profit for the year	-	-	1,279,789	1,279,789
Other comprehensive income for the year	-	-	1,723	1,723
Total comprehensive income for the year	-	-	1,281,512	1,281,512
Gains/(loss) on change in fair value of consumable biological assets transferred to the timber reserve	-	401,299	(401,299)	-
Realised gain on harvested timber trees	-	(10,726)	10,726	-
Interim & final dividend	-	-	(364,332)	(364,332)
Balance as at 31 March 2025	694,236	1,444,855	6,975,894	9,114,985

Figures in brackets indicate deductions

Notes to the Financial Statements from pages 221 to 278 form an integral part of these Financial Statements.

# STATEMENT OF CASH FLOWS

Year ended 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Cash flows from operating activities</b>					
Profit before tax		1,935,000	1,987,754	1,873,857	1,957,844
<b>Adjustments for;</b>					
Depreciation and amortisation	9	487,416	404,034	477,469	395,078
Provision for defined benefit plans	31	180,202	162,094	180,126	162,025
Items written back	7	(2,503)	(1,835)	(2,503)	(1,835)
Items written off		3,058	16,589	3,058	16,589
Amortisation of grants	7	(2,203)	(13,369)	(2,203)	(13,369)
Finance expenses	8.1	83,916	82,485	83,916	82,485
Finance income	8.2	(233,761)	(380,707)	(233,643)	(380,554)
Gain on biological assets	18.2	(400,966)	(247,207)	(400,966)	(247,207)
Amortisation of deferred income from sub lease	7	(11,938)	(7,887)	(11,938)	(7,887)
Profit on sale of other trees	7	(4,866)	(3,058)	(4,866)	(3,058)
Profit from sale of timber trees	7	(10,189)	(17,757)	(10,189)	(17,757)
Amortisation of right-of-use asset - land	7	(5,479)	(5,479)	(5,479)	(5,479)
Share of profit from joint ventures	21.2.1	(106,966)	(77,183)	-	-
Dividend income	7	-	-	(42,780)	(42,780)
Provision for expected credit loss	24.1	30,073	3,984	30,073	3,984
Gain on sale of property, plant and equipment	7	(1,679)	(3,149)	(1,679)	(3,149)
<b>Operating profit before working capital changes</b>		<b>1,939,115</b>	<b>1,899,309</b>	<b>1,932,253</b>	<b>1,894,930</b>
(Increase)/decrease in inventories	23	(83,693)	152,863	(83,693)	152,863
(Increase)/decrease in trade and other receivables	24	(35,763)	(159,600)	(34,914)	(173,988)
(Increase)/decrease in amounts due from related parties	34.4	(34,782)	(12,612)	(28,548)	5,302
Increase/(decrease) in trade and other payables	33	252,508	(20,857)	251,848	(20,432)
Increase/(decrease) in amount due to related parties	34.5	16,737	2,618	16,737	2,618
<b>Cash generated from operating activities</b>		<b>2,054,122</b>	<b>1,861,721</b>	<b>2,053,683</b>	<b>1,861,293</b>
Cash received from sublease of land	32.2	10,714	10,055	10,714	10,055
Cash received from sale of trees		25,780	30,506	25,780	30,506
Finance cost paid		(83,916)	(85,535)	(83,916)	(85,535)
Finance income received		206,924	366,288	206,806	366,135
Retirement benefit obligations paid	31	(112,005)	(125,801)	(112,005)	(125,801)
Income tax paid		(270,729)	(201,392)	(270,723)	(201,386)
Grants received	32.1	4,279	3,614	4,279	3,614
<b>Net cash flows from operating activities</b>		<b>1,835,169</b>	<b>1,859,456</b>	<b>1,834,618</b>	<b>1,858,881</b>
<b>Cash flows from investing activities</b>					
Field development expenditure	18	(373,303)	(399,688)	(373,303)	(399,688)
Purchase of property, plant and equipment	16	(283,958)	(307,357)	(282,561)	(307,357)
Proceeds from sale of property, plant and equipment		1,705	3,153	1,705	3,153
Dividend received		85,561	-	85,561	-
Net proceed from investment in short term deposit		(652,246)	125,084	(652,246)	125,084
Investment in subsidiary/joint venture		(15,200)	(60,000)	(15,200)	(60,000)
<b>Net cash used in investing activities</b>		<b>(1,237,441)</b>	<b>(638,808)</b>	<b>(1,236,044)</b>	<b>(638,808)</b>
<b>Net cash flows before financing activities</b>		<b>597,728</b>	<b>1,220,648</b>	<b>598,574</b>	<b>1,220,073</b>
<b>Cash flows from financing activities</b>					
Payment of government lease rentals	30.1	(6,675)	(5,027)	(6,675)	(5,027)
Settlement of loans		(72,216)	(113,409)	(72,216)	(113,409)
Dividend paid		(364,332)	(1,384,462)	(364,332)	(1,384,462)
<b>Net cash used in financing activities</b>		<b>(443,223)</b>	<b>(1,502,898)</b>	<b>(443,223)</b>	<b>(1,502,898)</b>
<b>Net increase in cash and cash equivalents</b>		<b>154,505</b>	<b>(282,250)</b>	<b>155,351</b>	<b>(282,825)</b>
Cash and cash equivalents at the beginning of the year	A	103,920	386,170	100,009	382,834
Cash and cash equivalents at the end of the year	B	258,425	103,920	255,360	100,009
<b>NOTE: A</b>					
<b>Cash and cash equivalents at the beginning of the year</b>					
Cash and bank balances	26	103,920	386,170	100,009	382,834
		103,920	386,170	100,009	382,834
<b>NOTE: B</b>					
<b>Cash and cash equivalents at the end of the year</b>					
Cash and bank balances	26	258,425	103,920	255,360	100,009
		258,425	103,920	255,360	100,009

Figures in brackets indicate deductions.

Notes to the Financial Statements from pages 221 to 278 form an integral part of these Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. REPORTING ENTITY

### 1.1 Domicile and legal form

Elpitiya Plantations PLC (the Company) was incorporated on 22 June 1992 under the Companies Act. No. 17 of 1982 (The Company was re-registered under the Companies Act No. 07 of 2007) in terms of the provisions of the Conversion of Public Corporation and Government Owned Business Undertakings into Public Companies Act No. 23 of 1987.

The registered office of the Company is located at No. 315, Vauxhall Street, Colombo 02, and Plantations are situated in the planting districts of Nuwara Eliya and Galle.

The Consolidated Financial Statements of Elpitiya Plantations PLC as at and for the year ended 31 March 2025 comprise the Company and its Subsidiaries namely, EPP Hydro Power Company (Pvt) Ltd, Water Villas (Pvt) Ltd, Escape Parks Ceylon (Pvt) Ltd, Harrow House (Pvt) Ltd, The Dunsinane Valley Company (Pvt) Ltd and Joint Venture Companies namely, Elpitiya Lifestyle Solutions (Pvt) Ltd, AEN Palm Oil Processing (Pvt) Ltd, Elpitiya Harrow Tea Company (Pvt) Ltd and Ceylon Agro Food Technologies (Pvt) Ltd (together referred to as the 'Group').

The Financial Statements of the Company and the Group comprise the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows together with Accounting Policies and Notes to the Financial Statements.

The Financial Statements of all companies in the Group are prepared for a common financial year, which ends on 31 March.

All companies in the Group are limited liability companies incorporated and domiciled in Sri Lanka.

The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka.

### 1.2 Principal activities and nature of operations

During the year, the principal activities of the Company were cultivation, manufacture and sale of Black Tea, Rubber, Oil Palm and other crops.

Principal activities of the other companies in the Group are as follows.

Company	Nature of the Business	Principle Place of Business
EPP Hydro Power Company (Pvt) Ltd	Generating Hydro Power	Dunsinane Estate
Water Villas (Pvt) Ltd	Intended Hotel Operator	Talgaswella Estate
Elpitiya Lifestyle Solutions (Pvt) Ltd	Manufacture of all types of wooden materials (Under the liquidation process)	Devitura Estate
AEN Palm Oil Processing (Pvt) Ltd	Processing crude palm oil	Baduraliya
Elpitiya Harrow Tea Company (Pvt) Ltd (Formerly known as Elpitiya Dianhong Jin Ya Tea Company (Pvt) Ltd.)	Manufacturing & selling of speciality Tea	Fernlands Estate- Harrow Factory
Escape Parks Ceylon (Pvt) Ltd	Intended to be designing, developing & operating an adventure park & its associated activities	Devitura Estate
Ceylon Agro Food Technologies (Pvt) Ltd	Research and Development food agriculture and engineering activities.	Hokandara
Harrow House (Pvt) Ltd	Selling, marketing, distribution and the like of commodities and consumables in Sri Lanka and elsewhere.	Colombo 02
The Dunsinane Valley Company (Pvt) Ltd	Carry out a unique business model to preserve natural environment and quality of life with the community.	Colombo 02

### 1.3 Parent enterprise

The Company's parent undertaking is Aitken Spence Plantation Managements PLC.

# NOTES TO THE FINANCIAL STATEMENTS

## 1.4 Date of authorisation for issues

The Financial Statements of Elpitiya Plantations PLC for the year ended 31 March 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 27 May 2025.

## 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 in the Annual Report.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

The Financial Statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards promulgated by The Institute of Chartered Accountants of Sri Lanka (CASL), and with the requirements of the Companies Act. No. 07 of 2007.

### 2.2 Basis of measurement

These Financial Statements have been prepared in accordance with the historical cost convention other than consumable biological assets and produce on bearer biological assets that have been measured at fair value and where appropriate specific policies are explained in the succeeding notes.

No adjustments have been made for inflationary factors in the Financial Statements.

### 2.3 Functional and presentation currency

The Financial Statements are presented in Sri Lankan Rupees (Rs.) which is the Group's functional and presentation currency. All financial information presented in Sri Lankan Rupees has been given to the nearest rupee, unless stated otherwise.

### 2.4 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.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Comparative information

The presentation and classification of the financial statements of the current year are comparable with those of the previous year.

### 3.2 Going concern

In preparing these financial statements, the management has assessed the prevailing macroeconomic conditions and its effect on the Company and its subsidiaries and the appropriateness of the use of the going concern basis. The Group has evaluated the resilience of its businesses, considering a wide range of factors such as expected revenue streams, profitability, cost management initiatives implemented by the Group, changes in working capital, management of capital expenditure, debt repayments, cash reserves and available sources of financing including unutilised facilities and in order to be able to continue business under current global economic conditions.

Having presented the outlook to the Board, the Directors are satisfied that the Company, Subsidiaries and Joint Ventures have adequate resources to continue in operational existence for the foreseeable future, to justify adopting the going concern basis in preparing these financial statements.

### Liquidity Risk Management

The Group has ensured that it maintains sufficient liquidity reserves to meet all its operational and investment requirements by closely monitoring and forecasting future funding needs and securing funding sources for both regular and emergency requirements.

### 3.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and 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 result 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 power over an investee, including:

- 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 rights

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.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the 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. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 profit or loss. Any investment retained is recognised at fair value.

### 3.3.1 Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value and the amount of any Non-Controlling Interest in the acquiree. For each business combination, the Group elects whether to measure the Non-Controlling Interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

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 remeasured at its acquisition date fair value, and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised 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 09 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 09. Other contingent consideration that is not within the scope of SLFRS 09 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 is recognised in 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 in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

# NOTES TO THE FINANCIAL STATEMENTS

## 3.3.2 Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its joint venture are accounted for using the equity method.

Under the equity method, the investment in a joint venture 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 joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. 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 joint venture, 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 joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture 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 joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

During the financial year ended 31 March 2025, Elpitiya Dianghong Jin Ya Tea Company (Pvt) Ltd, a joint venture of the Group, through an Extraordinary General Meeting, changed its name to Elpitiya Harrow Tea Company (Pvt) Ltd. The Group's share of ownership and joint control remains unchanged at 50%. This change was made to align with the branding strategy and has no impact on the Group's financial position or equity accounting.

Based on the contractual terms (Joint Venture agreements), the Group assessed that Elpitiya Harrow Tea Company (Pvt) Ltd, AEN Palm Oil Processing (Pvt) Ltd and Ceylon Agro Food Technologies (Pvt) Ltd are joint ventures.

## 3.4 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 be sold or consumed in the 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 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

- There is no right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 3.5 Fair Value Measurement

The Group measures financial instruments and non-financial assets at fair value at each statement of financial position 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:

- Consumable biological assets Note 18.2
- Produce on Bearer Biological Assets Note 22

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 to 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 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.

External valuers are involved for the valuation of significant assets, such as Consumable biological assets, and significant liabilities, such as retirement benefit obligations. Involvement of external valuers is decided upon annually by the Management Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management Committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

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.

### 3.6 Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Group's 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 translated at the functional currency spot rates of exchange at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

Differences arising on settlement or translation of monetary items are recognised in profit or loss, with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income (OCI) until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates 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 translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## 3.7 Cash dividend to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit or loss.

## 3.8 Property, plant and equipment

### 3.8.1 Recognition and measurement

Property, plant and equipment is recognised if it is probable that future economic benefits associated with the assets will flow to the Group and the cost of the asset can be reliably measured.

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

### 3.8.2 Owned assets

The cost of property, plant and equipment includes expenditures that are directly attributable to the acquisition of the asset. Such costs include the cost of replacing part of the property, plant and equipment and borrowing costs

for long-term construction projects if the recognition criteria are met. The cost of self-constructed assets includes the cost of materials and direct labour, any other cost 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. Purchased software that is integral to the functionality of the related equipment is capitalised as a part of that equipment.

When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work in progress is transferred to the respective asset accounts at the time the asset is ready for utilisation or at the time the asset is commissioned.

### 3.8.3 De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss statement when the asset is derecognised, and gains are not classified as revenue.

### 3.8.4 Leased assets

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease

liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**a) 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, as follows:

Motor vehicles                      10 years

**Depreciation**

The leasehold rights of assets taken over from JEDB/SLSPC are amortised in equal amounts over the shorter of the remaining lease periods and the useful lives as follows:

No. of years	Rate (%)	
Land	25	4.00
Mature plantations	30	3.33
Buildings	25	4.00
Machinery	20	5.00
Improvements to land/ Other vested assets/ Unimproved lands	53	1.89

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.

**b) 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. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate (i.e. JEDB/SLSPC Government lease rentals linked with GDP Deflator), and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories)

in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if 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 Note 30 to the financial statements.

**c) Short-term leases and leases of low-value assets**

The Group does not contain the short-term leases (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) and low-value assets.

**Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**3.8.5 Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Income Statement in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

# NOTES TO THE FINANCIAL STATEMENTS

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. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the Income Statement in the expense category that is consistent with the function of the intangible assets.

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 assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition 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 Income Statement when the asset is derecognised.

## Amortisation

The following intangible assets are amortised in equal amounts over their useful lives as follows:

Intangible assets name	Useful Lives	Amortisation method used	Internally Generated
Software	5 Years	amortised on straight- line Basis over the period of Expected future sales from the related project.	

### 3.8.6 Land improvement cost

Permanent land improvement costs are those costs incurred in making major infrastructure development and building new access roads on leasehold lands.

These costs have been capitalised and amortised over the remaining lease period. 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.

### 3.8.7 Biological Assets

Biological assets are classified into mature biological assets and 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 assets include tea and rubber trees, which 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.

The entity recognises the biological assets when, and only when, the entity controls the assets as a result of past event, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

#### 3.8.7.1 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, interplanting 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 and Oil Palm) which come into bearing during the year, is transferred to mature plantations.

#### 3.8.7.2 Infilling Cost on Bearer Biological Assets

The land development costs incurred in the form of infilling have been capitalised where infilling results in an increase in the economic life of the relevant field beyond its previously assessed standard of performance. Infilling costs so capitalised are depreciated over the newly assessed remaining economic useful life of the relevant nature 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.

### 3.8.7.3 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the asset.

Borrowing costs that are not capitalised are recognised as expenses in the period in which they are incurred and charged to the Statement of Profit or Loss.

The amounts of the borrowing costs which are eligible for capitalisation are determined in accordance with LKAS 23 - Borrowing Costs. The Borrowing Cost Capitalisation rate for the year 2024/2025 is Nil (2023/2024 - 0.8%).

The amount so capitalised is disclosed in Note 8.1 to the Financial Statements.

### 3.8.7.4 Consumable Biological Asset

Consumable biological assets include 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 an approximation to the fair value of young plants as the impact on the biological transformation of such plants to price during this period is immaterial. The fair value of timber trees is measured using the DCF method, taking into consideration the current market prices of timber, applied to the expected timber content of a tree at maturity by an independent professional valuer. All other assumptions and sensitivity analyses are given in Note 18.3.1.

The gain or loss arising on initial recognition of consumable 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 profit or loss for the period in which it arise.

Impairments to Biological Assets are charged to the Statement of Profit or Loss in full and reduced to the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

Consumable biological assets initially recognised are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss statement when the asset is derecognised, and gains are not classified as revenue.

### 3.8.7.5 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.

### 3.8.7.6 Produce on Bearer Biological Assets

In accordance with LKAS 41, the Group recognise agricultural produce growing on bearer plants at fair value less cost to sell. Change in the fair value of such agricultural produce is recognised in profit or loss at the end of each reporting period.

For this purpose, quantities of harvestable agricultural produce are ascertained based on the harvesting cycle of each crop category, by limiting to one harvesting cycle based on the last day of the harvest in the immediately preceding cycle. Further, 50% of the crop in that harvesting cycle is considered for the valuation.

For the valuation of the harvestable agricultural produce, the Group uses the following price formulas.

Tea	Bought Leaf rate (current month) less cost of harvesting & transport
Rubber	Latex Price (95% of current RSS1 Price) less cost of tapping & transport
Oil Palm	Bought Mill NSA less cost of harvesting & transport

### 3.8.8 Depreciation and amortisation

#### a) Depreciation

Depreciation is recognised in the Statement of Profit or Loss on a straight-line basis over the estimated useful economic lives of each part of an item of Property, plant and equipment. Assets held under leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the Group will have ownership by the end of the lease term.

## NOTES TO THE FINANCIAL STATEMENTS

The lease period of the land acquired from JEDB/SLSPC will expire in the year 2045. The estimated useful lives for the current and comparative periods are as follows:

No. of years	Rate (%)	
Building	40	2.50
Electronic machinery	10	10.00
Plant and other machinery	20	5.00
Motor vehicles – Supervisory and motorbikes	8	12.50
Motor vehicles – Others	10	10.00
Equipment – Tools	4	25.00
Equipment – Computer and other equipment	5	20.00
Furniture and fittings	10	10.00
Water sanitation	20	5.00
Civil construction and other	40	2.50
Solar Power Assets	20	5.00
Irrigation	6	16.67
Polytunnel	10	10.00

Mature plantations (Replanting and new planting)	No. of years	Rate (%)
Tea	33 1/3	3.00
Rubber	20	5.00
Oil Palm	20	5.00
Coconut	50	2.00
Cinnamon	20	5.00
Passion Fruit	5	20.00
Strawberry	2	50.00

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date on which the asset is classified as held for sale or is derecognised. Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted prospectively, if appropriate. Mature plantations are depreciated over their useful lives or unexpired lease period, whichever is lower.

No depreciation is provided for immature plantations.

### 3.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 3.9.1 Financial Assets

##### 3.9.1.1 Initial Recognition & 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.

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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and cash equivalents and trade and other receivables.

##### 3.9.1.2 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

##### a) Financial assets at amortised cost (debt instruments)

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 of holding 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 (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial instruments at amortised cost comprise trade receivables, amounts due from related parties, deposits, advances and other receivables.

**b) Financial assets at fair value through OCI (debt instruments)**

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collecting contractual cash flows and selling
- 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

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the Statement of Profit or Loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Group does not have any debt instruments at fair value through OCI.

**c) Financial assets at fair value through OCI**

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 IAS 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 recycled 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.

**d) 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.

### 3.9.1.3 Derecognition

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
- 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, or (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.

# NOTES TO THE FINANCIAL STATEMENTS

## 3.9.1.4 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.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

## 3.9.2 Financial liabilities

### 3.9.2.1 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 and loans and borrowings.

### 3.9.2.2 Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described below:

#### (a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit or Loss.

#### (b) Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method (EIR). Gains and losses are recognised in the Statement of Profit or Loss when the liabilities are derecognised, as well as through the effective interest rate method (EIR) amortisation process.

Financial liabilities comprise interest-bearing loans and borrowings, trade payables, other payables and amounts due to related parties.

### 3.9.2.3 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.

## 3.9.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Consolidated 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.

Financial risk management objectives and policies have been disclosed under Note 39.

## 3.10 Inventories

**Finish goods manufactured from the agricultural produce of biological assets**

These are valued at the lower of cost and estimated net realisable value. Net realisable value is the estimated selling price at which stocks can be sold in the ordinary course of business after allowing for the cost of realisation and/or cost of conversion from their existing state to a saleable condition.

**Input materials, Spares and consumables**

At actual cost on a weighted average basis.

**Agricultural produce harvested from biological assets**

Agricultural produce harvested from its biological assets is measured at its 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.

### 3.11 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand form an integral part of the Group's cash management, and those are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

### 3.12 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 cash-generating unit's (CGU) 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. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, 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 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 an 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 31 March 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 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

### 3.13 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, 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 3.14 Employees' benefits

### (a) Defined contribution plans – Employees' Provident Fund and Employees' Trust Fund

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 expense in profit or loss in the periods during which services are rendered by employees.

The Group contributes 12% on consolidated salary of the employees to Ceylon Planters' Provident Society (CPPS) / Estate Staff Provident Society (ESPS) / Employees' Provident Fund (EPF) All the employees of the Group are members of the Employees Trust Fund to which the Group contributes 3% on the consolidated salary of such employees.

### (b) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the Financial Statements in respect of the defined benefit plan is the present value of the defined benefit obligation at the Reporting date. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using the interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in Other Comprehensive Income in the period in which they arise. Actuarial gains & losses recognised in other comprehensive income are recognised immediately in retained earnings and are not reclassified to profit or loss. Past service costs are recognised immediately in the Statement of Profit or Loss.

The provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19, "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 key assumptions used in determining the retirement benefit obligations are given in Note 31.2.

## 3.15 Capital commitments and contingencies

Capital commitments and contingent liabilities of the Group have been disclosed in the respective Notes to the Financial Statements.

## 3.16 Events occurring after the reporting period

All material events after the Statement of Financial Position date have been considered, where appropriate; either adjustments have been made or adequately disclosed in the Financial Statements.

## 3.17 Earnings per share

The Group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent by the weighted average number of ordinary shares outstanding during the period.

## 3.18 Deferred income - Grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the Statement of Profit or Loss over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments.

Grants related to Property, Plant & Equipment other than grants received for forestry are initially deferred and allocated to income on a systematic basis over the useful life of the related Property, Plant & Equipment as follows: Assets are amortised over their useful lives or unexpired lease period, whichever is less.

Sanitation & water supply

20 years

Grants received for forestry are initially deferred and credited to income once the related blocks of trees are harvested.

### 3.19 Statement of Profit or Loss

For the purpose of presentation of Statement of Profit or Loss, the function of the expenses method is adopted as it represents fairly the elements of the Group's performance.

#### 3.19.1 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. Under SLFRS 15, revenue is recognised upon satisfaction of the performance obligation.

The Group is in the business of cultivation, manufacture and sale of black tea, rubber, oil palm (FFB) and other crops (Plantation Produce). Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

##### 3.19.1.1 Revenue from contracts with customers

###### Sale of Plantation produce

Revenue from the sale of plantation produce is recognised at the point in time when the control of the goods is transferred to the customer. 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 the sale of oil palm (FFB) and other crops is recognised at the point in time when the control of the goods has been 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.

There is no element of financing present as the Group's sale of plantation produce is either on cash terms (Immediate payment or advance payment not exceeding 30 days) or on credit terms ranging from 7 to 15 days.

#### Rendering of services

Service income from Group comprises with sale of hydro energy to the Ceylon Electricity Board (CEB). Revenue from the sale of hydro energy is recognised at the point of hydro energy release to the national grid at a pre-determined unit price.

##### 3.19.1.2 Other Sources of Income

Revenue recognition criteria for the other source of income are as follows.

###### Rental Income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

###### Dividend Income

Dividend income is recognised when the right to receive payment is established.

###### Interest Income

Interest income is recognised based on the effective interest method.

Interest income on financial assets at FVTPL is recognised as part of net gains or losses on these financial instruments.

Interest income of financial assets at amortised cost is calculated by using the effective interest method and is recognised as other income.

##### 3.19.2 Expenses

All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency is charged to revenue in arriving at the profit for the year.

##### 3.19.3 Financing income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised in the Statement of Profit or Loss as it accrues.

Finance expenses comprise interest payable on borrowing. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

The interest expense component of the finance lease payment 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.

# NOTES TO THE FINANCIAL STATEMENTS

## 3.19.4 Taxes

### 3.19.4.1 Current Income Tax

Current income tax assets and liabilities 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, at the reporting date in the countries where the Group operates and generates taxable income (refer Note 4.1.1).

Current income tax relating to items recognised directly in equity is recognised in equity 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.

#### EPP Hydro Power Company (Pvt) Ltd

Company is liable for income tax on its business profit at the rate of 20% and investment income at the rate of 30%. (2023/2024 – Business income is liable at 20%; interest income is liable at 30%).

#### Escape Parks Ceylon (Pvt) Ltd (Pvt) Ltd

Company is liable for Investment income at the rate of 30% to 31 March 2025 (2023/2024 – 30%).

### 3.19.4.2 Surcharge Tax

The Group is not liable for the surcharge tax individually as well as a subsidiary of Aitken Spence Plantation Managements PLC since the taxable income does not exceed the threshold of LKR 2000 Mn.

### 3.19.4.3 Deferred Tax

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, associates and interests in joint ventures, 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, associates and interests in joint ventures, 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 re-assessed 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 (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI 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, are recognised subsequently if new information about facts and circumstances changes. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

### 3.20 Statement of cash flow

The Statement of Cash Flows has been prepared using the "Indirect Method". Interest paid is classified as operating cash flows; dividends received are classified as investing cash flows, while dividends paid are classified as financing cash flows, for the purpose of presenting the Statement of Cash Flows.

### 3.21 Segment reporting

Segmental information is provided for the different business segments of the Group. 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.

Since the individual segments are located close to each other and operate in the same industrial environment, the need for geographical segmentation has no material impact. The activities of the segments are described in Note 14 in the Notes to the Financial Statements.

Revenue and expenses directly attributable to each segment are allocated to the respective segments. Revenue and expenses not directly attributable to a segment are allocated on the basis of their resource utilisation, wherever possible.

Assets and liabilities directly attributable to each segment are allocated to the respective segments. Assets and liabilities, which are not directly attributable to a segment, are allocated on a reasonable basis wherever possible. Unallocated items comprise mainly interest-bearing loans, borrowings, and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one accounting period.

All operating segments' operating results are reviewed regularly to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

## 4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements of the Group in conformity with Sri Lanka Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The most 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 of the Group are as follows:

### 4.1 Taxation

#### 4.1.1 Current Tax

Current income tax assets and liabilities 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, at the reporting date, in the countries where the Group operates and generates taxable income.

According to The Inland Revenue (Amendment) Bill, to amend the Inland Revenue Act, No. 24 of 2017, Agro Farming is exempt from income tax for a period of 5 years, effective from 01 April 2019. In addition to the above, the prevailing tax rate up to 31 December 2022 was 14%. This was increased with effect from 01 October 2022 to 30%. As per the Inland Revenue (Amendment) Act No. 45 of 2022, certified on 19 December 2022 (with retrospective effect from 01 October 2022) issued by IRD, companies have to allocate business income based on a pro-rata basis for 06 months and 06 months periods. Accordingly, where applicable, the Group has separated its income and expenses into Agro farming and Agro Processing and applied the respective tax rates.

#### 4.1.2 Deferred Tax

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 (and tax laws) that have been enacted or substantively enacted at the reporting date. As per the Inland Revenue (Amendment) Bill issued on 19.12.2022, company is identified separately business income as Agro farming & Agro processing for the purpose of calculating income tax liability. Accordingly, the company has separated assets and liabilities as at 31 March 2024, as Agro farming and Agro processing for the deferred tax purposes.

#### 4.1.3 IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. The Company

# NOTES TO THE FINANCIAL STATEMENTS

applies significant judgement in identifying uncertainties over income tax treatments. It assessed whether the Interpretation had an impact on its financial statements. The Company determined that it is probable that its tax treatments will be accepted by the taxation authorities.

## 4.2 Retirement benefit obligations

The present value of the retirement benefit obligation 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 and mortality rates. 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 period.

In determining the appropriate discount rate, management considers the interest rates of Sri Lanka government bonds with maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases are based on the expected future inflation rate and expected future salary increase rates of the Group.

Further details about Retirement benefit obligations are provided in Note 31.

## 4.3 Fair Valuation of Consumable Biological Assets

The fair value of managed timber depends on a number of factors that are determined on a discounted cash flow method, using various different financial and non-financial assumptions. The growth of the trees is determined by various biological factors that are highly unpredictable. Any change to the assumptions will impact the fair value of biological assets. All assumptions are reviewed at each reporting period. Key assumptions and sensitivity analysis of the biological assets are given in Note 18.3.

## 4.4 Bearer Biological Assets

A mature plantation is an area of land developed with crops such as tea, rubber, oil palm and other crops which has been brought into bearing, ready for commercial harvesting. Hence, transfer of immature plantations to mature plantation fields happens at the point of commencement of commercial harvesting, which depends on the growth of plant, weather patterns and soil conditions. Therefore, immature to mature transfer requires significant management judgment in determining the point at which a plant is deemed ready for commercial harvesting.

## 4.5 Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the company's stand-alone credit rating).

## 5. SRI LANKA ACCOUNTING STANDARDS (SLFRS / LKAS) ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

### 5.1 Lack of exchangeability – Amendments to LKAS 21

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's financial statement.

## 6. REVENUE

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Tea	4,819,611	4,676,563	4,819,611	4,676,563
Rubber	217,387	191,066	217,387	191,066
Oil Palm	2,080,349	1,945,203	2,080,349	1,945,203
Others	574,902	391,195	565,196	378,909
	7,692,249	7,204,027	7,682,543	7,191,741

## 7. OTHER INCOME

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Amortisation of leasehold right to use of land (Note 32.3)	5,479	5,479	5,479	5,479
Amortisation of deferred income from sub lease	12,296	7,887	12,296	7,887
Amortisation of capital grants	2,203	13,369	2,203	13,369
Gain on sale of property, plant and equipment	1,679	3,149	1,679	3,149
Income from sub lease	6,796	18,327	6,796	18,327
Items written back	2,503	2,078	2,503	1,835
Income from solar power projects	51,105	47,926	51,105	47,926
Sale of other trees	4,866	3,058	4,866	3,058
Profit from sale of timber trees	10,189	17,757	10,189	17,757
Revenue on Sheen mini hydro power project	16,046	12,236	16,046	12,236
Revenue on Dunsinane mini hydro power project	6,345	3,163	6,345	3,163
Sundry income	33,894	42,345	27,209	42,345
Dividend income	-	-	42,780	42,780
	153,401	176,774	189,496	219,311

## 8. FINANCE INCOME AND FINANCE EXPENSES

### 8.1 Finance expenses

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Overdraft interest	115	1,479	115	1,479
Term loan interest	1,636	11,840	1,636	11,840
Interest on government lease	80,239	68,942	80,239	68,942
Exchange loss	1,926	3,274	1,926	3,274
	83,916	85,535	83,916	85,535
Amount capitalised	-	(3,050)	-	(3,050)
	83,916	82,485	83,916	82,485

# NOTES TO THE FINANCIAL STATEMENTS

## 8.2 Finance income

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest income	232,234	379,227	232,117	379,074
Interest income on lease	1,527	1,480	1,527	1,480
	233,761	380,707	233,644	380,554

<b>8.3 Net finance expense</b>	(149,845)	(298,222)	(149,728)	(298,069)
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## 9. PROFIT BEFORE TAXATION

Profit before tax is stated after charging below.

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Auditors fees	3,938	3,646	3,712	3,437
Non audit fees	1,315	943	1,131	844
Depreciation and amortisation	487,416	404,034	477,469	395,078
Define benefit plan costs	180,202	162,094	180,126	162,025
Defined contributions plan cost - EPF and ETF	245,312	190,308	244,993	190,308
Staff costs	2,061,427	1,866,865	2,058,952	1,864,133
Casual wages	78,160	134,540	78,160	134,540
Director fees and other emoluments	107,685	161,432	107,685	161,432
Donations	2,795	2,209	2,795	2,209

## 10. INCOME TAX

### 10.1 Income tax expense

#### 10.1.1 Income tax

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Current tax				
Tax on current year profits	427,041	189,046	425,000	189,000
Under/(over) provision in respect of previous years	5,303	10,825	5,346	11,046
Withholding tax on dividends paid	7,549	7,549	-	-
Deferred tax expense/(reversal)	166,037	214,373	163,722	212,110
	605,930	421,793	594,068	412,156

### 10.1.2 Statement of Comprehensive Income

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Deferred tax expense/(reversal)	738	(68,586)	738	(68,586)
	738	(68,586)	738	(68,586)

### 10.2 Reconciliation of the accounting profit and tax on current year

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit before tax	1,935,000	1,987,754	1,873,857	1,957,844
Profit from equity accounted investees	(106,966)	(77,183)	-	-
Adjusted accounting profit chargeable to income taxes	1,828,034	1,910,571	1,873,857	1,957,844
Aggregate disallowed items	1,035,916	823,986	1,025,935	815,030
Aggregate allowed items	(1,442,974)	(1,333,552)	(1,442,432)	(1,319,766)
Business profit	1,420,976	1,401,005	1,457,360	1,453,108
Tax exempt	(304)	(784,042)	(43,084)	(826,822)
Tax loss brought forward and utilised	(646)	-	-	-
Current year losses not utilised - subsidiaries	1,052	9,475	-	-
Taxable income	1,421,078	626,438	1,414,276	626,286
Income tax @ 30%	427,041	189,046	425,000	189,000
Income tax expense charged to Statement of Profit or Loss	427,041	189,046	425,000	189,000

### 10.3 Tax losses carried forward

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Tax losses brought forward	25,624	16,284	-	-
Adjustments on finalisation of liability	(221)	(135)	-	-
Tax losses arising during the year	1,052	9,475	-	-
Utilisation of tax losses	(646)	-	-	-
Write off of unclaimable tax losses	(1,475)	-	-	-
Tax losses carried forward	24,334	25,624	-	-

As specified above, some companies in the Group have carried forward tax losses which are available to be set off against the future tax profits of those companies. Deferred tax assets not accounted in respect of these losses amounted to Rs. 5,410,501 (2023/2024 - Rs. 5,577,651 ) since utilisation against future taxable profits are not probable.

## NOTES TO THE FINANCIAL STATEMENTS

Tax losses for which no deferred tax asset was recognised expire as follows:

Year ended 31 March	2025		2024	
	Rs.'000	Expiry Date	Rs.'000	Expiry Date
Group	5,411	2025/26 2030/31	5,578	2024/25 2029/30
Company	-	-	-	-

### 10.4 Deferred tax expense

#### 10.4.1 Statement of Profit or Loss

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Origination and (reversal) of temporary differences	166,037	214,373	163,722	212,110
	166,037	214,373	163,722	212,110

#### 10.4.2 Statement of Comprehensive Income

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Tax effect on actuarial gain/(loss) on retirement benefit obligations	738	(68,586)	738	(68,586)
	738	(68,586)	738	(68,586)
Total deferred tax expense/ (reversal)	166,775	145,787	164,460	143,524

### 11. DEFERRED TAX LIABILITY

As at 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	1,589,155	1,443,368	1,582,496	1,438,972
Amount originated during the year transferred to Statement of Profit or Loss	166,037	214,373	163,722	212,110
Amount originated during the year transferred to Other Comprehensive Income	738	(68,586)	738	(68,586)
At the end of the year	1,755,930	1,589,155	1,746,956	1,582,496

Composition of deferred tax liabilities;

As At 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
<b>Deferred tax liabilities;</b>				
Tax effect on temporary difference of property, plant and equipment	282,142	235,784	273,082	229,054
Tax effect on temporary difference of biological assets	1,815,282	1,660,187	1,815,282	1,660,187
Tax effect on temporary difference of right-of-use-of-land	158,920	139,287	158,920	139,287
	2,256,344	2,035,258	2,247,284	2,028,528
<b>Deferred tax assets;</b>				
Tax effect on temporary difference of provisions for obsolete items	(4,222)	(4,222)	(4,222)	(4,222)
Tax effect on temporary difference of expected credit losses	(13,971)	(4,949)	(13,971)	(4,949)
Tax effect on temporary difference of lease liability	(183,164)	(157,588)	(183,164)	(157,588)
Tax effect on temporary difference of retirement benefit obligation	(299,057)	(279,344)	(298,971)	(279,273)
	(500,414)	(446,103)	(500,328)	(446,032)
	1,755,930	1,589,155	1,746,956	1,582,496

The effective tax rate used to calculate deferred tax liability for all the temporary differences as at 31 March, 2025 is 30% (2023/2024 -30%) for the company and 20% for EPP Hydro Power Company (Pvt) Ltd (2023/2024 -20%).

## 12. EARNINGS PER SHARE

### 12.1 Earnings Per Share

Year ended 31 March	Group		Company	
	2025	2024	2025	2024
Profit attributable to ordinary shareholders of the parent (Rs.'000)	1,329,268	1,566,106	1,279,789	1,545,688
Weighted average number of ordinary shares ('000)	72,866	72,866	72,866	72,866
Earnings per share (Rs.)	18.24	21.49	17.56	21.21

The computation of the basic earnings per share is based on profit attributable to ordinary shareholders for the year , divided by weighted average number of ordinary shares outstanding during the year.

## 13. DISTRIBUTIONS MADE AND PROPOSED

Year ended 31 March	Company	
	2025 Rs.'000	2024 Rs.'000
Cash dividends on ordinary shares declared and paid		
Interim & final dividend for 2024 : Rs. 5 per share (Interim & final dividend for 2023 : Rs. 19 per share)	364,332	1,384,462
	364,332	1,384,462

# NOTES TO THE FINANCIAL STATEMENTS

## 14. SEGMENT INFORMATION

### 14.1.a Segment results

Year ended 31 March	Tea		Rubber	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Revenue	4,819,611	4,676,563	217,387	191,066
<b>Operating expenses</b>				
Revenue expenditure	(3,545,110)	(3,413,325)	(127,714)	(172,857)
Depreciation / amortisation	(118,284)	(133,067)	(76,888)	(74,493)
Other non cash expenses - gratuity	(58,650)	(54,265)	(18,737)	(18,650)
Segmental results	1,097,567	1,075,906	(5,952)	(74,934)
Gain on fair value of biological assets				
Other income				
Unallocated expenses				
Management overheads and employee incentives				
Profit from investments in joint ventures				
<b>Profit from operating activities</b>				
Finance income				
Finance cost				
<b>Profit from ordinary activities before taxation</b>				
Tax expenses				
<b>Profit for the year</b>				
<b>14.1.b Segment Assets</b>				
<b>Non current assets</b>				
Cost	3,668,127	3,715,293	2,310,015	2,068,250
Accumulated depreciation and amortisation	(1,124,649)	(1,319,550)	(932,790)	(781,148)
	2,543,478	2,395,743	1,377,225	1,287,102
Unallocated non current assets cost				
Accumulated depreciation and amortisation				
Investments				
Other non current assets				
<b>Total non current assets</b>				
Current assets	788,619	639,551	103,054	132,922
	788,619	639,551	103,054	132,922
Unallocated current assets				
<b>Total current assets</b>				
<b>Total assets</b>				
<b>14.1.c Segment Liabilities</b>				
Non current liabilities	346,007	322,504	110,541	110,839
Current liabilities	337,106	256,688	107,697	88,219
	683,113	579,192	218,238	199,058
Unallocated non current and current liabilities				
Total liabilities				
Capital and resources				
<b>Total equity and liabilities</b>				
<b>14.1.d Segment capital expenditure</b>				
Cost	206,967	214,919	51,741	63,682

Oil Palm		Others		Total	
2025	2024	2025	2024	2025	2024
Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
2,080,349	1,945,203	574,902	391,196	7,692,249	7,204,027
(840,801)	(729,696)	(192,490)	(152,312)	(4,706,115)	(4,468,190)
(123,329)	(120,218)	(129,001)	(64,413)	(447,502)	(392,191)
(54,321)	(47,273)	(23,246)	(26,268)	(154,954)	(146,455)
1,061,898	1,048,016	230,165	148,203	2,383,678	2,197,191
				400,966	247,207
				153,401	176,774
				(1,131,943)	(850,798)
				(127,913)	(158,025)
				106,966	77,183
				1,785,155	1,689,532
				233,761	380,707
				(83,916)	(82,485)
				1,935,000	1,987,754
				(605,930)	(421,793)
				1,329,070	1,565,961
3,805,687	2,951,700	2,731,213	2,687,176	12,515,042	11,422,419
(1,309,447)	(947,039)	(571,178)	(433,931)	(3,938,065)	(3,481,668)
2,496,240	2,004,661	2,160,035	2,253,245	8,576,977	7,940,751
				183,970	162,613
				(92,700)	(87,437)
				8,668,247	8,015,927
				581,617	509,981
				49,666	48,140
				9,299,530	8,574,048
289,835	323,860	141,676	177,914	1,323,183	1,274,248
289,835	323,860	141,676	177,914	1,323,183	1,274,248
				3,440,139	2,598,092
				4,763,322	3,872,340
				14,062,852	12,446,388
320,466	280,950	137,568	156,466	914,583	870,759
312,222	223,614	135,149	125,498	892,175	694,020
632,688	504,564	272,717	281,964	1,806,758	1,564,779
				2,756,138	2,348,114
				4,562,896	3,912,893
				9,499,956	8,533,495
				14,062,852	12,446,388
147,693	135,513	250,860	292,930	657,261	707,045

# NOTES TO THE FINANCIAL STATEMENTS

## 14. SEGMENT INFORMATION

### 14.2.a Segment results

Year ended 31 March Company	Tea		Rubber	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Revenue	4,819,611	4,676,563	217,387	191,066
Operating expenses				
Revenue expenditure	(3,545,110)	(3,413,325)	(127,714)	(172,856)
Depreciation / amortisation	(118,284)	(133,067)	(76,888)	(74,493)
Other non cash expenses - gratuity	(58,650)	(54,265)	(18,737)	(18,650)
<b>Segmental results</b>	<b>1,097,567</b>	<b>1,075,906</b>	<b>(5,952)</b>	<b>(74,933)</b>
Gain on fair value of biological assets				
Other income				
Unallocated expenses				
Management overheads and employees incentive				
<b>Profit from operating activities</b>				
Finance cost				
Finance income				
<b>Profit from ordinary activities before taxation</b>				
Tax Expense				
<b>Profit for the year</b>				

### 14.2.b Segment Assets

<b>Non current assets</b>				
Cost	3,668,127	3,715,293	2,310,015	2,068,250
Accumulated depreciation and amortisation	(1,124,649)	(1,319,550)	(932,790)	(781,148)
	<b>2,543,478</b>	<b>2,395,743</b>	<b>1,377,225</b>	<b>1,287,102</b>
Unallocated non current assets cost				
Accumulated depreciation and amortisation				
Investments				
Other non current asset				
<b>Total non current assets</b>				
Current assets	788,619	639,551	103,054	132,922
	<b>788,619</b>	<b>639,551</b>	<b>103,054</b>	<b>132,922</b>
Unallocated current assets				
<b>Total current assets</b>				
<b>Total assets</b>				

### 14.2.c Segment Liabilities

Non current liabilities	346,007	322,504	110,541	110,839
Current liabilities	337,106	256,688	107,697	88,219
	<b>683,113</b>	<b>579,192</b>	<b>218,238</b>	<b>199,058</b>
Unallocated non current and current liabilities				
<b>Total liabilities</b>				
Capital and resources				
<b>Total equity and liabilities</b>				

### 14.2.d Segment capital expenditure

Cost	206,967	214,919	51,741	63,682
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Oil Palm		Others		Total	
2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
2,080,349	1,945,203	565,196	378,909	7,682,543	7,191,741
(840,801)	(729,697)	(187,881)	(145,860)	(4,701,506)	(4,461,738)
(123,329)	(120,218)	(119,054)	(57,362)	(437,555)	(385,140)
(54,321)	(47,273)	(23,246)	(26,268)	(154,954)	(146,455)
1,061,898	1,048,015	235,015	149,419	2,388,528	2,198,408
				400,966	247,207
				189,496	219,311
				(1,126,948)	(847,126)
				(127,913)	(158,025)
				1,724,129	1,659,775
				(83,916)	(82,485)
				233,644	380,554
				1,873,857	1,957,844
				(594,068)	(412,156)
				1,279,789	1,545,688
3,805,687	2,951,700	2,488,337	2,424,407	12,272,166	11,159,650
(1,309,447)	(947,039)	(463,207)	(335,908)	(3,830,094)	(3,383,644)
2,496,240	2,004,661	2,025,130	2,088,499	8,442,072	7,776,006
				160,076	160,010
				(92,700)	(87,438)
				67,376	72,572
				314,490	299,290
				49,666	48,140
				8,873,604	8,196,008
289,835	323,860	140,412	177,136	1,321,919	1,273,469
289,835	323,860	140,412	177,136	1,321,919	1,273,469
				3,469,267	2,632,967
				4,791,186	3,906,436
				13,664,790	12,102,444
320,466	280,950	137,140	156,114	914,154	870,407
312,222	223,614	133,612	124,255	890,638	692,777
632,688	504,564	270,752	280,369	1,804,792	1,563,184
				2,745,014	2,341,456
				4,549,806	3,904,640
				9,114,984	8,197,804
				13,664,790	12,102,444
147,693	135,513	249,462	292,930	655,864	707,045

## NOTES TO THE FINANCIAL STATEMENTS

### 15. RIGHT-OF-USE-ASSETS

As at 31 March	Note	Group / Company	
		2025 Rs.'000	2024 Rs.'000
Right-of-use-asset : land	15.1	529,732	464,292
Right -of - use-asset : immovable bearer biological assets	15.2.1	-	12,051
Right -of - use-asset : other property plant and equipment	15.2.2	3,488	3,673
Right -of - use-asset : motor vehicles	15.3	1,839	2,758
		535,059	482,774

#### 15.1 Right-of-use asset : land

This Right-of-use asset : land is amortised over the remaining lease term or useful life of the right, whichever is shorter and is disclosed under non-current assets. An adjustment to the "Right-of-use asset : land" could be made to the extent that the change relates to the future period on the reassessment of lease liability. The lease liability as at 01 January 2020 has been reassessed under the provisions of SLFRS 16, and both "Right-of-use asset : land" and "Lease liability" have been enhanced. "Right-of-use asset : land" has been executed for all estates for a period of 53 years. The unexpired period of the lease as at the Statement of Financial Position date is 20 years.

As at 31 March	Group / Company	
	2025 Rs.'000	2024 Rs.'000
<b>Cost</b>		
At the beginning of the year	486,401	347,239
Adjustment on reassessment of lease liability	91,927	154,259
Transferred out due to reassessment of lease liability	(22,109)	(15,097)
At the end of the year	556,219	486,401
<b>Amortisation</b>		
At the beginning of the year	22,109	15,097
Transferred out due to reassessment of lease liability	(22,109)	(15,097)
Amortisation during the year	26,487	22,109
At the end of the year	26,487	22,109
<b>Written down value</b>	<b>529,732</b>	<b>464,292</b>

## 15.2 Right-of-use asset- Immovable estate assets on lease other than right-of-use asset- land

At the time of privatisation of plantation estates, all immovable assets in these estates (Note 15.2.1 and Note 15.2.2) have been taken into the books of the Company retroactive to 22nd June 1992 under finance lease. These assets have been accounted in accordance with SLFRS 16 - Leases.

### 15.2.1 Right-of-use asset- immovable bearer biological assets

As at 31 March	Group / Company		
	Immature Plantations	Mature Plantations	Total
	Rs.'000	Rs.'000	Rs.'000
<b>At Cost</b>			
Balance as at 22.06.1992	283,368	95,362	378,730
Transferred to mature plantations	(283,368)	283,368	-
Acquired by government in 2002/2003	-	(1,389)	(1,389)
Transferred to joint venture in 2015/2016	-	(19,773)	(19,773)
Balance as at 31.03.2025	-	357,568	357,568
<b>Amortisation</b>			
Accumulated amortisation as at 01.04.2024	-	345,517	345,517
Amortisation during the year	-	12,051	12,051
Accumulated amortisation as at 31.03.2025	-	357,568	357,568
Written down value as at 31.03.2025	-	-	-
Written down value as at 31.03.2024	-	12,051	12,051

### 15.2.2 Right-of-use of other property plant and equipment

As at 31 March	Group / Company					
	Improvements to land	Other vested assets	Unimproved lands	Buildings	Plant and machinery	Total
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>At Cost</b>						
Balance as at 22.06.1992	4,215	4,028	1,564	73,002	47,785	130,594
Acquired by government in 2002/2003	-	-	-	(3,390)	-	(3,390)
Transferred to joint venture in 2015/2016	-	-	-	(5,536)	-	(5,536)
Balance as at 31.03.2025	4,215	4,028	1,564	64,076	47,785	121,668
<b>Amortisation</b>						
As at 1 April 2024	2,912	2,418	804	64,076	47,785	117,995
Amortisation for the year	80	76	30	-	-	185
As at 31 March 2025	2,992	2,494	834	64,076	47,785	118,180
Written down value as at 31.03.2025	1,223	1,535	730	-	-	3,488
Written down value as at 31.03.2024	1,302	1,611	760	-	-	3,673

## NOTES TO THE FINANCIAL STATEMENTS

### 15. RIGHT- OF- USE- ASSETS (Contd.)

#### 15.3 Right-of-use asset : motor vehicles

As at 31 March	Group / Company	
	2025 Rs.'000	2024 Rs.'000
<b>Cost</b>		
As at 1 April	16,855	16,855
At the end of the year	16,855	16,855
<b>Amortisation</b>		
At the beginning of the year	14,097	13,177
Amortisation during the year	919	919
At the end of the year	15,016	14,096
<b>Written Down Value</b>	<b>1,839</b>	<b>2,758</b>

### 16. FREEHOLD PROPERTY, PLANT AND EQUIPMENT

As at 31 March	Group				Company			
	As at 1 April 2024	Additions/ Transfer In	Disposals	As at 31 March 2025	As at 1 April 2024	Additions/ Transfer In	Disposals	As at 31 March 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>At Cost</b>								
Buildings	279,188	44,143	-	323,331	279,188	44,143	-	323,331
Motor vehicles	401,770	14,492	(3,634)	412,628	401,770	14,492	(3,634)	412,628
Plant and machinery	645,030	50,369	-	695,399	645,030	50,369	-	695,399
Furniture and fittings	25,922	4,819	-	30,741	25,922	4,819	-	30,741
Equipment	259,499	34,308	(39)	293,768	259,499	34,308	(39)	293,768
Water sanitation	280,160	-	-	280,160	280,160	-	-	280,160
Solar power assets	302,615	36,850	-	339,465	302,615	36,850	-	339,465
Irrigation	22,224	10,642	-	32,866	22,224	10,642	-	32,866
Polytunnel	537,144	66,352	-	603,496	537,144	66,352	-	603,496
	2,753,551	261,975	(3,673)	3,011,854	2,753,552	261,975	(3,673)	3,011,854
<b>Assets on Mini Hydro Power Projects</b>								
Plant and machinery	154,821	1,244	-	156,065	61,755	-	-	61,755
Equipment	13,374	66	-	13,440	4,704	66	-	4,770
Motor vehicles	263	-	-	263	100	-	-	100
Furniture and fittings	25	-	-	25	25	-	-	25
Civil constructions	220,959	-	-	220,959	81,380	-	-	81,380
	389,442	1,310	-	390,752	147,964	66	-	148,030
<b>Total cost</b>	<b>3,142,993</b>	<b>263,285</b>	<b>(3,673)</b>	<b>3,402,606</b>	<b>2,901,516</b>	<b>262,041</b>	<b>(3,673)</b>	<b>3,159,884</b>

As at 31 March	Group				Company			
	As at 1 April 2024	Additions/ Transfer In	Disposals	As at 31 March 2025	As at 1 April 2024	Additions/ Transfer In	Disposals	As at 31 March 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Depreciation</b>								
Buildings	30,917	7,012	-	37,929	30,917	7,012	-	37,929
Motor vehicles	249,471	29,684	(3,634)	275,521	249,471	29,684	(3,634)	275,521
Plant and machinery	292,404	27,041	-	319,445	292,404	27,041	-	319,445
Furniture and fittings	14,478	1,443	-	15,921	14,478	1,443	-	15,921
Equipment	182,911	29,130	(13)	212,028	182,911	29,130	(13)	212,028
Water sanitation	213,872	14,008	-	227,880	213,872	14,008	-	227,880
Solar power assets	44,847	15,208	-	60,055	44,847	15,208	-	60,055
Irrigation	5,092	3,704	-	8,796	5,092	3,704	-	8,796
Polytunnel	24,792	53,715	-	78,507	24,792	53,715	-	78,507
	1,058,784	180,945	(3,647)	1,236,082	1,058,784	180,945	(3,647)	1,236,082

<b>Assets on Mini Hydro Power Projects</b>								
Plant and machinery	92,548	7,778	-	100,326	44,464	3,088	-	47,552
Equipment	12,871	138	-	13,009	4,201	138	-	4,339
Motor vehicles	263	-	-	263	100	-	-	100
Furniture and fittings	17	3	-	20	17	3	-	20
Civil constructions	79,762	7,293	-	87,054	38,656	2,034	-	40,690
	185,461	15,212	-	200,673	87,438	5,263	-	92,701
Total depreciation	1,244,245	196,157	(3,647)	1,436,755	1,146,222	186,208	(3,647)	1,328,783
Written down value	1,898,747			1,965,851	1,755,294			1,831,101

	Group				Company			
	As at 1 April 2024	Additions	Transfer Out	As at 31 March 2025	As at 1 April 2024	Additions	Transfer Out	As at 31 March 2025
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Capital work in progress</b>								
Buildings	39,502	150,892	(127,841)	62,553	18,211	150,738	(127,841)	41,108
Solar power assets	58,001	5,056	(36,850)	26,207	58,001	5,056	(36,850)	26,207
Software	2,023	-	(2,023)	-	2,023	-	(2,023)	-
	99,526	155,948	(166,714)	88,760	78,235	155,794	(166,714)	67,315
Total carrying value	1,998,273			2,054,611	1,833,529			1,898,416

**16.1** The cost of fully depreciated and still in use assets of the company amounts to Rs. 487 Mn as of 31 March 2025.

# NOTES TO THE FINANCIAL STATEMENTS

## 17. INTANGIBLE ASSETS

As at 31 March	Note	Group		Company	
		2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Software	17.1	41,707	15,326	41,707	15,327
Goodwill	17.2	2,604	2,604	-	-
		44,311	17,930	41,707	15,327

### 17.1 Software

As at 31 March	Group/Company			
	Balance As at 01.04.2024 Rs.'000	Additions Rs.'000	Disposals Rs.'000	Balance As at 31.03.2025 Rs.'000
At Cost				
Software	49,497	31,331	-	80,828
	49,497	31,331	-	80,828

As at 31 March	Group/Company			
	Balance As at 01.04.2024 Rs.'000	Additions Rs.'000	Disposals Rs.'000	Balance As at 31.03.2025 Rs.'000
Amortisation				
Software	34,171	4,950	-	39,121
	34,171	4,950	-	39,121
Carrying Value	15,326			41,707

17.1.1 The cost of fully depreciated and still in use assets of the company amounts to Rs. 25 Mn as of 31 March 2025.

### 17.2 Goodwill

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
At cost				
At the beginning of the year	2,604	2,604	-	-
At the end of the year	2,604	2,604	-	-
Carrying amount	2,604	2,604	-	-

The recoverability amount of goodwill is determined with reference to the value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering five year periods. The key assumptions used are given below,

	2025	2024
Business growth - Based on the long term average growth rate used in consistent with the forecast included in industry reports	10%	10%
Inflation rate - Based on current inflation rate.	-	-
Discount rate - Risk free rate adjusted for the specific risk relating to the industry.	17%	20%
Margin - Based on past performance and budgeted expectations.	-	-

## 18. BIOLOGICAL ASSETS

### 18.1 Bearer biological assets

As at 31 March	Group / Company	
	2025 Rs.'000	2024 Rs.'000
<b>Cost</b>		
At the beginning of the year	5,880,977	5,507,007
Additions during the year	340,955	374,661
Transfer from WIP	108	-
Cost of disposals	-	(690)
At the end of the year	6,222,040	5,880,978
<b>Depreciation</b>		
At the beginning of the year	1,790,971	1,562,040
Charge for the year	246,668	229,622
Cost of disposals	-	(690)
At the end of the year	2,037,639	1,790,972
<b>Carrying amount</b>	<b>4,184,401</b>	<b>4,090,006</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 18. BIOLOGICAL ASSETS (Contd.)

#### 18.1 Bearer biological assets (Contd.)

As at 31 March 2025	Immature Plantations				Total Rs.'000
	Tea	Rubber	Oil Palm	Other	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
At cost					
At the beginning of the year	269,418	165,939	35,152	518,756	989,265
Additions during the year	87,815	13,675	37,336	202,129	340,955
Transfers to mature plantations	(124,905)	(24,099)	(4,419)	(171,017)	(324,440)
At the end of the year	232,328	155,515	68,069	549,868	1,005,780

As at 31 March 2025	Mature Plantations				Total Rs.'000
	Tea	Rubber	Oil Palm	Other	
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	
At cost					
At the beginning of the year	1,261,786	1,475,759	1,835,347	318,820	4,891,712
Transfers from immature plantations	124,905	24,099	4,419	171,125	324,547
At the end of the year	1,386,691	1,499,858	1,839,766	489,945	5,216,259

#### Depreciation

At the beginning of the year	441,395	653,340	623,077	73,160	1,790,971
Charge for the year	37,855	73,261	88,612	46,941	246,668
At the end of the year	479,250	726,601	711,689	120,101	2,037,639

Carrying amount of Mature Plantations	907,441	773,257	1,128,077	369,844	3,178,620
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These are investments in Mature/Immature Plantations since the formation of the Company. The assets (including plantation assets) taken over by way of estate leases are set out in Note 15 to the Financial Statements. Further investments in Immature Plantations taken over by way of leases are shown in this note. When such Plantations become mature, the additional investments since taken over to bring them to maturity are transferred from Immature to Mature.

During the year Company has capitalised Borrowing Cost amounting - Nil (2024 - Rs. 3,050,000/-) as part of the immature plantations.

## 18.2 Consumable Biological Assets

Year ended 31 March	Group / Company	
	2025	2024
	Rs.'000	Rs.'000
<b>Managed timber plantation</b>		
At the beginning of the year	1,414,898	1,138,137
Increase due to development	32,348	28,077
Cost of harvested timber trees	(10,726)	(9,691)
Gain arising from changes in fair value less cost to sell due to physical changes	401,299	258,376
At the end of the year	1,837,819	1,414,898

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.

The fair value of managed trees was ascertained since the LKAS 41 is only applicable for managed agricultural activities in terms of the ruling issued by The Institute of Chartered Accountants of Sri Lanka. The valuation was carried by independent valuer Mr. W.M.Chandrasena, Chartered Valuation Surveyor, using Discounted Cash Flow (DCF) method. In ascertaining the fair value of timber, physical verification was carried out on 31 March 2025 covering all the estates.

## 18.3 Consumable Biological Assets

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
			2024/2025	2023/2024	
Consumable Biological Assets	Discounted Cash Flow Method (DCF)	Discount Rate	17.30%	16.90%	The higher the discount rate, the lesser the fair value
		Optimum rotation (Maturity)	15-20 Years	15-20 Years	Lower the rotation period, the higher the fair value
		Volume at rotation	17-251 cu.ft	17-251 cu.ft	The higher the volume, the higher the fair value
		Price per Cubic foot	Rs.150/= to Rs.750/=	Rs.150/= to Rs.750/=	The higher the price per cu. ft., the higher the fair value

# NOTES TO THE FINANCIAL STATEMENTS

## 18. BIOLOGICAL ASSETS (Contd.)

### 18.3 Consumable Biological Assets (Contd.)

Other key assumptions used for valuation are as follows.

- 1 The harvesting is approved by the Plantations Management Monitoring Division (PMMD) and Forest Department based on the forestry development plan.
- 2 When considering the market price of the estimated output of standing timber, average value of the market price was taken after deducting costs of harvesting , transportation and administrative costs.

#### 18.3.1 Sensitivity Analysis

##### Sensitivity variation sales price

Values as appearing in the Statement of Financial Position 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:

	Impact on Consumable Biological Assets (In Rs. Mn)	
	-10%	+10%
<b>Sensitivity variation sales price</b>		
As at 31 March 2025	(183.78)	183.78
As at 31 March 2024	(141.49)	141.49

##### Sensitivity variation discount rate

Values as appearing in the Statement of Financial Position are very sensitive to changes of the discount rate applied. Simulations made for timber trees show that a rise or decrease by 1% of the estimated future discount rate has the following effect on the net present value of biological assets:

	Impact on Consumable Biological Assets (In Rs. Mn)	
	+ 1%	- 1%
<b>Percentage increase/decrease in discount rate</b>		
As at 31 March 2025	(31.26)	32.67
As at 31 March 2024	(23.99)	25.88

The carrying amount of biological assets pledged as securities for liabilities are nil for year 2025 (2024 - Nil).

There are no commitments for the development or acquisition of biological assets .

## 19. OTHER NON CURRENT ASSETS

As at 31 March	Group / Company	
	2025	2024
	Rs.'000	Rs.'000
Lease receivable		
Gross lease receivable	71,400	71,400
Less: Finance income allocated to future periods	(21,734)	(23,260)
Net lease receivable	49,666	48,140

During the year 2016, Elpitiya Plantations PLC transferred some of its assets (i.e. JEDB/SLSPC Leasehold Land, Mature Plantation – Tea & Factory Building) to its joint venture company, namely, Elpitiya Harrow Tea Company (Pvt) Ltd (previously named Elpitiya Dianhong Jin Ya Tea Company (Pvt) Ltd), by setting up a sublease arrangement. As a result of that, the above balance represents lease rental receivables from Elpitiya Harrow Tea Company (pvt) Ltd over a period of 20 years from 31 March 2025 to 31 March 2045.

### 19.1 Future minimum rentals receivable as at 31st March are as follows;

As at 31 March	Group / Company	
	2025	2024
	Rs.'000	Rs.'000
More than five years	71,400	71,400
	71,400	71,400

## 20. OTHER FINANCIAL ASSETS

As at 31 March	Group / Company	
	2025	2024
	Rs.'000	Rs.'000
Investment in Commercial Bank Debenture	6,960	6,960
Investment In Village Food Court	5,086	5,086
	12,046	12,046

## 21. INVESTMENTS

As at 31 March	Note	Group		Company	
		2025	2024	2025	2024
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
Investments in subsidiaries	21.1	-	-	151,500	151,300
Investments in joint ventures	21.2	581,617	509,981	162,990	147,990
		581,617	509,981	314,490	299,290

## NOTES TO THE FINANCIAL STATEMENTS

### 21. INVESTMENTS (Contd.)

#### 21.1 Investments in subsidiaries

Unquoted

As at 31 March	Percentage of holding		Group		Company	
			2025	2024	2025	2024
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
EPP Hydro Power Company (Pvt) Ltd	100%	100%	-	-	150,000	150,000
Water Villas (Pvt) Ltd	50%	50%	-	-	-	-
Escape Parks Ceylon (Pvt) Ltd	100%	100%	-	-	1,300	1,300
Harrow House (Pvt) Ltd	100%	-	-	-	100	-
The Dunsinane Valley Company (Pvt) Ltd	100%	-	-	-	100	-
			-	-	151,500	151,300

#### 21.2 Investments in joint ventures

Unquoted

As at 31 March	Percentage of holding		Group		Company	
			2025	2024	2025	2024
			Rs.'000	Rs.'000	Rs.'000	Rs.'000
AEN Palm Oil Processing (Pvt) Ltd	33.33%	33.33%	528,852	459,363	6,990	6,990
Elpitiya Harrow Tea Company (Pvt) Ltd	50%	50%	-	-	81,000	81,000
Ceylon Agro Food Technologies (Pvt) Ltd	50%	50%	52,765	50,618	75,000	60,000
			581,617	509,981	162,990	147,990

##### 21.2.1 Share of profit from joint ventures

As at 31 March	Note	Group		Company	
		2025	2024	2025	2024
		Rs.'000	Rs.'000	Rs.'000	Rs.'000
AEN Palm Oil Processing (Pvt) Ltd	21.2.2	119,819	93,976	-	-
Elpitiya Harrow Tea Company (Pvt) Ltd	21.2.3	-	(7,411)	-	-
Ceylon Agro Food Technologies (Pvt) Ltd	21.2.5	(12,853)	(9,382)	-	-
		106,966	77,183	-	-

### 21.2.2 AEN Palm Oil Processing (Pvt) Ltd

The Group has a 33.33% interest in AEN Palm Oil Processing (Pvt) Ltd, a joint venture involved in the business of processing crude Palm Oil. The Group's interest in AEN Palm Oil Processing (Pvt) Ltd is accounted for using the equity method in the consolidated financial statements. Summarised financial information of this joint venture are set out below.

	Company	
	2025 Rs.'000	2024 Rs.'000
Current assets, including cash and cash equivalents Rs. 516,216,011 /- (2024 - Rs. 308,032,133/-)	959,723	676,340
Non current assets	1,122,020	1,179,526
Current liabilities, including tax payable Rs. 4,873,746 (2024 - Nil)	(362,552)	(367,522)
Non current liabilities, including deferred tax liabilities. Rs. 94,587,613/- (2024 - Rs. 77,356,827/-)	(132,635)	(110,255)
<b>Total Equity</b>	<b>1,586,556</b>	<b>1,378,089</b>
<b>Group's carrying amount of the investment</b>	<b>528,852</b>	<b>459,363</b>
<b>Summarised statement of profit or loss of AEN Palm Oil Processing (Pvt) Ltd.</b>		
Revenue	8,778,183	8,204,870
Cost of sales	(8,070,708)	(7,626,906)
Other income	29,645	31,512
Administration expenses including depreciation Rs. 2,085,458/- (2024 - Rs.1,735,246/)	(314,379)	(265,107)
Finance cost	(1,815)	(5,963)
<b>Profit Before Tax</b>	<b>420,926</b>	<b>338,406</b>
Income tax expense	(61,469)	(56,480)
<b>Profit for the year</b>	<b>359,457</b>	<b>281,926</b>
<b>Total comprehensive income for the year</b>	<b>359,457</b>	<b>281,926</b>
<b>Group's share of profit for the year</b>	<b>119,819</b>	<b>93,976</b>
<b>Previous year tax adjustment</b>	<b>-</b>	<b>-</b>
Group's share of profit / (loss) for the year after previous year tax adjustment	119,819	93,976
Group's share of profit before tax	140,309	112,802
Group's share of profit after tax	119,819	93,976
	Group	
	2025	2024
Number of shares invested ('000)	699	699
Dividend received (Rs.'000)	85,561	-

## NOTES TO THE FINANCIAL STATEMENTS

### 21. INVESTMENTS (Contd.)

#### 21.2 Investments in joint ventures (Contd.)

##### 21.2.3 Elpitiya Harrow Tea Company (Pvt) Ltd.

The Group has a 50% interest in Elpitiya Harrow Tea Company (Pvt) Ltd, a joint venture involved in the business of manufacturing and exporting of specialty tea. The Group's interest in Elpitiya Harrow Tea Company (Pvt) Ltd is accounted for using the equity method in the consolidated financial statements. Summarised financial information of this joint venture are set out below.

	Company	
	2025 Rs.'000	2024 Rs.'000
Current assets, including cash and cash equivalents Rs. 8,787,358/- (2024 - Rs. 8,920,011/-)	111,662	109,571
Non current assets	134,056	141,029
Current liabilities, including tax payable Rs. 12,415/- (2024 - Rs. 34,088/-)	(113,089)	(90,565)
Non current liabilities	(87,014)	(86,010)
<b>Total Equity</b>	<b>45,615</b>	<b>74,025</b>
<b>Group's carrying amount of the investment</b>	<b>22,808</b>	<b>37,013</b>
unrealised gain on assets transferred to Joint Venture	(40,412)	(40,412)
<b>Total Group's carrying amount of the investment</b>	<b>-</b>	<b>-</b>
<b>Summarised statement of profit or loss of Elpitiya Harrow Tea Company (Pvt) Ltd.</b>		
Revenue	22,780	31,801
Cost of sales including depreciation Rs. 718,852/= (2024 - Rs. 1,018,981/-)	(42,179)	(44,406)
Other income	(10,127)	(4,122)
Administration expenses	3,634	4,618
Finance cost	(5,312)	(12,232)
<b>Profit/ (Loss) Before Tax</b>	<b>(31,204)</b>	<b>(24,341)</b>
Income tax expense	2,794	2,643
<b>Profit / (Loss) for the year</b>	<b>(28,410)</b>	<b>(21,698)</b>
<b>Total comprehensive income for the year</b>	<b>(28,410)</b>	<b>(21,698)</b>
<b>Group's share of profit / (loss) for the year</b>	<b>(14,205)</b>	<b>(10,850)</b>
Previous year tax adjustment	-	-
<b>Group's share of profit / (loss) for the year after previous year tax adjustment</b>	<b>(14,205)</b>	<b>(10,850)</b>
Group's share of profit/(loss) before tax	(15,602)	(12,171)
Group's share of profit/(loss) after tax	(14,205)	(10,850)
Carrying amount of the investment (Last year)	-	(7,411)
Group's share of profit/(loss) after tax (recover amount for the period)	-	(7,411)
<b>Group</b>		
	<b>2025</b>	<b>2024</b>
Number of shares invested	8,100	8,100
Dividend received	-	-

#### 21.2.4 Elpitiya Lifestyle Solutions (Pvt) Ltd.

The Company has another 70% joint venture interest in Elpitiya Lifestyle Solutions (Pvt) Ltd established by Elpitiya Plantations PLC and Life Style Sri Lanka (Pvt) Ltd which was fully impaired as at 31 March 2025.

#### 21.2.5 Ceylon Agro Food Technologies (Pvt) Ltd

The Group has a 50% interest in Ceylon Agro Food Technologies (Pvt) Ltd, a joint venture involved in the business of Research and Development food, agriculture and engineering activities. The Group's interest in Ceylon Agro Food Technologies (Pvt) Ltd is accounted for using the equity method in the consolidated financial statements. Summarised financial information of this joint venture are set out below.

	Company	
	2025 Rs.'000	2024 Rs.'000
Opening balance	50,618	-
Investment	15,000	60,000
During the year profit / (loss)	(12,853)	(9,382)
Closing Balance	52,765	50,618
<b>Summarised statement of profit or loss of Ceylon Agro Food Technologies (Pvt) Ltd.</b>		
Revenue	5,847	1,697
Cost of sales	(16,928)	(4,698)
Other income	250	4,600
Administration expenses including depreciation Rs. 11,592,137/- (2024 - Rs.2,428,848/- )	(33,887)	(27,012)
Finance cost	(4,703)	(611)
<b>Profit/ (Loss) Before Tax</b>	<b>(49,421)</b>	<b>(26,024)</b>
Income tax expense	23,715	7,260
<b>Profit / (Loss) for the year</b>	<b>(25,706)</b>	<b>(18,764)</b>
<b>Total comprehensive income for the year</b>	<b>(25,706)</b>	<b>(18,764)</b>
Group's share of profit / (loss) for the year	(12,853)	(9,382)
Group's share of profit / (loss) for the year after previous year tax adjustment	(12,853)	(9,382)
Group's share of profit/(loss) before tax	(24,711)	(13,012)
Group's share of profit/(loss) after tax	(12,853)	(9,382)
	Group	
	2025	2024
Number of shares invested ('000)	5,500	4,000
Dividend received (Rs.'000)	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### 22. PRODUCE ON BEARER BIOLOGICAL ASSETS

As at 31 March	Group / Company	
	2025	2024
	Rs.'000	Rs.'000
As at 1st April	29,053	40,222
Change in fair value less cost to sell	(333)	(11,169)
As at 31st March	28,720	29,053

### 22.1 Fair value hierarchy for non financial assets as at 31 March

Group/Company		Level 1	Level 2	Level 3
Non financial asset type	Date of Valuation	(Quoted prices in active markets) Rs.'000	(Significant observable inputs) Rs.'000	(Significant unobservable inputs) Rs.'000
Produce on bearer biological assets*	31-Mar-25	-	28,720	-
	31-Mar-24	-	29,053	-

\*For the Inputs and valuation technique used refer Note 3.8.7.6 of the Financial statements

### 22.2 Gain/(loss) on fair value of biological assets

As at 31 March	Note	Group / Company	
		2025	2024
		Rs.'000	Rs.'000
Consumable biological assets - gain/(loss) arising from changes in fair value less cost to sell	18.2	401,299	258,376
Produce on bearer biological assets - gain/(loss) arising from changes in fair value less cost to sell	22.1	(333)	(11,169)
Total change in fair value of biological assets		400,966	247,207

### 23. INVENTORIES

As at 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Nurseries	22,980	27,807	22,980	27,807
Produced stocks	505,906	286,752	505,906	286,752
Spares and consumables	149,310	283,002	149,254	282,946
	678,196	597,561	678,140	597,505
Less: Provision for slow-moving and obsolete inventory	(14,075)	(14,075)	(14,075)	(14,075)
	664,121	583,486	664,065	583,430

## 24. TRADE AND OTHER RECEIVABLES

As at 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Produce debtors	327,521	211,497	327,521	211,497
Advance and prepayments	84,493	44,439	84,493	44,439
Employee related debtors	46,938	54,229	46,938	54,229
Other debtors	217,974	367,541	216,751	367,163
	676,926	677,706	675,703	677,328
Impairment of doubtful debtors 24.1	(46,569)	(16,496)	(46,569)	(16,496)
	630,357	661,210	629,134	660,832

### 24.1 Movement for impairment of doubtful debtors

As at 31 March	Group / Company	
	2025	2024
	Rs.'000	Rs.'000
At the beginning of the year	16,496	12,512
Impairment provision	30,073	3,984
At the end of the year	46,569	16,496

### 24.2 As at 31 March , the ageing analysis of trade and other receivables is, as follows:

As at 31 March	Total Rs.'000	Neither Past due nor impaired Rs.'000	Past due but not impaired				
			31-60 days Rs.'000	61-120 days Rs.'000	121-180 days Rs.'000	181-365 days Rs.'000	>365 days Rs.'000
			Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Company							
2025	675,703	238,866	154,438	65,224	82,493	88,114	46,569
2024	677,328	275,393	197,039	65,310	66,425	56,664	16,496

The Company uses an allowance matrix to measure the ECLs of trade receivables. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Loss rates that are based on actual credit loss experience over the past years, further subjected to asset correlation calibration and forward-looking adjustments. Loss Given Default (LGD) of 100% is assumed for ECL calculation of trade receivables.

## 25. SHORT TERM INVESTMENT

As at 31 March	Group / Company	
	2025	2024
	Rs.'000	Rs.'000
Fixed deposit	2,998,747	2,346,501
	2,998,747	2,346,501

## NOTES TO THE FINANCIAL STATEMENTS

### 26. CASH AND CASH EQUIVALENT

#### 26.1 Favourable cash and bank balances

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Cash at bank	258,068	102,422	255,003	98,510
Cash in hand	357	1,499	357	1,499
	258,425	103,921	255,360	100,009

### 27. STATED CAPITAL

#### 27.1 Stated capital

As at 31 March	Group		Company	
	2025 Number '000	2024 Number '000	2025 Rs.'000	2024 Rs.'000
Issued and fully paid number of ordinary shares	72,866	72,866	694,236	694,236
	72,866	72,866	694,236	694,236

Stated capital includes one golden share held by Secretary to the Treasury which has special rights.

### 28. RESERVES

#### Timber reserve

Timber reserve represent the fair value change in the carrying value of manage timber plantations. Managed trees include commercial timber plantations cultivated on estates. The fair value of managed trees was ascertained since LKAS 41 is only applicable for managed agricultural activities.

### 29. INTEREST BEARING LOANS AND BORROWINGS

	2025			2024		
	Payable within one year Rs.'000	Payable after 1 year less than 5 years Rs.'000	Total payable Rs.'000	Payable within one year Rs.'000	Payable after 1 year less than 5 years Rs.'000	Total payable Rs.'000
<b>29.1 Group</b>						
Term loan facilities (Note 29.2.1)	-	-	-	72,216	-	72,216
	-	-	-	72,216	-	72,216
<b>29.2 Company</b>						
Term loan facilities (Note 29.2.1)	-	-	-	72,216	-	72,216
	-	-	-	72,216	-	72,216

### 29.2.1 Term loan facilities

#### Company

As at 31 March	Repayable within one year Rs.'000	Repayable after 1 year less than 5 years Rs.'000	Repayable after 05 years Rs.'000	Total As At 31.03.2025 Rs.'000	Total As At 31.03.2024 Rs.'000
<b>Other long term loan facilities</b>					
National Development Bank PLC	-	-	-	-	3,750
Sampath Bank	-	-	-	-	19,855
Bank of Ceylon	-	-	-	-	48,611
	-	-	-	-	72,216
<b>Grand Total</b>	-	-	-	-	72,216

### 29.3 Changes in liabilities arising from financing activities

Company	01-Apr-24 Rs.'000	Non Cash Movement Rs.'000	Cash Flows Rs.'000	New leases Rs.'000	31-Mar-25 Rs.'000
Current interest- bearing loans and borrowings	72,216	-	(72,216)	-	-
Current obligations under lease liabilities	5,681	1,862	-	-	7,543
Non-current obligations under lease liabilities	519,614	170,304	(86,914)	-	603,004
	597,511	172,166	(159,130)	-	610,547

Group	01-Apr-24 Rs.'000	Non Cash Movement Rs.'000	Cash Flows Rs.'000	New leases Rs.'000	31-Mar-25 Rs.'000
Current interest- bearing loans and borrowings	72,216	-	(72,216)	-	-
Current obligations under lease liabilities	5,681	1,862	-	-	7,543
Non-current obligations under lease liabilities	519,614	170,304	(86,914)	-	603,004
	597,511	172,166	(159,130)	-	610,547

## NOTES TO THE FINANCIAL STATEMENTS

### 30 LEASE LIABILITIES

As at 31 March	Note	Group / Company	
		2025 Rs.'000	2024 Rs.'000
Lease liability on right-of-use asset- land		610,547	525,295
		610,547	525,295

#### 30.1 Lease liability on right-of-use asset- land

As at 31 March	Group / Company	
	2025 Rs.'000	2024 Rs.'000
Balance as at the beginning of the year	525,295	376,063
Adjustment on reassessment of lease liability	91,927	154,259
Accretion of interest	80,239	68,942
Payments	(86,914)	(73,969)
Balance as at the end of the year	610,547	525,295
Current	7,543	5,681
Non - current	603,004	519,614

##### 30.1.1 Maturity analysis of lease liabilities are as follows;

As at 31 March	Group / Company	
	2025 Rs.'000	2024 Rs.'000
<b>Payable within one year</b>		
Gross liability	86,914	73,969
Finance cost allocated to future periods	(79,371)	(68,288)
Net liability	7,543	5,681
<b>Payable within two to five years</b>		
Gross liability	347,654	295,876
Finance cost allocated to future periods	(306,319)	(264,744)
Net liability	41,335	31,132
<b>Payable after five years</b>		
Gross liability	1,303,704	1,183,504
Finance cost allocated to future periods	(742,035)	(695,022)
Net liability	561,669	488,482

### 31. RETIREMENT BENEFIT OBLIGATIONS

As at 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
At the beginning of the year	931,262	666,351	930,910	666,067
Current service cost	75,753	49,500	75,677	49,432
Interest cost	104,449	112,594	104,449	112,594
Liability experience loss/ (gain) arising during the year	(79,522)	(15,912)	(79,522)	(15,912)
Liability loss/ (gain) due to changes in assumptions during the year	77,061	244,531	77,061	244,531
Payments	(112,005)	(125,801)	(112,005)	(125,801)
At the end of the year	996,998	931,263	996,570	930,911
Current (Classified under trade & other payables - Note 33)	82,416	60,503	82,416	60,503
Non - current	914,582	870,759	914,154	870,407

LKAS 19 requires the use of actuarial techniques to make a reliable estimate of the amount of retirement benefit that employees have earned in return for their service in the current and prior periods using the Projected Unit Credit Method and discount that benefit in order to determine the present value of the retirement benefit obligation and the current service cost. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates about demographic variables and financial variables that will influence the cost of the benefit.

The retirement benefit obligation as at 31 March 2025 of the Group is based on the actuarial valuation carried out by Messrs. Piyal S. Gunatilleke and Associates. According to the actuarial valuation report issued by the actuarial valuer as at 31 March 2025, the actuarial present value of the promised retirement benefits obligation amounted to Rs. 996,569,885/-. If the company had provided for gratuity on the basis of 14 days wages and half months salary for each completed year of service, the liability would have been Rs 1,021,174,583 /-.

The expenses are recognised in the income statement in the following line items;

As at 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Cost of sales	154,954	146,485	154,954	146,485
Administrative expenses	25,248	15,609	25,172	15,541
	180,202	162,094	180,126	162,026

Actuarial gain on defined benefit plan has been recognised in Statement of Other Comprehensive Income in terms of provisions in LKAS 19.

## NOTES TO THE FINANCIAL STATEMENTS

### 31. RETIREMENT BENEFIT OBLIGATIONS (Contd.)

#### 31.1 Maturity analysis of the payments

The following payments are expected on retirement benefit obligation in future years

As at 31 March	Group		Company	
	2025 Rs.'000	2024 Rs.'000	2025 Rs.'000	2024 Rs.'000
Within the next 12 months	62,214	62,684	61,786	62,684
Between 1 and 5 years	484,027	420,891	484,027	420,891
Beyond 5 years	450,757	447,687	450,757	447,335
Total expected payments	996,998	931,263	996,570	930,910
Weighted average duration (years) of defined benefit obligation	10.29 years	9.82 years	10.29 years	9.82 years

#### 31.2 The principal assumptions used in determining the retirement benefit obligation were;

	Retirement age	Discount rate
2024/2025		
Workers	60 years	11.00%
Staff	60 years	11.00%
2023/2024		
Workers	60 years	12.00%
Staff	60 years	12.00%

#### 31.3 Sensitivity Analysis

Values appearing in the financial statements are sensitive to the changes of financial and non-financial assumptions used. The sensitivity was carried for both the rate of wage increment and discount rate as key contributors to the entire obligation. Simulations made for retirement benefit obligation show that a rise or decrease by 1% of the rate of wage and discount rate has the following effect on the retirement benefit obligation:

As at 31 March	Impact on Retirement benefit obligations ( In Rs. Mn)	
	+ 1%	- 1%
Percentage increase/decrease in discount rate		
As at 31 March 2025	(77.06)	89.20
As at 31 March 2024	(69.58)	80.16

	Impact on Retirement benefit obligations ( In Rs. Mn)	
	+ 1%	- 1%
Percentage increase/decrease in salary / wage increment rate.		
As at 31 March 2025	82.62	(72.97)
As at 31 March 2024	74.88	(66.35)

### 31.4 Use of Discount Rate under uncertain economic conditions

The company uses market yields for the year ended 31 March 2025 on treasury bonds issued by the Government of Sri Lanka (T-bonds) to determine the discount rate, as disclosed in its accounting policy.

## 32. DEFERRED INCOME

As at 31 March	Note	Group / Company	
		2025 Rs.'000	2024 Rs.'000
Deferred grants and subsidies	32.1	61,845	59,770
Sub lease income	32.2	29,289	30,513
Deferred income on right-of-use asset: land	32.3	38,186	43,665
		129,320	133,948

### 32.1 Deferred grants and subsidies

As at 31 March	Group / Company	
	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	59,770	69,525
Add: Grants received during the year	4,278	3,614
Less: Amortisation for the year	(2,203)	(13,369)
At the end of the year	61,845	59,770

The company has received funding from the Plantation Housing and Social Welfare Trust and the Asian Development Bank for the development of workers' facilities such as re-roofing of lines, latrines, water supply and sanitation, etc. The amount spent is included under the relevant classification of Property, Plant & Equipment, and the grant component is reflected under Deferred Grants and Subsidies. Further, this includes the C.T.C. Machinery subsidy, which represents the funds received from the Sri Lanka Tea Board in relation to the C.T.C. project.

### 32.2 Sub lease income

As at 31 March	Group / Company	
	2025 Rs.'000	2024 Rs.'000
At the beginning of the year	30,513	28,345
Add: Cash received for the year	10,714	10,055
Less: Amortisation for the year	(11,938)	(7,887)
At the end of the year	29,289	30,513

## NOTES TO THE FINANCIAL STATEMENTS

### 32. DEFERRED INCOME (Contd.)

#### 32.3 Deferred income on right-of-use asset-land

As at 31 March	Group / Company	
	2025	2024
	Rs.'000	Rs.'000
At the beginning of the year	43,665	49,144
Less: Amortisation for the year	(5,479)	(5,479)
At the end of the year	38,186	43,665

This represents the lease rental received in advance on the leasehold right to use of land, which was subleased to Elpitiya Harrow Tea Company (Pvt) Ltd. This lease rental received in advance on land lease would be amortised on a straight-line basis commencing from 1st April 2016.

### 33. TRADE AND OTHER PAYABLES

As at 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Trade creditors	226,774	187,711	226,774	187,711
Employee related creditors	233,853	270,432	233,853	270,432
Other payables and accruals	431,668	159,926	430,010	158,730
	892,295	618,069	890,637	616,873

### 34. RELATED PARTY TRANSACTIONS

#### 34.1 Terms and conditions of transactions with related parties

The Group and the Company carried out transactions in the ordinary course of business with the following related entities. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash

#### 34.2 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 31 March 2024 audited financial statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

#### 34.3 Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2024 audited financial Statements, which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act other than the matters disclosed in Note 32.7 to the financial statements.

#### 34.4 Amounts due from related parties

As at 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Subsidiaries</b>				
EPP Hydro Power Company (Pvt) Ltd	-	-	2,616	9,845
Water Villas (Pvt) Ltd	-	-	7,748	7,382
Escape Parks Ceylon (Pvt) Ltd	-	-	21,440	21,215
Harrow House (Pvt) Ltd	-	-	6	-
The Dunsinane Valley Company (Pvt) Ltd	-	-	398	-
	-	-	32,208	38,442
<b>Equity accounted investees</b>				
<b>Joint Venture Companies</b>				
AEN Palm Oil Processing (Pvt ) Ltd	41,271	36,079	41,271	36,079
Elpitiya Harrow Tea Company (Pvt) Ltd	104,168	87,741	104,168	87,741
Elpitiya Lifestyle Solutions (Pvt) Ltd	7,367	6,063	7,367	6,063
Ceylon Agro Food Technologies (Pvt) Ltd	950	154	950	154
	153,756	130,037	153,756	130,037
<b>Other related companies</b>				
Aitken Spence C & T Investments (Pvt) Ltd	511	491	511	491
Aitken Spence Agriculture (Pvt) Ltd	28,685	17,642	28,685	17,642
	29,196	18,133	29,196	18,133
	182,952	148,170	215,160	186,612

#### 34.5 Amounts due to related parties

As at 31 March	Group		Company	
	2025	2024	2025	2024
	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Significant Investee of the Parent Company</b>				
Aitken Spence PLC	11,179	6,113	11,179	6,113
	11,179	6,113	11,179	6,113
<b>Parent</b>				
Aitken Spence Plantation Managements PLC	33,058	21,388	33,058	21,388
	33,058	21,388	33,058	21,388
	44,237	27,501	44,237	27,501

# NOTES TO THE FINANCIAL STATEMENTS

## 34. RELATED PARTY TRANSACTIONS (Contd.)

### 34.6 Transactions with related parties

As at 31 March	Company	
	2025 Rs.'000	2024 Rs.'000
<b>Significant investee of the parent company</b>		
Short term investments	1,141,390	606,126
Rendering of services	(9,207)	(5,881)
Receiving of services	631,340	553,452
Interest income for short term investment	56,921	86,207
Settlement	(617,067)	(553,650)
<b>Parent</b>		
Rendering of services	(213,357)	(199,631)
Receiving of services	201,686	208,327
<b>Subsidiaries</b>		
Issue of ordinary shares	(200)	-
Rendering of services	10,465	8,085
Settlement	(16,500)	(26,000)
<b>Equity accounted investees</b>		
Sale of goods	2,030,784	1,891,535
Rendering of services	199,061	181,831
Settlement	(2,206,127)	(2,045,114)
Loan	-	15,000
<b>Other Related Companies</b>		
Rendering of services	14,293	13,321
Settlement	(3,229)	(28,961)

### 34.7 Joint Venture

Nature of the Transaction	Relationship	Nature of the Transaction	Aggregate value of Related Party transactions entered into during 2024/2025 Rs.	Aggregate value of Related Party transactions entered into during 2023/2024 Rs.	Aggregate value of related party transactions as a % of Net Revenue	Terms and Conditions of the Related Party Transactions
AEN Palm Oil Processing (Pvt) Ltd	Joint Venture	Sale of goods	2,030,784	1,891,535	29%	Sale of Fresh Fruit Bunches (FFB) as day to day operations of the Company - Price will decide based on Ripe & Unripe weight of bunches.
		Rendering of services	180,534	170,116		

During the year company supplied Rs. 2.2 BN (2023/24 - Rs. 2 BN) worth of oil palm FFB to AEN Palm Oil processing (Pvt) Ltd in day to day operations of the company and aggregate value of these transactions are exceed 10% of the gross revenue/income of the company as per latest audited financial statements.

### 34.8 Transactions with the key management personnel of the Company and Parent

There are no transactions with the key management personnel of the company and its parent other than those disclosed in Note 9.

### 34.9 Management Fee

The managing agent shall be paid at the contractual price for each financial year as 10% of EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) subject to a maximum limit of Rs. 85 Mn per annum excluding taxes.

### 34.10 Other related party transactions

Guarantees given by Aitken Spence Plantation Managements PLC on behalf of the company.

\* Corporate guarantee of Rs.175 Mn for Bank of Ceylon Overdraft Facility

\* Corporate guarantee of Rs.50 Mn for Hatton National Bank PLC permanent Overdraft Facility

## 35. ASSETS PLEDGE

Company

Facility obtained from	Security	Nature of Liability	2024/2025	
			Facility amount Rs.'000	Outstanding Balance Rs.'000
Bank of Ceylon	Primary mortgage over estate produce consisting of Tea, Rubber, Oil Palm, Coffee, Coconuts, Clove and Paddy on estate.  Primary floating mortgage bond for Rs. 25 Mn. over stock of estate produce consisting of Tea, Rubber, Oil Palm and Coconut stored at Dunsinane, Sheen, Fernlands and Meddecombra estates at Pundaluoya.	Bank overdraft	250,000	-
Hatton National Bank PLC	Primary floating mortgage bond for Rs. 10 Mn. over leasehold property at "Talgaswella Estate" in Galle.  Corporate guarantee of Aitken Spence Plantation Managements PLC.	Bank overdraft	111,000	-
Hatton National Bank PLC	Primary floating mortgage bond for Rs. 75 Mn. over leasehold property at "Fernlands Estate" and "Harrow Estate" Pundaluoya, Nuwara Eliya.	Money market loan	111,000	-

# NOTES TO THE FINANCIAL STATEMENTS

## 36. CAPITAL COMMITMENTS

	Rs. Mn	Rs. Mn
Followings are the capital commitments as at the Statement of Financial Position date.		
Approved by Board and contracted for	50	16
Approved by Board and not contracted for	1,987	1,428

## 37. CONTINGENCIES

No known contingent liabilities exist as at the date of financial position other than the matters disclosed in below note to the financial statements.

- 37.1** The company was issued a Value Added Tax (VAT) assessment under the Value Added Tax Act No. 14 of 2002 and its amendments thereto in relation to the taxable period from 1st April 2008 to 31st March 2011. The Tax Appeals Commission, hearing the appeal, has determined the VAT assessment in favour of the Department of Inland Revenue. Pursuant to the determination of the Tax Appeals Commission, the company has appealed against the determination to the Court of Appeal. The contingent liability to the company is estimated to be Rs. 14.3 Mn. inclusive of any penalties for the said period. Based on expert advice, the Directors are confident that the ultimate resolution of the case will not have an adverse impact on the financial statements of the company.

## 38. EVENTS AFTER THE REPORTING PERIOD

There have been no other material events occurring after the statement of financial position date that require adjustment or disclosure in the financial statements.

## 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations. Accordingly the Group has exposure to namely Credit Risk, Liquidity Risk, Currency Risk and Interest Rate Risk from its use of financial instruments.

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.

### Credit risk

This is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arise principally from the Group's receivable from customers.

### Liquidity risk

Liquidity risk arises when the Group is unable to meet its financial obligations due to insufficient cash flow situations. 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.

### Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currency of the Group. The currency in which these transactions primarily denominated is in USD.

### Interest rate risk

Interest rate risk is the potential for losses that may arise due to adverse movement of interest rates, mainly on floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group has not engaged in any interest rate swap agreements.

### 39.1 Financial Risk Management Framework

The Board of Directors has the overall responsibility for the establishment and oversight of the group's financial risk management framework which includes developing and monitoring the Group's financial risk management policies.

The Group financial risk management policies are established to identify, quantify and Analyse the financial risks faced by the Group, to set appropriate risk limits and controls and to monitor financial risks and adherence to limits. Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee of the Company oversees how management monitors compliance with the Group's financial risk management policies and procedures and reviews the adequacy of the financial risk management framework in relation to the risks faced by the Group.

### 39.2 Credit Risk

Credit Risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arise principally from the Group's receivable from customers and from its financing activities including deposits with banks and financial institutions foreign exchange transactions and other financial instruments.

#### 39.2.1 Trade and Other Receivables

The Group's exposure to credit risk is influenced by the individual characteristics of each customer. The Group's credit policy is monitored at the Board level. The new customers are analysed individually for credit worthiness before Group's standard payment and delivery terms and conditions are offered. Group review includes external ratings, when available and in some cases, bank references, purchases limit etc. which also subject to under review on quarterly basis. The past experience of the Management is considered when revisions are made to terms and conditions.

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 receivables of the Group at the reporting date is Rs. 328 Mn (2024 – Rs. 211 Mn).

The Company has a minimal credit risk of its trade receivables as the repayment is guaranteed within seven days by the Tea and Rubber auction systems.

#### 39.2.2 Investments

Credit risks from invested balance with the financial institutions are managed by the Board of Directors. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to them. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

The Group held short term investments Rs 2.9 Bn as at 31st March 2025 (2024 – Rs. 2.3 Bn).

#### 39.2.3 Cash and Cash Equivalents

The Group held cash and Cash Equivalents of Rs. 258 MN as at 31st March 2025 (2024 – Rs. 104 MN) which represents its maximum credit exposure on these assets.

#### 39.2.4 Amounts due from

The Group held amounts due from related parties of Rs. 183 MN as at 31st March 2025 (2024 – Rs. 148 MN) which represents its maximum credit exposure on these balances.

# NOTES TO THE FINANCIAL STATEMENTS

## 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

### 39.3 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 does not concentrate on a single financial institution, thereby minimising the exposure to liquidity risk through diversification of funding sources. The Group aims to fund investment activities of the individual and Group level by funding the long-term investment with long term financial sources and short term investment with short term financing. Where necessary, the Group consults the Treasury Department and Strategic Business Development Unit in Parent Company for scrutinising the funding decisions.

The Table below summarises the maturity profile of the Groups financial liabilities based on contractual undiscounted payments.

As at 31st March 2025	On Demand	Less than 3 Months	3 to 12 Months	2 to 5 years	>5 years	Total
	Rs. '000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Group</b>						
Lease liabilities		21,728	65,185	347,654	1,303,704	1,738,272
Trade & other payables	-	809,878	82,416	-	-	892,294
Amounts due to related parties	44,238	-	-	-	-	44,238
	44,238	831,606	147,601	347,654	1,303,704	2,674,804
<b>Company</b>						
Lease liabilities	-	21,728	65,185	347,654	1,303,704	1,738,272
Trade & other payables	-	808,222	82,416	-	-	890,638
Amounts due to related parties	44,238	-	-	-	-	44,238
	44,238	829,950	147,601	347,654	1,303,704	2,673,148
<b>As at 31st March 2024</b>						
	On Demand	Less than 3 Months	3 to 12 Months	2 to 5 years	>5 years	Total
	Rs. '000	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
<b>Group</b>						
Interest bearing loans & borrowing	-	18,054	54,162	-	-	72,216
Lease liabilities	-	18,492	55,477	295,876	1,183,504	1,553,349
Trade & other payables	-	633,517	60,503	-	-	694,020
Amounts due to related parties	27,501	-	-	-	-	27,501
	27,501	670,063	170,142	295,876	1,183,504	2,347,086
<b>Company</b>						
Interest bearing loans & borrowing	-	18,054	54,162	-	-	72,216
Lease liabilities	-	18,492	55,477	295,876	1,183,504	1,553,349
Trade & other payables	-	632,273	60,503	-	-	692,777
Amounts due to related parties	27,501	-	-	-	-	27,501
	27,501	668,819	170,142	295,876	1,183,504	2,345,843

## 39.4 Market Risk

Market risk is the risk that the fair value or 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 & other price risk such as equity price risk. Financial instrument affected by market risk include loans & borrowings, deposits & derivative financial instruments.

### 39.4.1 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's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group has not engaged in any interest rate swap agreements.

The Group held long term and Short term borrowings with floating interest rates - Nil (2024 – Rs. 72 Mn) which represents its maximum credit exposure on these liabilities.

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the group's Profit Before Tax is affected through the impact on floating rate borrowings as follows:

	Increase/ decrease in Interest rate	Effect on profit before tax Rs.'000
<b>Group</b>		
2025	+5%	(173,834)
	-5%	173,834
2024	+5%	(602,351)
	-5%	602,351
<b>Company</b>		
2025	+5%	(87,529)
	-5%	87,529
2024	+5%	(592,005)
	-5%	592,005

### 39.4.2 Foreign Currency Risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currency of the Group. The Group is exposed to currency risk on sales, purchases and borrowings. These currency primarily is USD.

The Group hedges its exposure to fluctuation on the transaction of its foreign operations mainly by forward contracts.

#### Foreign currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in the USD exchange rates, with all other variables held constant. The impact on the Group's Profit Before Tax is due to changes in fair value of monetary assets and liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

## 39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

### 39.4 Market Risk (Contd.)

	Increase/ decrease in Interest rate	Effect on profit before tax Rs.'000
Group		
2025		
USD	+10%	4,048
USD	-10%	(4,048)
2024		
USD	+10%	6,091
USD	-10%	(6,091)

#### 39.4.3 Equity Price Risk

The Group's listed & unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Management of the Group monitors the mix of debt & equity securities in its investment portfolio based on market indices. Material investment within the portfolio are Managed on an individual basis and all buy and sell decision are approved by the Board. Equity price risk is not material to the financial statements. However, company does not hold any quoted shares as at reporting date.

#### 39.4.4 Capital Management

The Group's policy is to retain a strong capital base so as to maintain investor, creditor & market confidence and to sustain future development of the business. Capital consists of share capital, reserves, retain earning & non-controlling interest of the Group. The Board of Directors monitors the return on capital, interest covering ratio, dividend to ordinary shareholders.

The gearing ratio at the reporting date is as follows.

As at 31 March	Group		Company	
	As at 31.03.2025 Rs.'000	As at 31.03.2024 Rs.'000	As at 31.03.2025 Rs.'000	As at 31.03.2024 Rs.'000
	<b>Interest bearing borrowing</b>			
Current portion of long term interest bearing borrowings	-	72,216	-	72,216
Payable after one year	-	-	-	-
	-	72,216	-	72,216
<b>Equity</b>	9,499,956	8,533,495	9,114,984	8,197,805
Equity & debts	9,499,956	8,605,711	9,114,984	8,270,021
Gearing ratio	0%	1%	0%	1%

# CUMULATIVE EXPANSION

## SUPPLEMENTARY INFORMATION

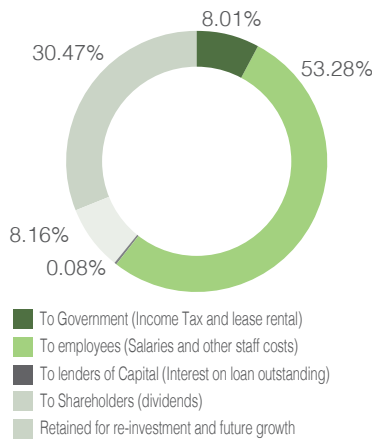
Our journey is defined by purposeful, layered expansion—anchored in sustainability, diversification, and innovation—fuelling continued growth across economic, environmental, and social dimensions.



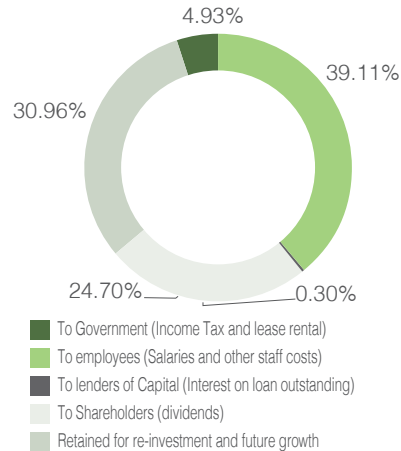
# CONSOLIDATED ECONOMIC VALUE-ADDED STATEMENT

GROUP	Year ended	As a %	Year ended	As a %
	31.03.2025		31.03.2024	
	Rs.'000		Rs.'000	
Turnover	7,692,249	95%	7,204,027	93%
Other income	387,161	5%	557,481	7%
	8,079,410	100%	7,761,508	100%
Purchase of goods and services	(3,607,668)	-45%	(2,157,310)	-28%
<b>Total Value Added</b>	<b>4,471,742</b>	<b>55%</b>	<b>5,604,198</b>	<b>72%</b>
<b>Distributed as follows</b>				
To Government (Income tax and lease rental)	357,642	8%	276,365	5%
To employees (salaries and other staff costs)	2,384,899	53%	2,191,713	39%
To lenders of capital (interest on loan outstanding)	3,677	0.1%	16,593	0.3%
To Shareholders (Dividends)	364,332	8%	1,384,462	25%
Retained for re-investment and future growth	1,361,192	30%	1,735,065	31%
	4,471,742	100%	5,604,198	100.0%

Distribution of Value Added 2024/2025



Distribution of Value Added 2023/2024

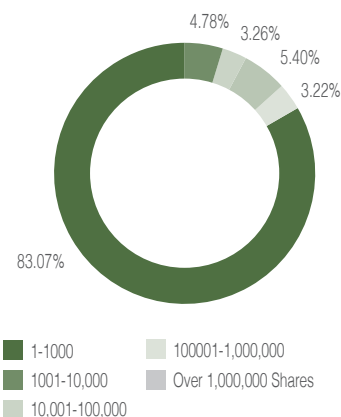


# SHAREHOLDERS AND INVESTOR INFORMATION

## 1) Distribution of Shareholding

Category	No. of shareholders	No. of shares	%
1-1000	11,150	3,482,225	4.78%
1001-10,000	683	2,374,435	3.26%
10,001-100,000	132	3,956,204	5.43%
100001-1,000,000	9	2,523,120	3.46%
Over 1,000,000 Shares	2	60,530,446	83.07%
	11,976	72,866,430	100.00%

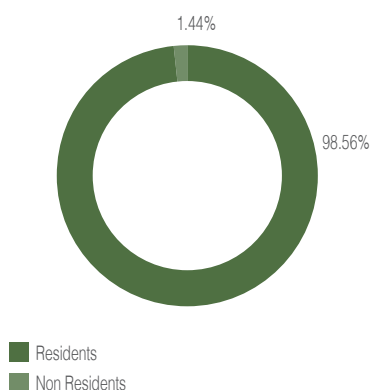
Distribution of Shareholding



## 2) Composition of Shareholders

Category	No. of shareholders	No. of shares	%
Residents	11,955	71,818,741	98.56%
Non Residents	21	1,047,689	1.44%
Individuals	11,844	10,017,536	13.75%
Institutions	132	62,848,894	86.25%

Composition of Shareholders



## 3) Share Trading During The Year

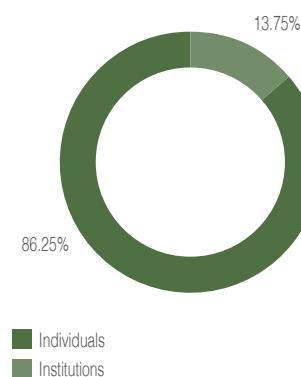
Category	2024/25	2023/24
Highest Price Traded (Rs.)	140.00	106.00
Lowest Price Traded (Rs.)	90.00	69.50
Last Traded Price (Rs.)	117.75	104.50
Number of share transactions	10,949	12,638
Number of shares traded	4,531,798	3,515,016
Value of shares traded	523,484,398	318,816,815
Market Capitalisation	8,580,022,133	7,614,541,935

The float adjusted Market Capitalisation as at 31st March 2025 was Rs 1,452,562,116/-. As the float adjust Market Capitalisation more than Rs. 01 Bn with more than 7.5% public holding, Elpitiya Plantations PLC complies under option 1 in terms of rule 7.13.1 (b) (for Diri Savi Board companies) of the Listing Rules of the Colombo Stock Exchange.

## 4) Net Assets and closing price per share

	2024/25	2023/24	2022/23
Net Assets per share (Rs.)	130.40	117.11	112.49
Closing Price (Rs.)	117.75	104.50	76.50

Composition of Shareholders



# SHAREHOLDERS AND INVESTOR INFORMATION

## 5) Public Holding:

	No. of shares	%
Total no of shares	72,866,430	
Less: Holding by the parent company (ASPM)	44,917,354	61.64%
Less: Shareholder exceeding 10% (S & T)	15,613,092	21.43%
Public holding	12,335,984	16.93%

### Public Holding:

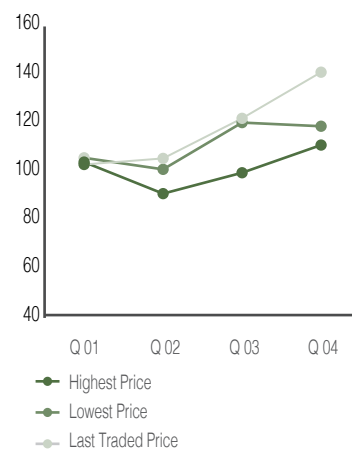
#### Excludes:

- parent, subsidiary or associate companies .
- subsidiaries or associates of the parent company
- Directors, CEO, their spouses & children under 18 & their nominees.
- companies in which a director's holding exceeds 50% of the equity or where the Director controls the composition of the Board.
- shareholders whose holding exceeds 10% of the issued capital.

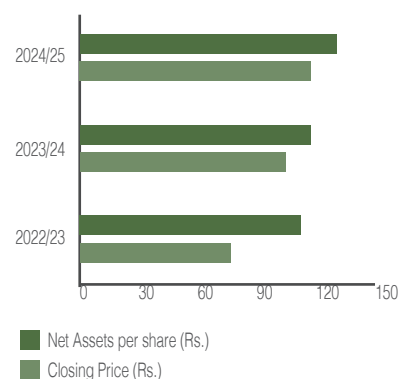
## 6) 20 Major Shareholders Holding As At 31st March 2025

Name of the Shareholder	Shareholding	%
1 Aitken Spence Plantation Managements LTD	44,917,354	61.64
2 Secretary to the Treasury	15,613,092	21.43
3 Melbourne Rolling Mill (pvt) Ltd	640,257	0.88
4 Mr T T T Al-Nakib (Deceased)	500,000	0.69
5 Tranz Dominion L.L.C.	315,000	0.43
6 Mr.K.R.E.M.D.M.B. Jayasundara	259,463	0.36
7 Dr R.D. Bandaranaike/ Mrs A.D. Bandaranaike	210,696	0.29
8 Estate of Late Mr K C Vignarajah	205,428	0.28
9 Mr G.D.M. Ranasinghe / Mrs O.R.K. Ranasinghe	141,041	0.19
10 Melbourne Metal (pvt) Ltd	126,235	0.17
11 Mr. D.A. Cabraal	125,000	0.17
12 Senkadagala Finance PLC/Prempra Capital (Pvt) Ltd	84,000	0.12
13 Mr. V.C. Mahtani / Mrs. M.V. Mahtani	81,061	0.11
14 Mr.S.Weeraratne/Mr.P.N.Weeraratne	80,504	0.11
15 Mr.S.Malalasekera	77,400	0.11
16 Mr.E.J.Gnanam	75,000	0.10
16 Mr.U.D.Wickremesooriya / Mrs.S.F.Wickramasooriya	75,000	0.10
18 Mrs J. Thiruvathavoorar	71,930	0.10
19 Mr.J.D.Bandaranayake / Miss N. Bandaranayake / Dr.V. Bandaranayake	70,000	0.10
19 Mr.J.D.Bandaranayake / Miss N. Bandaranayake / Dr.V. Bandaranayake	70,000	0.10
<b>Total No. of Shares</b>	<b>63,738,461</b>	<b>87.48</b>

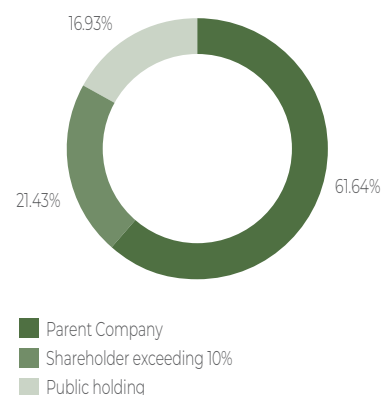
## Share Trading During The Year (Rs.)



## Net Assets and closing price per share



## Public Holding



### **Golden Shareholder**

The Golden Share has been allotted to the Secretary to the Treasury for and on behalf of the State of Democratic Socialist Republic of Sri Lanka. The rights attached to the Golden Share are set out in the Articles of Association which are as follows:

- 1) The Golden Share shall only be held by the Secretary to the Treasury in his official capacity
- 2) The Golden Shareholder 's prior written concurrence is required
  - (a) To amend the definition of the words Golden Share or Golden Shareholder and the Articles setting out specific rights attached to such share
  - (b) To sub-lease, cede or assign the rights in part or all of the lands assigned to the Company
- 3) The Golden Shareholder is entitled to
  - (a) Call upon the Directors once in every three months if desired to meet with him or his nominees to discuss matters of the Company of interest to the State
  - (b) Inspect the books of accounts of the Company either by himself or by his nominees with due notice
  - (c) Receive within 60 days of the end of every quarter, a quarterly report relating to the performance of the Company
  - (d) Receive within 90 days from the end of each financial year, information relating to the Company in a pre-specified format.

# TEN YEAR SUMMARY

Year ended 31st March	2024/25	2023/24	2022/23	2021/22
Group	Rs.'000	Rs.' 000	Rs.' 000	Rs.' 000
<b>TRADING SUMMARY</b>				
Group Revenue	7,692,249	7,204,027	8,348,372	5,095,987
Profit/ (Loss) Before Taxation	1,935,000	1,987,755	3,005,828	1,633,751
Tax Expenses	(605,930)	(421,793)	(1,175,383)	(101,125)
Profit/ (Loss) After Taxation	1,329,070	1,565,962	1,830,445	1,532,625
Profit/ (Loss) After Taxation (Company)	1,279,789	1,545,688	1,771,009	1,390,746
Non-Controlling Interest	(198)	(145)	(127)	(119)
<b>Profit Attributable to Owner of the Parent</b>	<b>1,329,268</b>	<b>1,566,107</b>	<b>1,830,571</b>	<b>1,532,744</b>
<b>Funds Employed</b>				
Stated capital	694,236	694,236	694,236	694,236
Timber reserve	1,444,855	1,054,282	805,597	818,604
Accumulated profits	7,366,259	6,790,173	7,016,965	5,391,329
<b>Equity Attributable to Equity Holder of the Parent</b>	<b>9,505,350</b>	<b>8,538,691</b>	<b>8,516,798</b>	<b>6,904,169</b>
Non-controlling interest	(5,394)	(5,196)	(5,051)	(4,924)
Lease liability	610,546	525,295	376,062	351,818
Interest bearing loan and borrowings (Short and Long Term)	-	72,216	185,624	318,852
<b>Assets Employed</b>				
Non-Current Assets	9,299,530	8,574,048	7,776,714	7,165,097
Current Assets	4,763,322	3,872,339	4,240,727	2,139,859
<b>Total Assets</b>	<b>14,062,852</b>	<b>12,446,388</b>	<b>12,017,441</b>	<b>9,304,956</b>
Current Liabilities	1,160,060	799,417	861,833	666,762
Current Liabilities Net of Borrowing	1,152,517	721,519	744,725	554,815
Retirement Benefit Obligation	996,999	931,262	666,067	642,917
Deferred Tax Liability	1,755,930	1,589,155	1,443,368	412,797
Deferred Income	129,320	133,949	147,015	166,809
<b>Capital Employed</b>	<b>12,902,792</b>	<b>11,646,971</b>	<b>11,155,608</b>	<b>8,638,194</b>
<b>Cash Flows</b>				
Net cash inflow/outflow from the operating activities	1,835,169	1,859,456	2,830,240	1,522,248
Net cash inflow/outflow from the investing activities	(1,237,442)	(638,808)	(2,252,494)	(1,518,346)
Net cash inflow/outflow from the finance activities	(443,223)	(1,502,898)	(401,546)	(6,034)
<b>Increase/decrease in cash and cash equivalents</b>	<b>154,505</b>	<b>(282,250)</b>	<b>176,200</b>	<b>(2,132)</b>
<b>Key Indicators</b>				
EPS (Basic)	18.24	21.49	25.12	21.03
Dividend Per Share (Company)	5.50	5.00	19.00	3.00
Dividend Payout Ratio (Company)	31%	24%	78%	16%
Net Assets Per Share	130.37	117.11	116.81	94.68
Market Price Per Share	117.75	104.50	76.50	75.50
Price Earnings Ratio	6	5	3	4
Current Ratio	4.11	4.84	4.92	3.21
Return on Equity	15%	18%	24%	25%
Equity to Total Assets	68%	69%	71%	74%
Debt to Equity	0%	1%	2%	5%

	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000	Rs.' 000
	4,062,191	3,307,620	3,547,947	3,631,650	3,009,791	2,444,426
	725,516	335,389	512,405	598,481	463,289	220,511
	149,476	(27,663)	(73,725)	(263,055)	(43,452)	(24,270)
	874,992	307,726	438,681	335,426	419,837	196,241
	882,510	241,710	419,748	338,100	488,205	216,076
	(275)	(128)	(125)	(91)	(333)	(357)
	875,267	307,854	438,806	335,518	420,170	196,598
	694,236	694,236	694,236	694,236	694,236	694,236
	797,640	790,870	765,958	780,376	778,722	756,836
	3,976,496	3,145,643	2,945,536	2,549,910	2,439,829	1,934,823
	5,468,372	4,630,749	4,405,730	4,024,522	3,912,787	3,385,895
	(4,805)	(4,531)	(4,403)	(4,278)	(4,186)	(3,854)
	343,086	321,566	165,676	169,218	172,123	175,528
	133,082	341,126	185,427	297,530	363,042	684,380
	6,717,706	6,309,473	5,762,297	5,398,245	5,162,864	5,054,251
	884,938	780,405	805,184	709,807	639,454	473,031
	7,602,644	7,089,877	6,567,481	6,108,052	5,802,318	5,527,282
	553,677	788,401	631,460	565,652	607,008	668,523
	521,332	485,442	518,679	448,773	474,509	311,923
	664,177	643,194	609,807	530,975	451,820	583,690
	332,754	496,951	474,351	409,987	183,631	125,918
	185,558	200,353	212,214	231,325	248,592	263,801
	7,048,967	6,301,476	5,936,021	5,542,400	5,195,311	4,858,759
	1,031,081	503,095	701,429	749,542	631,368	334,965
	(523,682)	(561,701)	(595,344)	(433,755)	(216,292)	(271,092)
	(55,795)	(230,435)	(148,844)	(275,839)	(204,476)	(52,750)
	451,604	(289,041)	(42,759)	39,947	210,600	11,122
	12.01	4.22	6.02	4.60	5.76	2.69
	2.00	0.75	1.25	2.25	1.00	0.50
	17%	23%	22%	48%	15%	17%
	74.98	63.49	60.40	55.17	53.64	46.41
	43.08	13.00	18.10	27.40	19.00	19.20
	4	3	3	6	3	7
	1.60	0.99	1.28	1.25	1.05	0.71
	17%	7%	10%	8%	12%	6%
	72%	65%	67%	66%	67%	61%
	2%	7%	4%	7%	9%	20%

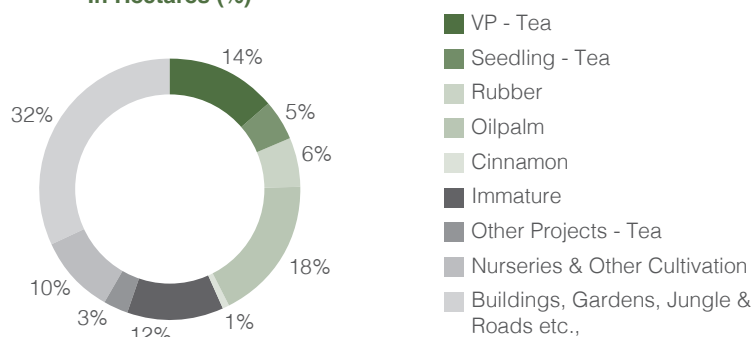
# INFORMATION ON ESTATES

Year Ended 31st March 2025	Cultivated Area (Ha.)						Total Area (Ha.)	Annual Production kg '000'				Factory Details Crop Manfd.	No. of Workers
	Tea	Rubber	Oil Palm	Speciality Project Tea	Others	Total		Tea	Rubber	Oil Palm	Cinnamon		
<b>Nuwara Eliya District</b>													
Dunsinane	430.52	-	-	66.58	104.21	601.31	790.00	1,359	-	-	-	Tea	633
Sheen	190.44	-	-	65.28	154.42	410.14	503.75	497	-	-	-	Tea	328
Fernlands	278.46	-	-	52.23	78.45	409.14	484.25	445	-	-	-	Tea	585
Meddecombra	333.22	-	-	58.10	331.04	722.36	890.00	518	-	-	-	Tea	510
<b>Kandy District</b>													
New Peacock	265.29	-	-	-	236.27	501.56	535.73	812	-	-	-	Tea	285
Nayapane	235.40	-	-	-	182.25	417.65	576.50	501	-	-	-	Tea	312
<b>Galle District</b>													
Devitura	17.48	112.88	269.63	-	168.19	568.18	896.22	10	48	3,781	4	Tea Rubber	262
Talgaswella	20.06	65.12	568.38	-	53.36	706.92	1,033.85	28	26	9,207	0.74	Tea Rubber	179
Gulugahakande	-	29.70	102.46	-	60.80	192.96	418.18	-	10	1,471	3	-	104
Lelwala	2.70	52.10	67.11	-	32.07	153.98	240.35	4	15	1,277	3	Tea	84
Ketandola	1.15	27.04	256.11	-	35.89	320.19	832.69	3	16	3,575	1	Tea	151
Bentota	-	141.87	110.27	-	48.85	300.99	726.14	-	57	1,164	1	Rubber	162
Elpitiya	-	183.16	302.67	-	68.46	554.29	910.36	-	68	4,078	1	Rubber	248
<b>TOTAL</b>	<b>1,774.72</b>	<b>611.87</b>	<b>1,676.63</b>	<b>242.19</b>	<b>1,554.26</b>	<b>5,859.67</b>	<b>8,838.02</b>	<b>4,177</b>	<b>240</b>	<b>24,553</b>	<b>14</b>		<b>3,843</b>

2024/2025	Tea	Rubber	Oil Palm
Total Crop (Kg.000's)	4,177	240	24,553
Total NSA (Rs/Kg)	1,127	874	85
Y P H	1,532	443	15,577

2023/2024	Tea	Rubber	Oil Palm
Total Crop (Kg.000's)	4,248	241	23,617
Total NSA (Rs/Kg)	1,015	747	82
Y P H	1,740	425	15,092

**Land Utilisation - In Hectares (%)**



## NUMBER OF PERMANENT BUILDINGS AVAILABLE

Type of Buildings As at 31 March 2025	Region/No of units			Total
	Upcountry	Mid-country	Low-country	
No. of Factories	6	2	11	19
No. of Bungalows (Manager/Asst. Managers)	20	6	26	52
No. of Staff Bungalows/Quarters	118	54	72	244
No. of Double Barrack Lines	85	31	37	153
No. of Single Barrack Lines	165	73	176	414
No. of Creches	23	7	14	44
No. of Dispensary	3	3	5	11
No. of Agronomist Quarters	-	1	-	1
No. of Maternity Wards	3	-	1	4
No. of Muster Sheds	19	6	38	63
No. of Office Buildings	5	2	8	15
No. of Stores Buildings	6	4	15	25
No. of Training Centers	4	4	2	10
No. of Self Help Housing	213	114	426	753
No. of Indian Housing	666	51	90	807
Any Other Buildings (Factory/Field Rest Rooms, Community Centre, Twin Cottages, Temples, Motor garage etc.,)	316	82	239	637

\* Field Rest Rooms, Community Centre, Twin Cottages, Temples, Motor garage etc.,

# GRI CONTENT INDEX

<b>Statement of use</b>	Elpitiya Plantations PLC has reported in accordance with the GRI Standards for the period 1 April 2023 to 31 March 2025.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	Agriculture, Aquaculture and Fishing Sectors

GRI Standard/ Other Source	Disclosure	Page reference	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
<b>General disclosures</b>						
GRI 2: General Disclosures 2021	2-1 Organisational details	4,7,309	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 organisation's sustainability reporting	4				
	2-3 Reporting period, frequency and contact point	4,6				
	2-4 Restatements of information	4				
	2-5 External assurance	6				
	2-6 Activities, value chain and other business relationships	4, 14-15, 56-57, 70-81, 92, 102, 129	2-8 Workers who are not employees	Not applicable	All workers are engaged as employees	
	2-7 Employees	9,107				
	2-8 Workers who are not employees	107				
	2-9 Governance structure and composition	164				
	2-10 Nomination and selection of the highest governance body	164				
	2-11 Chair of the highest governance body	164				
	2-12 Role of the highest governance body in overseeing the management of impacts	164				
	2-13 Delegation of responsibility for managing impacts	167-169				
	2-14 Role of the highest governance body in sustainability reporting	164, 167-169, 173				

GRI Standard/ Other Source	Disclosure	Page reference	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
	2-15 Conflicts of interest	171				
	2-16 Communication of critical concerns	170				
	2-17 Collective knowledge of the highest governance body	170				
	2-18 Evaluation of the performance of the highest governance body	172				
	2-19 Remuneration policies	191				
	2-20 Process to determine remuneration	173,191				
	2-21 Annual total compensation ratio		2-21 Annual total compensation ratio	Confidentiality constraints	The Group does not disclose this due to confidentiality related reasons	
	2-22 Statement on sustainable development strategy	36-39				
	2-23 Policy commitments	106,164,167-169				
	2-24 Embedding policy commitments	106,164				
	2-25 Processes to remediate negative impacts	115-116,164				
	2-26 Mechanisms for seeking advice and raising concerns	117-119				
	2-27 Compliance with laws and regulations	163				
	2-28 Membership associations	133				
	2-29 Approach to stakeholder engagement	32-34				
	2-30 Collective bargaining agreements	118				

# GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Page reference	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
<b>Material topics</b>						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	29	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	29-31				
<b>Economic performance</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	85				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	29				13.22.2
	201-2 Financial implications and other risks and opportunities due to climate change	7-9				
	201-3 Defined benefit plan obligations and other retirement plans	141-145				
	201-4 Financial assistance received from government	234	201-4 Financial assistance received from government	Not applicable	Group has not received financial assistance for the Government	
<b>Market presence</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	85				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	118				
	202-2 Proportion of senior management hired from the local community	108				
<b>Indirect economic impacts</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	85				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	138-139				13.22.3
	203-2 Significant indirect economic impacts	7- 8				13.22.4
<b>Procurement practices</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	105				

GRI Standard/ Other Source	Disclosure	Page reference	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	133				
<b>Materials</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	140				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	158-159				
	301-2 Recycled input materials used	158-159				
	301-3 Reclaimed products and their packaging materials	158-159				
<b>Energy</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	140				
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	147-149				
	302-2 Energy consumption outside of the organisation		302-2 Energy consumption outside of the organisation	Information unavailable/ incomplete	Energy consumption outside the Organisation is not tracked	
	302-3 Energy intensity	147				
	302-4 Reduction of energy consumption	147-149				
	302-5 Reductions in energy requirements of products and services		302-5 Reductions in energy requirements of products and services	Information unavailable/ incomplete	Not tracked currently	
<b>Water and effluents</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	140				
	303-1 Interactions with water as a shared resource	150 - 153				13.7.2
	303-2 Management of water discharge- related impacts	150 - 153				13.7.3
	303-3 Water withdrawal	152				13.7.4
	303-4 Water discharge	152				13.7.5
	303-5 Water consumption	152				13.7.6

# GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Page reference	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
<b>Biodiversity</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	140				
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	156-158				13.3.2
	304-2 Significant impacts of activities, products and services on biodiversity	156- 159				13.3.3
	304-3 Habitats protected or restored	156 -160				13.3.4
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	156 -161				13.3.5
<b>Emissions</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	140				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	149- 150				13.1.2
	305-2 Energy indirect (Scope 2) GHG emissions	149- 150				13.1.3
	305-3 Other indirect (Scope 3) GHG emissions	149- 150				13.1.4
	305-4 GHG emissions intensity	149- 150				13.1.5
	305-5 Reduction of GHG emissions	149- 150				13.1.6
	305-6 Emissions of ozone-depleting substances (ODS)	149- 150				13.1.7
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	149- 150				13.1.8
<b>Waste</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	140				

GRI Standard/ Other Source	Disclosure	Page reference	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 306: Waste 2020	306-1 Waste generation and significant waste- related impacts	153 - 154				13.8.2
	306-2 Management of significant waste- related impacts	153 - 154				13.8.3
	306-3 Waste generated	153 - 154				13.8.4
	306-4 Waste diverted from disposal		306-4 Waste diverted from disposal	Information unavailable/ in complete	Not tracked currently	13.8.5
	306-5 Waste directed to disposal		306-5 Waste directed to disposal	Information unavailable/ in complete	Not tracked currently	13.8.6
<b>Employment</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	105				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	108 - 110				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	111 - 112, 234				
	401-3 Parental leave	119				
<b>Labour/management relations</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	105				
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	118				
<b>Occupational health and safety</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	105				

# GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Page reference	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	115 - 116				13.19.2
	403-2 Hazard identification, risk assessment, and incident investigation	115 - 116				13.19.3
	403-3 Occupational health services	115 - 116				13.19.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	115 - 116				13.19.5
	403-5 Worker training on occupational health and safety	115 - 116				13.19.6
	403-6 Promotion of worker health	115 - 116				13.19.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	115 - 116				13.19.8
	403-8 Workers covered by an occupational health and safety management system	115 - 116				13.19.9
	403-9 Work-related injuries	115 - 116				13.19.10
	403-10 Work-related ill health	115 - 116				13.19.11
<b>Training and education</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	105				
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	112 - 114				
	404-2 Programs for upgrading employee skills and transition assistance programs	112 - 114				
	404-3 Percentage of employees receiving regular performance and career development reviews	107 - 114				

GRI Standard/ Other Source	Disclosure	Page reference	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
<b>Diversity and equal opportunity</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	105				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	107, 119				13.15.2
	405-2 Ratio of basic salary and remuneration of women to men	119				13.15.3
<b>Non-discrimination</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	105				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	118				13.15.3
<b>Local communities</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	105				
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	106				13.17.2
<b>Forced or compulsory labour</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	105				
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	106				13.16.2
<b>Local communities</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	105				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	136-137				13.12.2
	413-2 Operations with significant actual and potential negative impacts on local communities	133				13.12.3

# GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Page reference	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
<b>Supplier social assessment</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	105				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	130				
	414-2 Negative social impacts in the supply chain and actions taken	128				
<b>Customer health and safety</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	105				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	130				13.10.2
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	125				13.10.3
<b>Marketing and labelling</b>						
GRI 3: Material Topics 2021	3-3 Management of material topics	128				
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	127				
	417-2 Incidents of non-compliance concerning product and service information and labelling	127				
	417-3 Incidents of non-compliance concerning marketing communications	126				

GRI Standard/ Other Source	Disclosure	Page reference	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	128				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	125				

# GRI CONTENT INDEX

## Topics in the applicable GRI Sector Standards and reported

GRI 13: Agriculture, Aquatic and Fishing Sectors 2022		Page Reference
13.1 Emissions		149 - 151
13.3 Biodiversity		154 - 158
13.4 Natural ecosystem conversion		154 - 158
13.5 Soil health		146 - 147
13.6 Pesticide use		158
13.7 Water and effluents		150- 153
13.8 Waste		153 - 154
13.9 Food security		134
13.10 Food safety		125
13.12 Local communities		135 - 137
13.15 Non-discrimination and equal opportunity		118
13.16 Forced or compulsory labour		106
13.17 Child labour		106
13.19 Occupational health and safety		115 - 116
13.20 Employment practices		117
13.21 Living income and living wage		111
13.22 Economic inclusion		132

## Topics in the applicable GRI Sector Standards determined as not material

TOPIC	EXPLANATION
13.2 Climate adaptation and resilience	Not been done yet but considered for future implementation
13.11 Animal health and welfare	EPP doesn't engage in animal farming within its operations
13.13 Land and resource rights	EPP does not have any involvement or engagement in land and resource rights-related issues
13.14 Rights of indigenous people	EPP does not engage or have any involvement in matters concerning the rights of indigenous
13.18 Freedom of association and collective bargaining	Considered low material topics and are excluded from reporting disclosures based on the materiality assessment.
13.23 Supply chain traceability	Not been done yet
13.24 Public policy	EPP does not provide political contributions
13.25 Anti-competitive behaviour	Considered low material topics and are excluded from reporting disclosures based on the materiality assessment.
13.26 Anti-corruption	Considered low material topics and are excluded from reporting disclosures based on the materiality assessment.
13.25 Anti-competitive behaviour	Considered low material topics and are excluded from reporting disclosures based on the materiality assessment.
13.26 Anti-corruption	Considered low material topics and are excluded from reporting disclosures based on the materiality assessment.

# COMPLIANCE TO SASB - AGRICULTURAL PRODUCTS

## SUSTAINABILITY DISCLOSURE TOPICS & METRICS - AGRICULTURAL PRODUCTS

Topic	Number of Factories	Category	Code	Disclosure/Page Reference
Greenhouse Gas Emissions	Gross global Scope 1 emissions (Includes emissions from fuelwood (non-biogenic))	Metric tons (t)	FB-AG-110a.1	5,464
	Carbon dioxide (CO2)			2,741
	Methane (CH4) 138			90
	- Nitrous oxide (N2O)			2,633
	- Hydrofluorocarbons (HFCs)			Negligible
	- Perfluorocarbons (PFCs)			Negligible
	- Sulphur hexafluoride (SF6)			Negligible
	- Nitrogen trifluoride (NF3)			Negligible
	What are the regulations to limit GHG emissions	N/A		The industry doesn't have a specific regulation. But as a responsible company we have aligned our operations with prestigious environmental standers Like ISO, Rainforest Alliance, Forest Stewardship Council. Also, our estates have obtained EPLs from CEA.
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets			Please refer to Natural Capital section of this Report.
	- short-term strategy or plan to manage scope 01 emissions			
	- short-term strategy or plan to emissions reduction targets	N/A	FB-AG-110a.2	
	- short-term strategy or plan to do an analysis of performance against those targets			
	- long-term strategy or plan to manage scope 01 emissions			
	- long-term strategy or plan to do an analysis of performance against those targets			

## COMPLIANCE TO SASB - AGRICULTURAL PRODUCTS

Topic	Number of Factories	Category	Code	Disclosure/Page Reference
	Fleet fuel consumed, percentage renewable	Gigajoules (GJ)	FB-AG-110a.3	Energy consumed for mobile combustion; Petrol - 2,085 GJ Diesel - 6,335 GJ
	Percentage renewable (total renewable energy % from the fleet fuel consumed)	Percentage (%)		0%
Energy Management	1) Operational energy consumed,	Gigajoules (GJ),	FB-AG-130a.1	163,548
	2) percentage grid electricity			7%
	3) percentage renewable			87%
Water Management	(1) Total water withdrawn			81,101
	(2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic metres (m <sup>3</sup> ), Percentage (%)	FB-AG-140a.1	No water withdrawn from regions in high or extremely high water stress.
	Description of water management risks and discussion of strategies and practices to mitigate those risks	N/A	FB-AG-140a.2	Please refer to Natural Capital section of this Report
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Number	FB-AG-140a.3	None
	Global Food Safety Initiative (GFSI) audit	Rate	FB-AG-250a.1	N/A Our operations are certified with ISO 22000/ HACCP No non-conformities identified.
	(1) non-conformance rate and			N/A
	2) associated corrective action rate for (a) major and (b) minor non-conformances			
Food Safety	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognised food safety certification program	%	FB-AG-250a.2	N/A
	(1) Number of recalls issued and	Rate	FB-AG-320a.1	0
	(2) total amount of food product recalled <sup>2</sup>			0
	1) Number of recalls issued and			
Workforce Health & Safety	(2) total amount of food product recalled <sup>2</sup>			
	(1) Total recordable incident rate (TRIR),			121

Topic	Number of Factories	Category	Code	Disclosure/Page Reference
	(2) fatality rate, and 3) near miss frequency rate (NMFR) for			2.8
	a) direct employees			10 welfare officers
	b) seasonal and migrant employees			0
	(1)Percentage of agricultural products sourced that are certified to a third-party environmental and/or social standard			The supplier mapping process in progress
	(2) Percentages by standard			
	Suppliers' social and environmental responsibility audit			32 new Suppliers screened social and environmental responsibility criteria
	- non-conformance rate			Zero non-compliances
	- associated corrective action rate for			
	- (a) major non-conformances			Zero non-compliances or non-conformities
	- (b) minor non-conformances			0
	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	N/A	FB-AG-430b.1	N/A
GMO Management	Discussion of strategies to manage the use of genetically modified organisms (GMOs)	N/A	FB-AG-430b.1	N/A
Ingredient sourcing	Identification of principal crops and description of risks and opportunities presented by climate change	Percentage	FB-AG-440a.1	Please refer to the Risk Report and the Business reviews sections of this Report
	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	(%) by cost	FB-AG-440a.2	N/A

### Activity Metrics

Activity Metric	Category	Code	Disclosure/Page Reference
Production by principal crop - Tea	MT	FB-AG-000.A	4,176,767Kg
Production by principal crop - Rubber			239,526 Kg
Production by principal crop – Oil Palm			24,553,833 Kg
Number of processing facilities	Number	FB-AG-000.B	16 Factories
Total land area under active production	Hectares	FB-AG-000.C	8,838.02 (Production Process), 5,973.84 (Cultivation)
Cost of agricultural products sourced externally	Rs. Mn.	FB-AG-000.D	1,273.15

# INDEPENDENT ASSURANCE REPORT ON INTEGRATED REPORTING



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## Independent practitioner's assurance report to the Board of Directors of Elpitiya Plantations PLC on the Integrated Annual Report 2024/25

### Scope

We have been engaged by Elpitiya Plantations 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 Elpitiya Plantations 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 Elpitiya Plantations PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2025 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

### Criteria applied by Elpitiya Plantations PLC

In preparing the Subject Matter, Elpitiya Plantations PLC applied the Integrated Reporting Framework (<IR> Framework) issued by the International Integrated

Reporting Council (IIRC) ("Criteria"): Such Criteria were specifically designed for the purpose of assisting in determining whether the capital management, stakeholder engagement, business model, strategy, organizational overview & external environment outlook presented in the Integrated Annual Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

### Elpitiya Plantations PLC's responsibilities

Elpitiya Plantations 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 Elpitiya Plantations PLC on 28 March 2025. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

### Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies quality management standards, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and

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

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Gaudian ACMA, D L B Karunathilaka ACMA, W S J De Silva BSc (Hons) - MIS Msc - IT, V Shaktihivel B.Com (Sp)

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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.

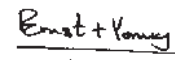
### Emphasis of matter

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 Elpitiya Plantations PLC for the year ended 31 March 2025, in order for it to be in accordance with the Criteria.



3rd June 2025  
Colombo

# INDEPENDENT ASSURANCE REPORT ON SUSTAINABILITY REPORTING



Ernst & Young  
Chartered Accountants  
Rotunda Towers  
No. 109, Galle Road  
P.O. Box 101  
Colombo 03, Sri Lanka

Tel : +94 11 246 3500  
Fax : +94 11 768 7869  
Email: eysl@lk.ey.com  
ey.com

## Independent practitioner's assurance report to the Board of Directors of Elpitiya Plantations PLC on the Sustainability reporting criteria presented in the Integrated Annual Report FY 2024/25

### Scope

We have been engaged by Elpitiya Plantations 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 Elpitiya Plantations PLC's Economic, Environment, Social and Governance (EESG) indicators (the "Subject Matter") contained in Elpitiya Plantations PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2025 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

### Criteria applied by Elpitiya Plantations PLC

In preparing the Subject Matter, Elpitiya Plantations PLC applied the following criteria ("Criteria"):

- The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at <https://www.globalreporting.org> (GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022)

Such Criteria were specifically designed for the purpose of assisting you in determining whether Entity's Economic, Environment, Social and Governance (EESG) indicators contained in the Entity's Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

### Elpitiya Plantations PLC's responsibilities

Elpitiya Plantations 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 Elpitiya Plantations PLC on 28 March 2025. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

### Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

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

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shaktihivel B.Com (Sp)

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EY also applies quality management standards, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

### Our procedures included:

- Validated the information presented and checked the calculations performed by the 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 Elpitiya Plantations PLC for the year ended 31 March 2025, in order for it to be in accordance with the Criteria.

3rd June 2025  
Colombo

# DEFINITIONS

## ACCOUNTING POLICIES

Specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting financial statements.

## ASSET TURNOVER

Total revenue divided by average total assets.

## ASSETS HELD FOR SALE

The carrying amount of the asset value, which will be recovered through a sale transaction rather than through continuing use.

## AWPLR

The Average Weighted Prime Lending Rate is calculated by the Central Bank weekly, monthly and half-yearly based on commercial banks' lending rates offered to their prime customers.

## BORROWINGS

All interest-bearing liabilities

## CAPITAL EMPLOYED

Total assets less interest-free liabilities and provisions.

## CAPITAL EXPENDITURE

The total of additions to property, plant & equipment, intangible assets and field development.

## CARRYING AMOUNT

The amount at which an asset is recognised in the statement of financial position.

## CASH EQUIVALENTS

Liquid investments with original maturities of three months or less.

## COLLATERAL

Monetary or non-monetary assets pledged or received as security in lieu of a loan or credit terms obtained or provided.

## CONTRACT

An agreement between two or more parties that has clear economic consequences that the parties have little, if any, discretion to avoid, usually because the agreement is enforceable by law.

## CONTINGENT LIABILITIES

Conditions or situations at the Balance sheet date, the financial effect of which is to be determined by future events which may or may not occur.

## COP

The cost of production. This generally refers to the cost of producing a Kilo of produce. (Tea / Rubber / Oil Palm).

## CREDIT RISK

The risk that the counterparty to a transaction fails to meet its contractual obligations in accordance with the agreed terms and conditions.

## CROP

The total produce harvested over a given period of time (usually during a financial year).

## CURRENT RATIO

Current assets divided by current liabilities.

## DEBENTURE

A long-term debt instrument issued by a corporate.

## DEBT/EQUITY RATIO

Non-current interest-bearing borrowing divided by the total equity and minority interest. It shows the extent to which the firm is financed by debt.

## DERIVATIVES

Financial contracts whose values are derived from the values of underlying assets.

## DIVIDEND PAYOUT

Dividends per share divided by earnings per share. This indicates the percentage of the Company's earning that is paid out to shareholders in cash.

## DIVIDENDS PER SHARE (DPS)

Dividends paid and proposed, divided by the number of issued shares, which are ranked for those dividends.

## EARNINGS PER SHARE (EPS)

Net profit for the period attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period.

## EBITDA

Earnings (inclusive of equity accounted investees) before interest expenses, tax, depreciation, and amortisation.

## ECONOMIC LIFE (OF AN ASSET)

Either the period over which an asset is expected to be economically usable by one or more users or the number of production or similar units expected to be obtained from an asset by one or more users.

## EQUITY INSTRUMENTS

A contract that evidences a residual interest in the assets of an entity after deducting all its liabilities.

## EXPECTED CREDIT LOSSES

The weighted average of credit losses with the respective risks of a default occurring as the weights.

## EXTENT IN BEARING

The extent of land from which crop is being harvested. Also see "Immature Plantation".

## FAIR VALUE

The amount at which an asset is exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

## FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

Financial instruments that are held for trading and measured at fair value through other comprehensive income.

**FAIR VALUE THROUGH PROFIT OR LOSS (FVPL)**

Financial instruments that are held for trading and are designated as at fair value through profit and loss.

**FIELD**

A unit extent of land. Estates are divided into fields in order to facilitate management.

**FINANCIAL ASSET**

Any asset that is cash or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity or a contractual right to exchange financial instruments with another entity under conditions that are potentially favourable.

**FINANCIAL INSTRUMENTS**

Any contract that gives rise to financial assets of one entity and financial liability or equity instrument of another entity.

**FINANCIAL LIABILITY**

A contractual obligation to deliver cash or another financial asset to another entity or exchange financial instruments with another entity under conditions that are potentially unfavourable.

**GHG**

Gases in the Earth's atmosphere that trap heat and contribute to the greenhouse effect, leading to global warming and climate change.

**GOODWILL**

The excess of the cost of acquisition over the fair value of the share of net assets acquired when purchasing an interest in a company.

**GRI**

Global Reporting Initiative.

**GUARANTEES**

A contractual obligation made by a third party (Guarantor), who is not a party to a contract between two others, that the guarantor will be liable if the guarantee fails

to fulfil the contractual obligations under that said contract.

**HELD-TO-MATURITY**

A financial asset with fixed and determinable payments and fixed maturity, other than loan and receivables, for which there is a positive intention and ability to hold to maturity.

**IMPACT (IN THE CONTEXT OF GRI STANDARDS)**

The effect an organisation has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development. It does not refer to an effect upon an organisation, such as a change in its reputation.

**IMPAIRMENT**

Occurs when the recoverable amount of an asset is less than the carrying amount.

**IMMATURE PLANTATION**

The extent of the plantation that is under development and is not being harvested.

**INTANGIBLE ASSETS**

An identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services for rental to others or for administrative purposes.

**INFILLING**

A method of field development whereby planting of individual plants is done in order to increase the yield of a given field, whilst allowing the field to be harvested.

**INTEREST COVER**

Operating profit before interest divided by the net interest.

**LEASE**

A contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

**LIQUIDITY RISK**

The risk of an entity having constraints to settle its financial liabilities.

**MARKET CAPITALISATION**

The number of ordinary shares in issue multiplied by the market price per share as at a given date.

**MARKET RISK**

Possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices.

**MATERIAL TOPICS**

Topics that represent an organisation's most significant impacts on the economy, environment, and people, including impacts on their human rights.

**MATURE PLANTATION**

The extent of the plantation from which the crop is being harvested.

**NET ASSETS PER SHARE**

Total assets less total liabilities including minority interest divided by the number of shares in issue as at 31st March.

**NET PROFIT MARGIN**

Net profit for the period divided by the revenue.

**NON-CONTROLLING INTEREST**

Part of the net results of operations and of net assets of a subsidiary attributable to interest which are not owned, directly or indirectly through subsidiaries, by the parent.

**NSA**

The Net Sales Average. This is the average sale price obtained (over a period of time) after deducting Brokerage fees and the cost of Gratis teas.

**PRICE EARNINGS RATIO**

Market value per share divided by the earnings per share.

# DEFINITIONS

## RELATED PARTIES

Parties that could control or significantly influence the financial and operating policies of the business.

## REPLANTING

A method of field development where an entire unit of land is taken out of “bearing” and developed by way of uprooting the existing trees, bushes and replanting with new trees/bushes.

## RETURN ON ASSETS

Earnings before finance cost and tax divided by the average total assets.

## RETURN ON CAPITAL EMPLOYED (ROCE)

Earnings before finance expense and tax as a percentage of average capital employed.

## RETURN ON EQUITY

Attributable profits (excluding Other Comprehensive Income) to the shareholders divided by average shareholders' funds for the period.

## RIGHT-OF-USE ASSET

An asset that represents a lessee's right to use an underlying asset for the lease term.

## TOTAL EQUITY

Total of share capital, reserves, retained earnings and non-controlling interest.

## WORKING CAPITAL

Current assets less current liabilities.

## YIELD

The average crop per unit extent of land over a given period of time (usually kgs per hectare per year).

# CORPORATE INFORMATION

## NAME

ELPITIYA PLANTATIONS PLC

## LEGAL FORM

A Public Quoted Company with Limited Liability, incorporated in Sri Lanka on 22nd June 1992.

## COMPANY REGISTRATION NUMBER

PQ 171

## REGISTERED OFFICE

315, Vauxhall Street, Colombo 02, Sri Lanka.

## BUSINESS ADDRESS

No. 305, Vauxhall Street, Colombo 02, Sri Lanka.

## DIRECTORS

Dr. M. P. Dissanayake - Chairman  
Dr. R. M. Fernando - Managing Director  
Mr. B. Bulumulla – Joint Managing Director / CEO (Demised on 15.03.2025)  
Mr. Malik J. Fernando  
Mr. D. A. De S. Wickremanayake  
Mr. S. C. Ratwatte -  
Resigned w.e.f. 31.12.2024  
Dr. S. A. B. Ekanayake -  
Resigned w.e.f. 31.12.2024  
Mr. D. C. Fernando -  
Resigned w.e.f. 01.08.2024  
Mrs. D. A. S. Dahanayake-  
ceased to be a director w.e.f. 31.05.2024  
Mrs. M. K. G. Peiris -  
Appointed w.e.f. 31.05.2024 and ceased to be a director w.e.f. 27.11.2024.  
Ms. M. D. A. Perera –  
Appointed w.e.f.27.08.2024.  
Mrs. M. K. D. N. Madampe -  
Appointed w.e.f.27.11.2024  
Prof. A. S. Dharmasiri -  
Appointed w.e.f.01.01.2025.  
Mr. M. J. S. Rajakariar -  
Appointed w.e.f. 01.01.2025  
Dr. R. A. Fernando -  
Appointed w.e.f.01.01.2025

## ALTERNATE DIRECTORS

Mr. A. T. S. Sosa Alternate Director to D C Fernando-Ceased to be an Alternate Director w.e.f.01.08.2024

## MANAGING AGENT

AITKEN SPENCE PLANTATION MANagements PLC

## SECRETARIES

Aitken Spence Corporate Services (Private) Limited

## REGISTRARS

S S P Corporate Services (Private) Limited  
101, Inner Flower Road, Colombo 03.

## AUDITORS

Messrs. Ernst & Young, Chartered Accountants  
Rotunda Towers,  
No.109, Galle Road  
Colombo 03

## LAWYERS

Julius & Creasy Attorneys – at – Law

## BANKERS

Bank of Ceylon  
Sampath Bank PLC  
Cargills Bank PLC  
NDB Bank PLC  
Hatton National Bank PLC

# GROUP DIRECTORY

## MANAGING AGENT

### Aitken Spence Plantation Managements PLC

Managing agents for Elpitiya Plantations PLC.

#### Directors:

Dr. M P Dissanayake (Chairman)  
Dr. R M Fernando (Managing Director)  
Malik J Fernando  
D A De S Wickremanayake  
L N de S Wijeyeratne  
B Bulumulla – Deceased on 15.03.2025  
Dr. S A B Ekanayake  
D C Fernando – Alternate Director A S S Sosa

## SUBSIDIARIES

### EPP Hydro Power (Private) Limited

Generates hydro electricity and supply to the national grid.

#### Directors:

Dr. R M Fernando (Chairman)  
Malik J Fernando  
D A De S Wickremanayake  
B Bulumulla– Deceased on 15.03.2025

### Escape Parks Ceylon (Private) Limited

Develop and operate an Adventure Theme Park at Diviturai Estate to promote Tourism in the region.

#### Directors:

Dr. M.P. Dissanayake (Chairman),  
Dr. R.M. Fernando.

### Water Villas (Private) Limited

Intended Hotel Operator

#### Directors:

Dr. R M Fernando  
Malik J. Fernando  
Malik J Fernando  
D.A. de S. Wickremanayake  
B. Bulumulla - Deceased on 15.03.2025

## JOINT VENTURES & ASSOCIATES

### AEN Palm Oil Processing (Private) Limited

Joint Venture Project between Agalawatte

Plantations PLC, Elpitiya Plantations PLC and Namunukula Plantations PLC to process Oil Palm Fruit bunches and extract crude palm oil.

#### Directors:

Dr. R.M. Fernando  
P. de S.A. Gunasekara  
R.P.L. Ramanayake  
G P N A G Gunathilake

### Elpitiya Harrow Tea Company (Private) Limited, Formerly known as Elpitiya Dianhong Jin Ya Tea Company (Private) Limited \* - Name was changed on 16.10.2024

A Joint Venture Project with Yunnan Dianhong Group of China to cultivate, process and market specialty teas for overseas market.

#### Directors:

Dr. R.M. Fernando (Chairman),  
B. Bulumulla (Managing Director/ CEO) – Deceased on 15.03.2025  
W Hao  
T Wang (Alternate Director to W Hao)

### Elpitiya Lifestyle Solutions (Private) Limited\*

The company has ceased its operations and is to be liquidated.

#### Directors:

S. Pathiratne (Chairman),  
Dr. R.M. Fernando (Managing Director),  
Malik J. Fernando,  
B. Bulumulla (Alternate Director to Dr. R M Fernando- Deceased on 15.03.2025  
D.A. de S. Wickremanayake,  
A. Kanthasamy,  
Ms. C.D. Piyaratne.

### Ceylon Agro Food Technologies (Private) Limited

An innovative agricultural research and development Company dedicated to enhancing food product value, reducing agricultural waste, preserving food, and advancing agricultural drone technology, along with expertise in plantation management which comprises of engineers and agricultural scientists committed

to tackling the intricate challenges encountered by Sri Lanka's agricultural sector.

#### Directors:

S. Gunawardena (Chairman),  
B. Bulumulla (Managing Director)- Deceased on 15.03.2025  
Dr. R.M. Fernando,  
Dr. S.A.B. Ekanayake,  
P.S. Dissanayake,  
Ms. S.T. Gunawardena,  
Ms. N.R. Gunawardene,  
Ms. N.D. Perera.

### The Dunsinane Valley Company (Private) Limited

A fully owned subsidiary of Elpitiya Plantations PLC focused on developing sustainable tourism ventures in the Dunsinane Valley by balancing economic potential with ecological preservation and community engagement.

#### Directors:

Dr. M.P. Dissanayake,  
Dr. R.M. Fernando,  
D.A. de S. Wickremanayake,  
Malik J. Fernando,  
B. Bulumulla (Deceased on 15.03.2025).

### Harrow House (Private) Limited

A fully owned subsidiary of Elpitiya Plantations PLC, established with the aim of enhancing the visibility and expanding the distribution of the value-added brands.

#### Directors:

Dr. M.P. Dissanayake,  
Dr. R.M. Fernando,  
D.A. de S. Wickremanayake,  
Malik J. Fernando,  
B. Bulumulla (Deceased on 15.03.2025).

# NOTICE OF MEETING

Notice is hereby given that the Thirty Third (33rd) Annual General Meeting of Elpitiya Plantations PLC will be held on 27th June 2025 at 10.00 a.m at the Institute of Chartered Accountants of Sri Lanka, No. 30A, Malalasekera Mawatha, Colombo 07:

1. To receive and consider the Annual Report of the Board of Directors together with the Financial Statements for the year ended 31st March 2025 and the Report of the Auditors thereon.
2. To declare a first and final dividend as recommended by the Directors.
3. To re-appoint Mr. D. A. De S. Wckremanayake who is over the age of 70 years, as a Director by passing the following Resolution as an Ordinary Resolution:  
"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. D. A. De S. Wckremanayake who is 75 years of age and that he be re-appointed a Director of the Company."
4. To re-appoint Dr. R.M. Fernando who is over the age of 70 years, as a Director by passing the following Resolution as an Ordinary Resolution:  
"IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Dr. R. M. Fernando who is 72 years of age and that he be re-appointed a Director of the Company."
5. To re-elect Mr. Malik J. Fernando who retires by rotation in terms of Article 92 & 93 of the Articles of Association, as a Director.
6. To elect Ms. M. D. A. Perera who retires in terms of Article 98 of the Articles of Association, as a Director.
7. To elect Prof. A. S. Dharmasiri who retires in terms of Article 98 of the Articles of Association, as a Director.
8. To elect Mr. M J S Rajakariar who retires in terms of Article 98 of the Articles of Association, as a Director.
9. To elect Dr. R. A. Fernando who retires in terms of Article 98 of the Articles of Association, as a Director.
10. To authorise the Directors to determine contributions to charities.
11. To re-appoint the retiring External Auditors, Messrs. Ernst & Young, Chartered Accountants and authorise the Directors to determine their remuneration.
12. To consider any other business of which due notice has been given.

By Order of the Board

**Elpitiya Plantations PLC**



**Aitken Spence Corporate Services (Private) Limited**

Secretaries

04th June 2025

Colombo

## NOTICE OF MEETING

**Note:**

1. A shareholder entitled to attend and vote at the Meeting is entitled to appoint a Proxy who need not be a shareholder, to attend and vote instead of him/her. A Proxy may vote on a poll (and join in demanding a poll) but not on a show of hands.
2. A Form of Proxy is enclosed in this Report.
3. To be valid the completed Form of Proxy should be lodged at the Registered Office of the Company at No. 315, Vauxhall Street, Colombo 2, not less than forty-eight hours before the time fixed for the meeting.
4. The Annual Report of the Company for the year 2024/2025 will be available for perusal on the Company website on [www.elpitiya.com](http://www.elpitiya.com) and the Colombo Stock Exchange website on [www.cse.lk](http://www.cse.lk).

# FORM OF PROXY

I/We (in BLOCK LETTERS) ..... of ..... being a member/members of ELPITIYA PLANTATIONS PLC hereby appoint ..... of ..... (whom failing),

Dr. Mahinda Parakrama Dissanayake (whom failing),  
 Dr. Rohan Marshall Fernando (whom failing),  
 Mr. Malik J. Fernando (whom failing),  
 Mr. Don Ariyaseela de Silva Wickremanayake (whom failing),  
 Ms. M. D. A. Perera (whom failing),  
 Prof. A. S. Dharmasiri (whom failing),  
 Mr. M. J. S. Rajakariar (whom failing),  
 Dr. R. A. Fernando (whom failing),  
 Mrs. M. K. D. N. Madampe

as my/our Proxy to represent me/us, to speak and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 27th June 2025 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

I/We the undersigned hereby authorise my/our proxy to vote on my/our behalf in accordance with the preference indicated below:

	<b>Resolution</b>	<b>For</b>	<b>Against</b>
1.	To declare a first and final dividend as recommended by the Directors.		
2.	To re-appoint Mr. D. A. De S. Wickremanayake who is over the age of 70 years.		
3.	To re-appoint Dr. R. M. Fernando who is over the age of 70 years.		
4.	To re-elect Mr. Malik J. Fernando who retires by rotation in terms of Article 92 and 93 of the Articles of Association.		
5.	To elect M. D. A. Perera who retires in terms of Article 98 of the Articles of Association.		
6.	To elect Prof. A. S. Dharmasiri who retires in terms of Article 98 of the Articles of Association.		
7.	To elect Mr. M. J. S. Rajakariar who retires in terms of Article 98 of the Articles of Association.		
8.	To elect R. A. Fernando who retires in terms of Article 98 of the Articles of Association.		
9.	To authorise the Directors to determine contributions to charities.		
10.	To re-appoint the retiring External Auditors, Messrs. Ernst & Young, Chartered Accountants and authorise the Directors to determine their remuneration.		

Signed this ..... day of .....  
 Two Thousand Twenty Five.

.....  
 Shareholder's signature/(s)

.....  
 Shareholder's NIC/Folio No.

.....  
 Proxyholder's NIC No. *Note: Instructions as to completion are noted on the reverse hereof.*

# FORM OF PROXY

## Instructions as to Completion

1. Kindly perfect the Form of Proxy by filling in the mandatory details required above, signing in the space provided and filling in the date of signature.
2. If the Form of Proxy is signed by an Attorney, the relative power of attorney should also accompany the proxy form for registration, if such power of attorney has not already been registered with the Company.
3. In the case of a Company/Corporation, the Form of Proxy shall be executed in the manner specified in its Articles of Association/ Constitutional documents (as applicable).
4. In the absence of any specific instructions as to voting, the proxy may use his/her discretion in exercising the vote on behalf of his/her appointor.
5. Duly filled Forms of Proxy should be sent to reach the Company Secretaries via e-mail to [christeen@aitkenspence.lk](mailto:christeen@aitkenspence.lk) or facsimile on +94 11 2445406 or by post to the registered address of the Company No. 315, Vauxhall Street, Colombo 02, not less than forty-eight (48) hours before the time fixed for the meeting.

Please provide the following details (mandatory):	
NIC/PP/Company Registration No. of the Shareholder/s	
Folio No.	
E-mail address of the Shareholder/ (s) or proxy holder (other than a Director appointed as proxy)	
Mobile No.	
Fixed Line	

# SHAREHOLDER FEEDBACK FORM

Name (Optional):	
Address (Optional):	
Number of shares held (Optional):	

## 1. Business Development

Please rate the following areas (where applicable) on a scale of 1 to 5 (where 1 is the lowest and 5 is the highest)

	Lowest			Highest	
	1	2	3	4	5
a) Quality and presentation of the annual report					
b) Usefulness of the information in the interim financial statements					
c) Likelihood of the financial information in the Annual Report to influence investment decisions.					
d) Likelihood of the environmental information in the Annual Report to influence investment decisions.					
e) Likelihood of the social information in the Annual Report to influence investments decisions					
f) Level of awareness about the Company's work towards ecosystem conservation after reading the Annual Report					
g) Level of awareness about the Company's work towards socially inclusive development after reading the Annual Report					

Please tick more than one where applicable:

## 2. What channels of communication are preferred to receive information about Elpitiya Plantations PLC? :

News Articles		Social Media		Digital/Electronic Media	
Internet/Company Website		Annual Report		Others	

## 3. Out of the current sustainability priorities the Company is committed to work on, what areas do you feel Elpitiya Plantations PLC should focus more on?

Climate Change Risk Management		Socially Inclusive Development		Ecosystem Conservation	
Energy Management		Water Security		Management of Solid Waste, Effluents and Emissions	

## 4. Suggestions / Recommendations

The completed Feedback Form could be mailed or hand delivered to the Company Secretaries at the Registered Office of the Company at No. 315, Vauxhall Street, Colombo 02, Sri Lanka.





