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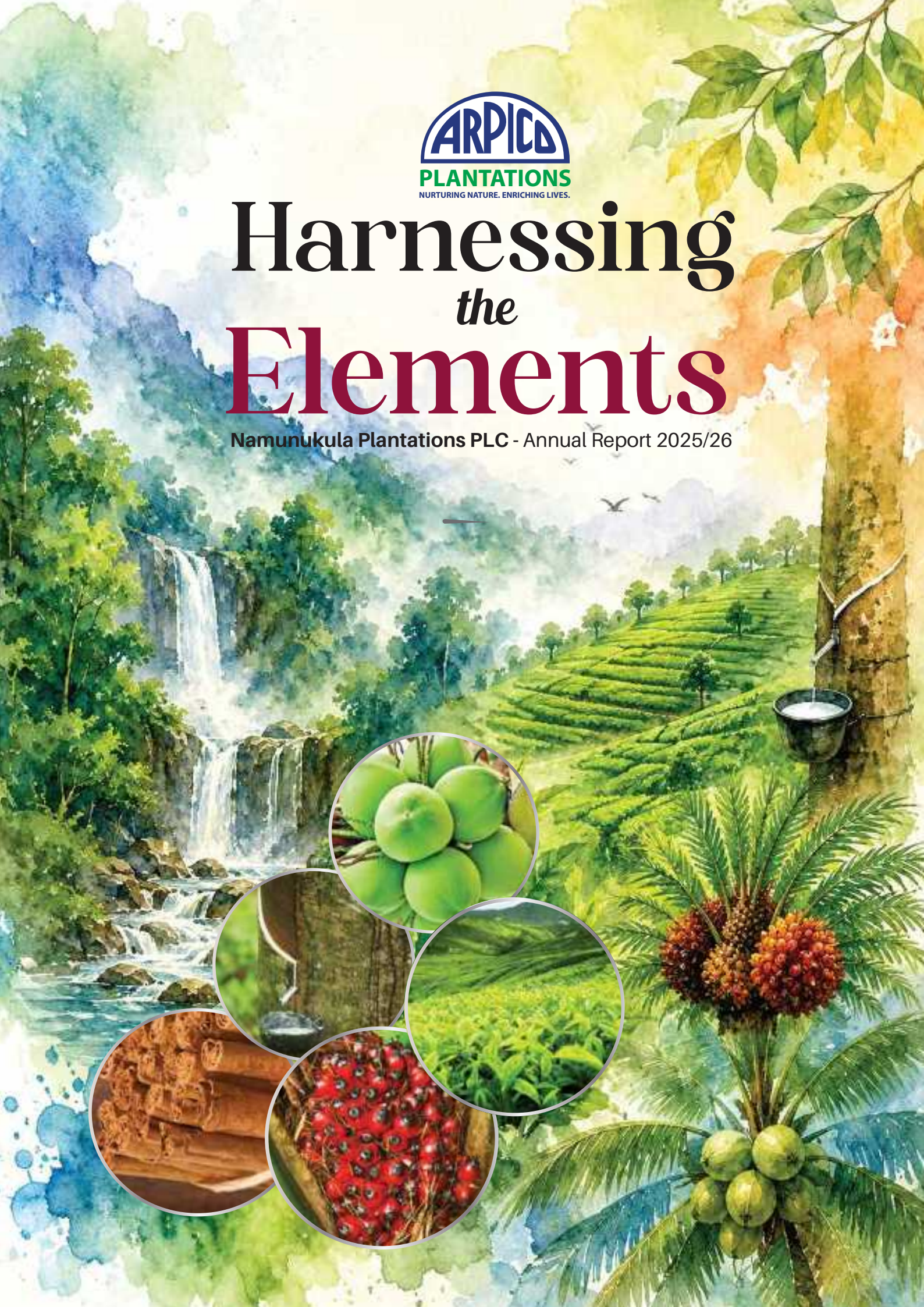
PLANTATIONS
NURTURING NATURE. ENRICHING LIVES.

Harnessing *the* Elements

Namunukula Plantations PLC - Annual Report 2025/26



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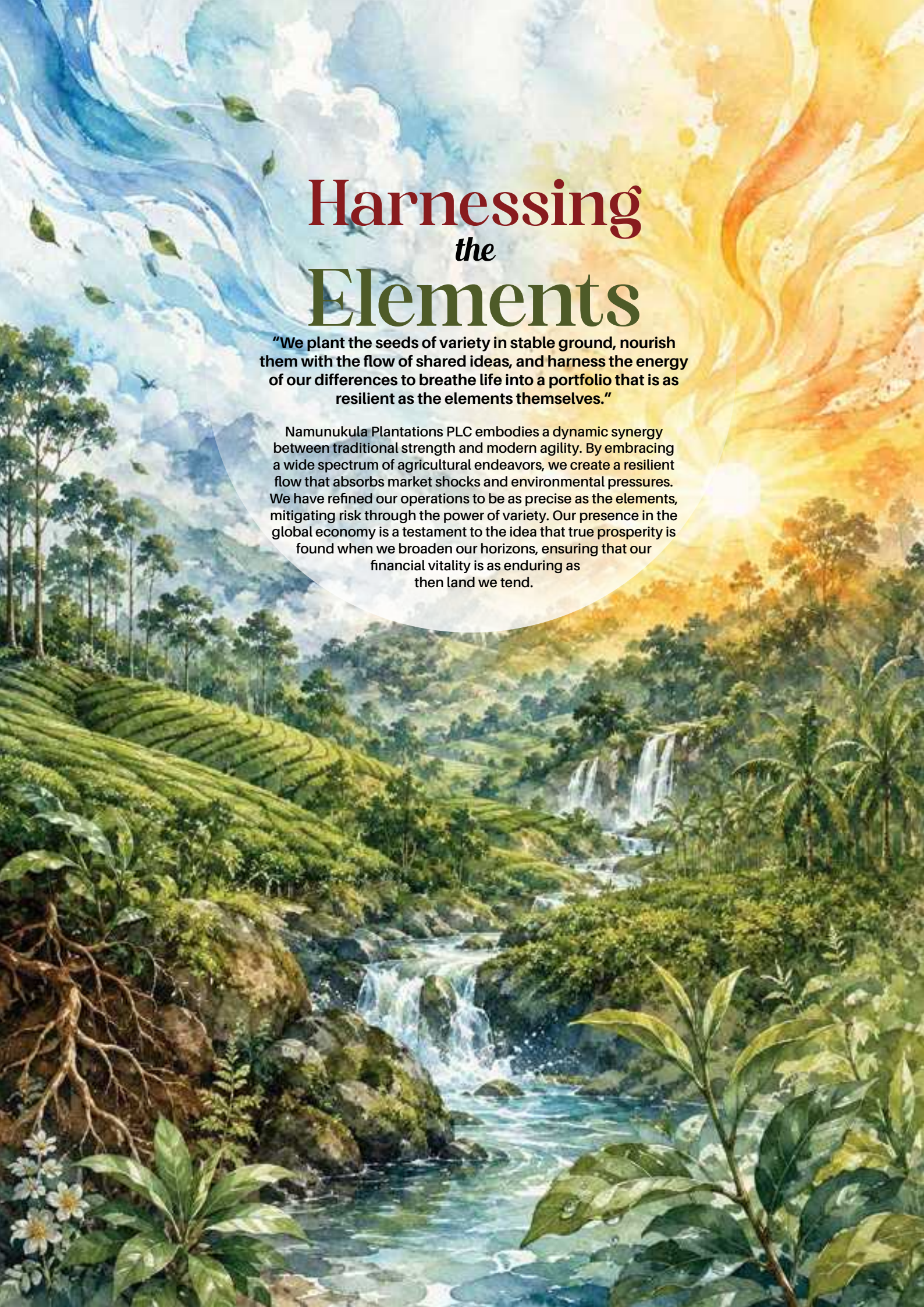

Harnessing *the* Elements

"We plant the seeds of variety in stable ground, nourish them with the flow of shared ideas, and harness the energy of our differences to breathe life into a portfolio that is as resilient as the elements themselves."

Namunukula Plantations PLC embodies a dynamic synergy between traditional strength and modern agility. By embracing a wide spectrum of agricultural endeavors, we create a resilient flow that absorbs market shocks and environmental pressures. We have refined our operations to be as precise as the elements, mitigating risk through the power of variety. Our presence in the global economy is a testament to the idea that true prosperity is found when we broaden our horizons, ensuring that our financial vitality is as enduring as then land we tend.

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About the Report

Welcome to Our 8th Integrated Report

ABOUT OUR INTEGRATED REPORT

In the Annual Report for the year 2025/2026, Namunukula Plantations PLC (NPPLC) reinforces its pledge to generate stakeholder value through superior financial performance and transparent disclosure. By integrating the SLFRS S1 and S2 climate and sustainability frameworks, we align our operations with global environmental benchmarks while balancing social equity, ecological preservation, and economic viability.

This report seeks to examine the strategies and frameworks that drive our business amidst a changing external landscape. Our governance model serves as a foundation for ethical leadership and radical transparency. At NPPLC, we prioritize responsible practices to shrink our environmental shadow and elevate our community support. Through a relentless focus on progress, we ensure that our growth serves the dual purpose of rewarding our stakeholders and regenerating the ecosystems we inhabit.

TO WHOM

We aim to empower our stakeholders with a clear view of our economic, environmental, and social footprint. To ensure a high level of comprehension, we have mapped all disclosable material topics directly to our strategic business drivers. This holistic approach, supported by detailed commentary, allows for a transparent assessment of how NPPLC creates value across every facet of its operations.

TARGET AUDIENCE

This report is centered on the Company's key stakeholder partnerships that enhance our ability to create sustainable competitive value, while reinforcing our responsibility toward people, the environment, and profitability. Namunukula Plantations PLC recognizes that the achievement of its strategic objectives depends heavily on access to capital and the prudent, sustainable management of these resources.

The report incorporates insights from a broad range of stakeholders and presents NPPLC's vision of applying innovation and creativity to develop new business models that generate long-term value for society and support sustainable growth.

Integrated thinking is embedded in the way NPPLC conducts its operations, formulates strategy, and reports performance. During the strategy development process, the Company reviewed its business model and assessed its interaction with, and dependence on, the external social, economic, and environmental context.

Based on this evaluation, strategic priorities, goals, and targets were established to ensure effective management of resources and stakeholder relationships, enabling NPPLC to create and sustain value over the short, medium, and long term.

NAVIGATING OUR REPORT

OUR CAPITALS	CAPITAL INPUTS		VALUE DELIVERED	
FINANCIAL CAPITAL (See page 160)	Shareholder Funds Rs. **12** bn	Total Revenue Rs. **5** bn	PAT Rs. **1.9** bn	ROE **16%**
HUMAN CAPITAL (See page 182)	Employee Retention Rate **82%**	Female Representation **50%**	Average Training Hours per employee **10.2**	
MANUFACTURED CAPITAL (See page 174)	Investment in Immature Plantation Rs. **134** mn	Spent on Property, Plant and Equipment Rs. **79** mn	ROA **12 %**	
SOCIAL AND RELATIONSHIP CAPITAL (See page 207)	Investment in community Engagement initiatives Rs. **57** mn	Spent Rs. **17** mn in Education	Enhanced quality of life	
INTELLECTUAL CAPITAL (See page 198)	Investing in marketing and branding of our own product named 'Kinnelan'		Gain Certifications Market expansion	
NATURAL CAPITAL (See page 219)	New planting extent **5.5** Ha		Reduction in GHG emission	

Official YouTube Channel
http://www.youtube.com/@NamunukulaPlantationsPLC

Official Website
https://www.arpico.com/

Annual Report Website
https://namunukulaplantations.com/

(Refer to the NPPLC's Digital Presence Chapter [23 to 25 pages] to get the Comprehensive insight)

EMPOWERING GROWTH THROUGH DIGITALIZATION

The Digital Evolution of Our 8th Integrated Annual Report and Organizational Presences

AI Assistance

Audio Version

Major Sections convert in to MP3 audio file and Present as QR Codes.

Video Version

Our Documentary Videos which outlines our Overall process, our Natural Capital and Process of our main Crops.
Annual Report Summary Videos

Interactive PDF Version

A digital document with interactive features, including multimedia content, clickable links, and navigation, provides a lively and captivating reading experience for users

QR Codes

Annual Report PDF Document
Documentary Videos
Annual Report section Audios
Annual Report section Videos

About the Report

CHAMPIONING DIVERSITY BY ENHANCING ACCESSIBILITY AND INCLUSIVITY

Braille formatting our 8th Integrated Annual Report to fulfill our social responsibility;

We are proud to announce that our 8th integrated annual report is now available in Braille, marking a significant step towards promoting social responsibility and supporting the intellectual wellbeing of the blind community. By providing this important information in a format accessible to all, we are prioritizing inclusivity and ensuring that everyone has the opportunity to engage with our report.

This commitment to supporting diversity and inclusion is at one of our core values, and we are dedicated to continuing to find new ways to make our information accessible to all individuals, regardless of their abilities.

(Refer to the 209 page to contact us and access the Braille Version of our Annual Report.)

QUICK LINKS

Quick readers who desire to read the report at a glance may wish to turn to the below pages or use the quick links for a brief overview of company performance in key areas.

Overview

Provide a brief introduction to Namunukula Plantations PLC, including its history, key business segments (such as tea, rubber, oil palm, coconut and cinnamon) any significant developments during the reporting period.

Pages 09 to 12 .

Governance

This chapter outlines the corporate governance structure, policies, and practices of NPPLC. Further, you can have a comprehensive understanding over the information on the board of directors, board committees, executive compensation, shareholder engagement, risk management, ethical business practices, board diversity, and sustainability. The chapter aims to provide transparency and accountability to stakeholders by providing an overview of how the company is managed and governed.

Pages 27 to 71.

Operational Highlights

Highlights of the operational performance of the company, including production volumes, sales volumes, and average selling prices for tea, rubber, and oil palm, and the factors that influenced production or sales, such as weather conditions, market demand, or regulatory changes, are discussed in this chapter.

Pages 117 to 129.

Financial Performance

Summary of the financial performance of the company for the fiscal year 2025/2026, including key financial indicators such as revenue, net profit, earnings per share, and changes in equity. Further, significant trends, challenges, and opportunities that impacted the financial results are discussed here.

Pages 281 to 328.

Human Capital

An evaluation of our people, who are the key resource and the strategic differentiators of the company. Also the value creation process as a responsible employer to create a greater and safer work environment by ensuring the growth and potential enhancement of the employee to enable innovative and competitive strategies within.

Pages 182 to 197.

Natural Capital

A detailed review of the optimum utilization of natural environmental resources for the period to ensure the sustainability of the business operations over time.

Pages 219 to 235.

FAQ (Frequently Ask Questions)

Explanations have been provided for the frequently asked questions of the stakeholders. Through this, Company aims to provide guidance to readers with the summary of the detailed report.

Question	What you will find?	Location
1. What is the formation of the governing structure, and who governs the Company?	• Chairman's Review • Board of Directors • Corporate Governance	13 28 32
2. What are the identified or potential risks during the period, and how does the Company proactively deal with each of them?	• Risk Management	43
3. What process does the Company adopt in the transformation process and how value is created from the processes of the Company?	• Value Creation Model	157
4. What is the overview of the business operations, operating environment, controlling mechanisms and the challenges faced during the period?	• Review of Operations • Economic and Industry Overview	118 130
5. How do the financial position, profitability, and growth potentiality of the Company reshape during the period?	• Statement of Profit or Loss • Statement of Comprehensive Income • Statement of Financial Position • Statement of Changes in Equity • Statement of Cash Flow • Notes to the Financial Statements	281 282 283 284 285 286
6. How do we ensure compliance with environmental regulations and standards, and what challenges have we faced?	• Sustainability	73
7. What are the opportunities for developing technical and implementation aspects of corporate sustainability reporting?	• Sustainability	85

Regulatory Framework

Financial Reporting

The Companies Act, No: 07 of 2007.

Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka (CASL).

Governance Reporting

The Code of Best Practice on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka (SEC) and The Institute of Chartered Accountants of Sri Lanka (CASL).

CSE Listing Rules.

Sustainability Reporting

Adoption of SLFRS S1- General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2- Climate-related Disclosures standard.

Global Reporting Initiative (GRI) Standards - "Core", published by Global Reporting Initiative.

The United Nations Sustainability Development Goals (SDGs)published by Institute of Chartered Accountants of Sri Lanka (CASL).

Integrated Reporting

The International Integrated Reporting Framework <IR> issued by International Integrated Reporting Council (IIRC).

The Preparer's Guide to Integrated Corporate Reporting published by Institute of Chartered Accountants of Sri Lanka (CASL).

Climate Reporting

ISO 14064-1:2018 Organizational Level GHG Emissions/ Removal Reporting Standard

Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard (2004)

Basis of Preparation

GRI 2-2

Our reporting process aligns with the IIRC's International (IR) Framework and CA Sri Lanka's specialized guide for integrated corporate reporting. By adhering to these fundamental concepts, we provide stakeholders with transparent and relevant insights.

At NPPLC, sustainability is woven into our daily operations. As such, this report integrates financial results with non-financial milestones to showcase our total impact, including our alignment with the UN Sustainable Development Goals. Integrated Annual Report has been prepared with the following guidelines, frameworks, rules, and regulations etc.

Reporting Scope and Boundaries

GRI 2-2/3

This Annual Report covers the entirety of the Company's operations from its 18 Estates located in Matugama, Galle, Matara & Badulla districts and registered office located at No.310, High level Road, Navinna, Maharagama and covers the

About the Report

12-month period from 01st April 2025 to 31st March 2026. For the convenience of the user, a suitable comparison is made with the prior year, with respect to the information relating to the business activities.

The contents of this report have been drafted with due consideration to the topics that are held to be of material importance for the company as well as its stakeholders. A detailed materiality assessment is accessible on pages 150 and 156 of this Annual Report. Further, this report also covers risks, opportunities and outcomes that could materially affect the organizations ability to create value.

The financial and non-financial information content of the report covers the economic, social and environmental impacts resulting from the value creation activities of the company operates mainly in 04 regions and includes a reasonable assessment of potential impacts that substantively influence stakeholder decisions. The information contained in this report has been reviewed for reliability and accuracy by the board of directors, audit committee, independent auditors and the management committee of the group. The publication date of the report is 31st of August 2026.

GRI 2-4

This report has been prepared in accordance with the GRI Standards - "Core" option. There were no significant changes in reporting from the previous reporting period in the list of material topics and topic boundaries, further there were no any material changes of the organization type, size of organization, structure, ownership and supply chain during the year, and there has been no restatement of information from the previous report.

Non - Financial Information

The Company is well aware that information needs of stakeholders are changing in keeping with the dynamic environment we operate in. Investors in particular are increasingly becoming interested in the future potential of the company than its past performance and non- financial information is becoming more and more relevant for ascertaining the future potential. Accordingly, the Namunukula Plantations PLC has enhanced its disclosures of non-financial information in this Annual Report which will provide clarity on the Company's future outlook.

Quality Assurance

Through this Report, we set out to provide you with a complete and meaningful picture of our business model, strategy, governance, performance, and future prospects. We are also seeking to illustrate the value created by the Company in terms of financial and non- financial resources. We have taken every effort to provide credible information with the aid of visual elements such as figures, graphs and tables in a consistent manner facilitating clarity and comparability.

Financial statements and External Assurance

GRI 2-5

The Company recognized the importance of obtaining an independent assurance from a competent professional firm. The Financial Statements and Notes to the Financial Statements audited by Messrs Ernst & Young have been prepared in accordance with Sri Lanka Accounting Standards comprising Sri Lanka Financial Reporting Standards (SLFRSs) and Sri Lanka Accounting Standards (LKASs) promulgated by the Institute of Chartered Accountants of Sri Lanka. The corresponding report of the Auditors' is given on pages 277 to 280 of this report.

Deloitte has been appointed as the independent assurance provider for the sustainability information reported by NPPLC. The assurance engagement covers IFRS S1 & S2 Sustainability-related Financial Information and, the Global Reporting Initiative (GRI) Standards, and the Integrated Reporting (IR) Framework. The corresponding report of the Auditors' are attached.

Availability of the Report

In our commitment to meeting the varied preferences of NPPLC'S stakeholders, this report is distributed through multiple channels. The Integrated Annual Report is available in hard copy format, as well as in electronic formats on the Colombo Stock Exchange (CSE) and corporate websites. Additionally, a mobile- friendly digital version can be accessed through the provided QR code.

Reporting Improvements

NPPLC is proud to integrate SLFRS S1 and S2 into our financial reporting, enhancing how we communicate our sustainability impacts and climate-related financial risks. This integration is designed to foster better-informed decision-making and increase transparency for all stakeholders.

Key enhancements to our reporting include:

- SRRO Disclosures: Comprehensive reporting on Sustainability-Related Risks and Opportunities (SRRO) within our Risk Management framework.
- CRRO Analysis: A distinct focus on Climate-Related Risk Opportunities (CRRO) and our strategic resilience.
- EESG Integration: A proactive assessment of environmental, social, and governance factors to ensure long-term value creation.

Forward - Looking Statements

This report may contain forward-looking statements regarding the company's strategic plans, future goals, and expectations for financial and operational performance. Such statements and projections are subject to known and unknown risks, uncertainties, and other significant factors. These variables may cause the actual results, performance, or achievements of the Company to differ materially from those expressed or implied by such statements.

The Company assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events. Beyond our reporting obligations, NPPLC remains steadfast in its mission to pioneer innovative solutions that advance sustainability and preserve the planet for future generations.

Your Comments

GRI 2-3

Questions and inquiries on this Integrated Annual Report 2025/26 and information presented therein are to be directed to;

Sector Finance Controller

Namunukula Plantations PLC
No.310, High Level Road, Nawinna,
Maharagama,
Sri Lanka.

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Fax : +94 11 2801 400
Web page : www.arpico.com
E-mail : npl.rpk@arpico.com

Chairman's Review

GRI 2-22

Dear Shareholders,

Dear Shareholders,
I am pleased to present the Annual Report and Audited Financial Statements of Namunukula Plantations PLC for the financial year ended 31st March 2026. The confidence and positive outlook we maintained throughout the year were grounded in our belief in the Company's resilience, capabilities and long-term potential. Despite the challenges faced by the plantation industry and the wider economy, the Company remained focused on recovery, strengthening its operations and creating sustainable value. It is encouraging to see Sri Lanka gradually regain economic stability after several years of hardship, providing a more favorable environment for businesses to move forward with renewed confidence.

Building Resilience

Following the economic recovery that began after the challenges of 2022, Sri Lanka continued its gradual path towards greater stability during the 2025/26 financial year. Improving macroeconomic conditions, easing inflationary pressures, stronger foreign remittances and the gradual recovery of tourism contributed positively to business confidence.

However, plantation companies continued to face significant challenges arising from rising labour and operational costs. Against this backdrop, Namunukula Plantations PLC demonstrated resilience and operational strength through its diversified plantation portfolio consisting of tea, oil palm, rubber, coconut, and cinnamon.

Financial Performance

The Company recorded Revenue of Rs. 4.98 billion during the financial year ended 31 March 2026, compared to Rs. 4.19 billion in the previous year, reflecting a growth of nearly 19%. This increase was mainly driven by favourable commodity prices, enhanced estate productivity, and better operational efficiencies.

The Company's gross profit increased significantly to Rs. 2.33 billion from Rs. 1.80 billion in the previous financial year,

Chairman's Review

reflecting improved profitability and continued focus on cost management despite rising operating expenses. Profit before tax for the year also increased to Rs. 2.65 billion from Rs. 2.15 billion in 2024/25, representing an improvement of approximately 23%. Furthermore, the Company maintained a strong financial position during the year.

Shareholder Value

The Company also continued to focus on sustainability, operational efficiency, and long-term value creation. Improved estate management practices, investment in biological assets, and diversified agricultural operations enabled Namunukula Plantations PLC to withstand industry challenges while maintaining profitability and creating value for its shareholders.

Future Outlook

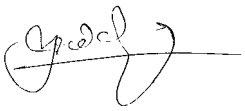
Looking ahead, the Company will continue to leverage its diversified plantation operations, strong asset base and improved financial performance to navigate future economic uncertainties and strengthen its contribution to Sri Lanka's plantation and export sectors. With improving macroeconomic conditions and resilient demand for plantation commodities, we remain confident in the Company's ability to deliver sustainable long-term value to all stakeholders.

Reflecting on the achievements and progress made during the financial year 2025/26, I would like to extend my sincere gratitude to the Board of Directors for their continued guidance, confidence, and unwavering support throughout the year.

I also wish to commend the dedication, commitment, and resilience demonstrated by the management team and all employees of Namunukula Plantations PLC. Their tireless efforts, professionalism, and determination enabled the Company to achieve strong operational and financial performance despite numerous industry and economic challenges.

I am equally grateful to our shareholders, customers, business partners, and all stakeholders for their continued trust and confidence in the Company. Your support remains vital to our continued growth and success.

As we move forward, I am confident that together we will continue to strengthen Namunukula Plantations PLC and create sustainable value for all stakeholders.



Dr. Sena Yaddehige
Chairman
25th August 2026,
Colombo.

About Us

GRI 2-1

Company at a Glance

With a legacy stretching back to the 19th century, Namunukula Plantations PLC stands as a leader in the Sri Lankan plantation sector. We specialize in the cultivation, processing, and marketing of a diverse portfolio, including tea, rubber, coconut, oil palm, and cinnamon. As a Public Limited Liability Company, we are listed on the Colombo Stock Exchange under the 'Food, Beverage and Tobacco' sector (GICS classification). As a key subsidiary of Richard Pieris & Company PLC, our operations are managed by RPC Plantations Management Services (Private) Limited, leveraging the extensive expertise of the RPC Group.

VISION

TO BE A DIVERSIFIED AGRI - BUSINESS COMPANY WITH AN INTERNATIONAL REPUTATION FOR EXCELLENCE IN QUALITY, INNOVATION & LAND USE.

MISSION

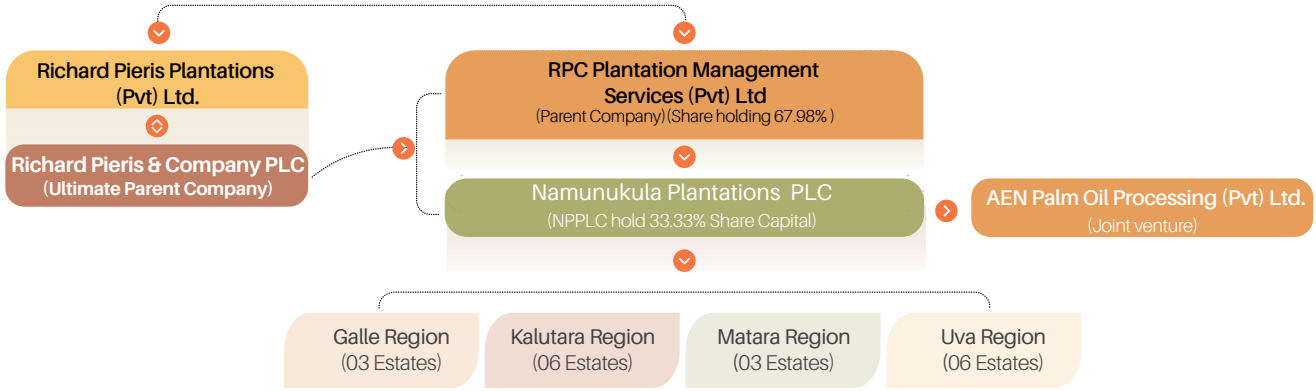
TO MAXIMIZE RETURNS TO THE STAKEHOLDER, BY OPTIMIZING PRODUCTIVITY OF AVAILABLE RESOURCES THROUGH SOUND DYNAMIC MANAGEMENT PRACTICES, PRODUCTION OF EXCELLENT QUALITY PRODUCTS.

OUR VALUES

AGILITY
PROACTIVENESS
INTEGRITY
QUALITY
TEAM SPIRIT

About Us

OUR ORGANIZATIONAL STRUCTURE



Oil Palm
2,480.64 ha

Tea
1,843.78 ha

Rubber
610.87 ha

Coconut
236.10 ha

Cinnamon
55.66 ha

Namunukula Plantations PLC owns and manages 18 estates in both high grown; Uva and Low grown areas of Sri Lanka, which are known for their high-quality tea, rubber, coconut, oil palm and cinnamon production. These estates are spread across picturesque landscapes and are known for their scenic beauty and lush green fields with rich crop portfolio.

In addition to tea, Namunukula Plantations PLC also has rubber, coconut, oil palm and cinnamon plantations in its portfolio. The company employs modern agricultural practices and technologies to ensure sustainable cultivation and processing of its crops. This includes practices such as integrated pest management, soil conservation, and water management, among others, to minimize the impact on the environment.

Namunukula Plantations PLC also places a strong emphasis on social responsibility and community development. The company invests in social welfare projects, including providing housing, healthcare, education, and other amenities to its workers and their families. It also actively engages in environmental conservation efforts, such as reforestation programs and wildlife conservation initiatives.

As a publicly listed company, Namunukula Plantations PLC is subject to the regulatory requirements of the Securities and Exchange Commission of Sri Lanka (SEC) and other relevant authorities. The company's shares are traded on the Colombo Stock Exchange (CSE), providing opportunities for investors to participate in Sri Lanka's plantation industry.

The registered office and principle place of business of the Company is located at No. 310, High level Road, Nawinna, Maharagama, Sri Lanka.

Historical Background

The plantation industry which was established by British Planters was owned and operated by the private sector until early seventies when the Government of Sri Lanka (GOSL) nationalized most of large plantations of tea and rubber leaving only the smallholdings in the hands of the private sector. On nationalization, the ownership and management was vested into two state corporations: The Sri Lanka State Plantations Corporation (SLSPC) and the Janatha Estate Development Board (JEDB).

In the early nineties, the GOSL began a process of privatising a large number of Government Owned Business Undertaking (GOBU) which had been nationalized over a period of time. Included among these were the plantations owned and managed by the SLSPC and the JEDB.

As a preliminary step in the process of privatization, the majority of the estates of the SLSPC and JEDB were formed into twenty-two (22) Regional Plantations Companies (RPCs). Under this process, Namunukula Plantations Limited (NPL) was formed on 22nd June 1992 under the Companies Act, No. 17 of 1982 with the registration No: of N (PBS/CGB) 139

(Re-registration No: PQ 136 under the Companies Act, no: 07 of 2007), in terms of the provisions of the conversion of corporations and Government owned business undertaking into public Companies Act No. 23 of 1987, to take over 24 estates held by the JEDB and the SLSPC.

Subsequently, the management of these 22 RPCs together with a twenty third company which was formed later was contracted out to private companies through a competitive tender process. The management contract for NPL was secured by BC Plantation Services (Private) Limited, a joint venture between Bartleet & Company Limited and BC Computers Limited.

Namunukula Plantations begins with the net assets value of Rs. 418 Mn and 500,000 No. of Ordinary Shares under 99 years Lease in 1992. As a result of the above, Namunukula Plantations comprise 19 SLSPC manage Estates & 5 JEDB manage Estates at the time of Incorporation. In 1995, Lease hold rights of the estates were reduced to 53 years. The ownership of company was changed in June 1997 with the sale of 51% of the issued share capital to Keells Plantations Management Service (Pvt) Ltd.

On the 10th of March 1999 Namunukula Plantations Ltd, registered as a Listed Quoted Company in the CSE of Sri Lanka. In 1999 the Company recognized Oil Palm as a potentially lucrative third crop and initially diversified over 750 ha of land into Oil Palm.

RPC Plantations Management Services (Pvt) Ltd acquired 58.74 % shares held by Keells Plantations Management Service (Pvt) Ltd on 13th September 2005 which is under current Management of Richard Pieris Group of Companies, The largest plantation Group in Sri Lanka (Current holding – 67.98%).

The Company at the present comprises of 18 combined estates with a total area of 11,779 Ha, growing of Tea, Rubber, Oil Palm, Cinnamon, Coconut and Other Minor Crops including Timber plantations. The balance hectare comprises buildings, roads and uncultivated marginal land which include forest reserves.

The original 24 estates assigned to the Company have been re- grouped subsequently, into 18 units by amalgamating Pingarawa and Tonacombe Estates, Kandahena and Wevekelle Estates, Baddegama, Ellakanda and Puwakgahahena, Walpita and Monrovia Estates, and Akuressa and Hallala Estates. The Company brings economic prosperity to its workforce of over 2646 people and a dependent population of over 20000 who are part of the larger resident community of NPPLC's estates.

Climate & Topography

The Plantations in Namunukula Uva region depend upon the North- East monsoon with a decennial average rainfall of approx. 2,807 mm over 131 wet days. The main dry period extends between June to mid-September and a second dry period between February to mid-March. Plantations in the Matugama, Galle and Matara regions receive both monsoons with about 4,837 mm of rain over 205 wet days, with a dry period extending between mid- January to end February. The soil in the Namunukula region are red and yellow podsols with that of Matugama, Galle and Matara being red and yellow podsols with a prominent A1 horizon or strongly mottled subsoil. The terrain in the former area is steeply dissected, hilly and rolling while that in the latter is rolling to undulating.

NPPLC- Context

Backed by the dynamic & sustainable management practices and product excellence over 34- years, at present NPPLC remain as the leading and the most diversified Regional Plantation Company of the country. Despite facing the inherent issues relating to the Plantations Industry in Sri Lanka, NPPLC was able to secure their shareholders wealth and maximum return to the stakeholders by diversifying the crop portfolio responding to market opportunities which are consistent with our continued commitment to the long term growth.

We are a local business entity, substance and our operations are confined inside Sri Lanka. Namunukula has always been inspired with the vision of "Diversified Agri-Business Company".

Namunukula Plantations has identified crop diversification is also bracing to sustain in the Plantation industry. Therefore, the Company has been more focused on diversifying its operations from traditional crop into more effective and profitable crops. As a long term strategy, the Company has diversified most of uneconomical land into high yielding crops with a crop portfolio of Tea, Rubber, Oil Palm, Coconut and Cinnamon.

The company has diversified mainly into five crops including Oil Palm, Tea, Rubber, Coconut & Cinnamon in our 18 estates, out of which 4 estates are in to all 5 crops, 1 estate diversified to 4 crops, 6 estates have 3 crops, 1 estate has 2 crops and other 6 estates have a single crop.

Further the company has 5 black tea processing factories in Low Grown Range and 5 black tea processing factories in Uva range, in addition 3 crepe rubber factories and 4 RSS factories in Kalutara, Galle and Matara districts.

The Company produces high quality "Uva" & "Ruhuna" Tea, Natural Rubber, Oil Palm, Coconut & Cinnamon in its estates which located in Kalutara, Galle, Matara & Badulla Districts situated in Low Grown & Uva agro climatic areas in Sri Lanka. A strong relationship is created with external growers through purchasing their green leaf; this relationship adds value to small tea growers in Sri Lanka.

Market Position

Namunukula Plantations PLC is one of the Leading Company among the Regional Plantations Companies in Sri Lanka. In the past 34 years since 1992, Company immensely contributed to the economic growth of the Country and to enhance the standard of life style of millions of Sri Lankans.

NPPLC can proudly claim as the 2nd highest Oil Palm producer in Sri Lanka and maintaining significant market share from our golden crop. In addition to the cultivated areas of Oil Palm, we have strategic investment with two other Joint Venture associates which is processing Oil Palm namely AEN Palm Oil Processing (Pvt) Ltd. As a result of our forward

About Us

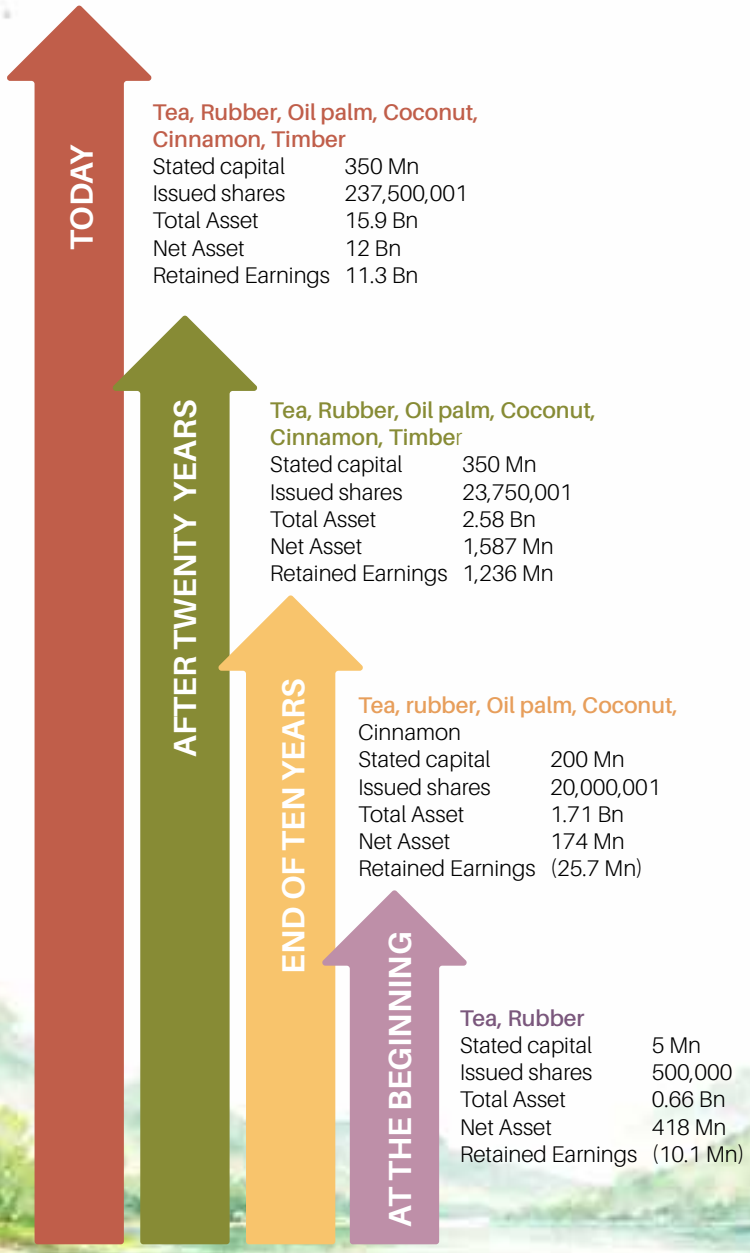
integration envision, this investment leads to ensure the reasonable price for oil palm crop and assurance of a buyer by eliminating of market monopoly, at the time existed.

The Company's assets base is over 15 Billion and net assets have increased to Rs. 12 Billion thus demonstrating the strength of its financial position. Notwithstanding the unfavorable weather condition and reduced crop of tea and rubber, favorable prices prevailed during the financial year under review. With this the Company was able to record Rs. 1.9 Billion of PAT.

In addition, Namunukula Plantations recorded the highest Share price at Colombo Stock Exchange Main board among the Regional Plantation Companies at the end of the year.

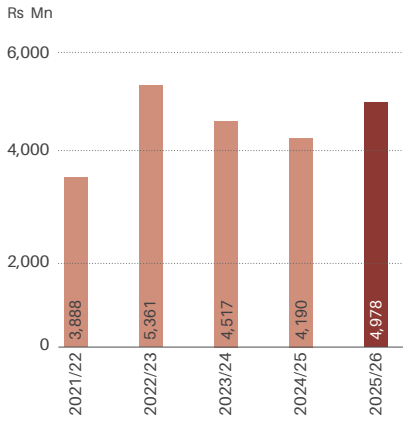
While we are working hard to preserve the prosperity in the industry, our top priorities are; zero accident & incidents, minimization of negative environmental impacts. At the same time, we invest in our employees & add value to our people.

OUR JOURNEY

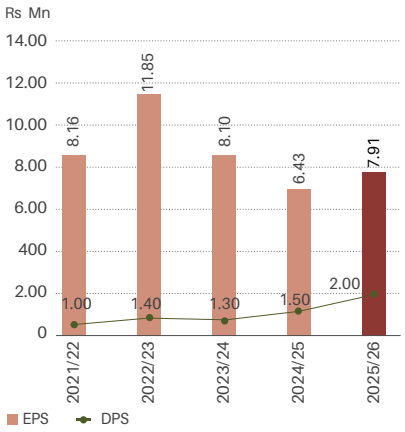


Company Highlights

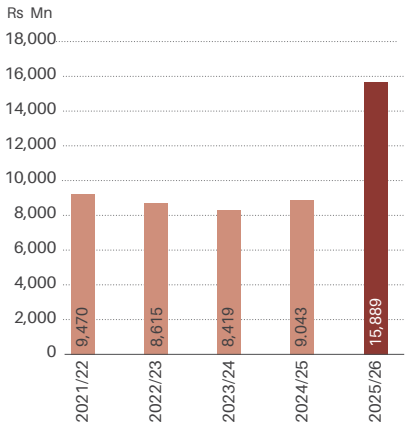
Turnover



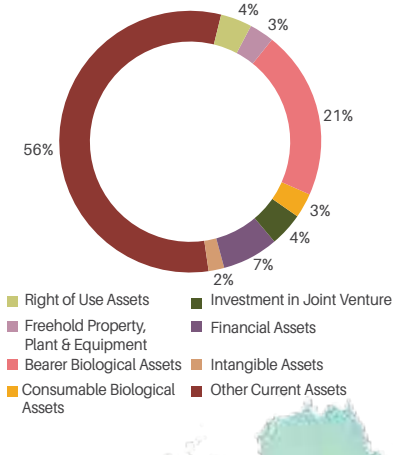
EPS vs DPS



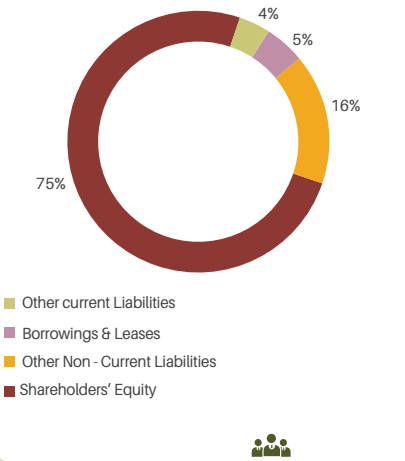
Market Capitalization



Total Assets



Total Liabilities and Equity



Workforce
2,646
(2024/25 - 2,977)

Property Plant & Equipment
Rs. **459** Mn
(2024/25 - 440 Mn)

Biological Assets
Rs **3.9** Bn
(2024/25 - Rs. 3.9 Bn)

Environmental Investment
Rs. **134** Mn
(2024/25 - 334 Mn)

Turnover
Rs. **5** Bn
(2024/25 - Rs. 4.2 Bn)

Gross Profit
Rs. **2.3** Bn
(2024/25 - Rs. 1.8 Bn)

Profit Before Tax
Rs. **2.6** Bn
(2024/25 - Rs. 2.2Bn)

EPS
Rs. **7.91**
(2024/25 - Rs. 6.43)
(Restated)

Total Assets
Rs. **16** Bn
(2024/25 - Rs. 14 Bn)

Current Ratio
6.5 Times
(2024/25 - 8.56 Times)

Net Assets Per Share
Rs. **50.35**
(2024/25 - Rs. 444.4)

Market Capitalization
Rs. **16** Bn
(2024/25 - Rs. 9 Bn)

Finance Income
Rs. **603** Mn
(2024/25 - Rs. 556 Mn)

Shareholders' Equity
Rs. **11.95** Bn
(2024/25 - Rs. 10.56 Bn)

DPS
Rs. **2.00**
(2024/25 - Rs. 1.50)
(Restated)

Company Highlights

For the Year ended 31st March	Unit	2025/26 Rs.'000	2024/25 Rs.'000	2023/24 Rs.'000	2022/23 Rs.'000	2021/22 Rs.'000
Results of operations						
Revenue	Rs'000	**4,977,898**	4,190,311	4,517,433	5,360,825	3,888,486
Cost of Sales	Rs'000	**(2,648,766)**	(2,390,050)	(2,709,286)	(2,355,008)	(1,990,412)
Other operating income	Rs'000	**132,054**	205,779	196,923	161,705	185,989
Earnings before interest, JV profit and tax	Rs'000	**1,903,113**	1,578,213	1,481,724	2,559,040	1,739,621
Finance Income	Rs'000	**603,199**	556,297	735,460	844,714	98,910
Finance cost	Rs'000	**(106,654)**	(104,228)	(90,159)	(63,850)	(57,776)
Profit after tax (PAT)	Rs'000	**1,879,503**	1,526,069	1,922,833	2,813,817	1,937,332
Earnings per share (EPS) (Restated)	Rs.	**7.91**	6.4	8.1	11.8	8.2
Interest cover	No. of times	**25**	22	26	57	36
Gross Profit margin	%	**47%**	43%	40%	56%	49%
Net Profit ratio	%	**38%**	36%	43%	52%	50%
Return on equity (ROE)	%	**16%**	14%	20%	36%	36%
Return on capital employed (ROCE)	%	**14%**	12%	17%	29%	29%
Return on Assets	%	**12%**	11%	15%	27%	26%
Capital expenditure	Rs'000	**213,696**	390,632	375,794	600,660	277,202
Financial Position						
Total assets	Rs'000	**15,953,998**	14,041,578	12,648,118	10,423,076	7,569,307
Total debt	Rs'000	**-**	-	-	-	25,137
Current ratio	No. of times	**7**	9	8	9	3
Acid test ratio	No. of times	**6**	8	7	9	3
Total shareholder's fund	Rs'000	**11,957,845**	10,555,179	9,466,345	7,877,863	5,449,137
Net asset per share	Rs.	**50**	444	399	332	229
Gearing ratio	%	**0%**	0%	0%	0%	1%
Debt/Total assets	%	**-**	-	-	-	0%
Cash ratio	No. of times	**5**	7	6	7	3
Net cash flow from operating activities	Rs.mn	**1,587**	2,331	2,052	2,689	1,750
Shareholder Information						
Market price of share as at 31st March	Rs.	**67**	381	355	363	399
Dividend per Share	Rs.	**2.00**	15.00	13.00	14.00	10.00
Market capitalization	Rs.mn	**15,889**	9,043	8,419	8,615	9,470
Price earnings ratio	No. of times	**8**	6	4	3	5
Earnings yield	%	**12%**	17%	23%	33%	20%

* During the year 2025/26, a share sub-division of 1:10 was carried out.

Segment Highlights

TEA

Amidst unfavorable weather patterns and fertilizer shortages during the financial crisis, operations are conducted with a strategic focus on improving productivity through process automation and technological adaption.

Revenue (Rs.) - 1,387,111,770
Gross Profit (Rs.) - 37,744,615

OIL PALM

Through a strategic focus on enhancing efficiency and optimizing operations, NPPLC has successfully offset the impact of external variables and preserved its competitive advantage. This illustrates the Oil Palm segment's adaptability and resilience and emphasizes the value of taking proactive steps to maintain growth and profitability in a difficult economic environment.

Revenue (Rs.) – 3,308,528,416
Gross Profit (Rs.) - 2,325,788,812

CINNAMON

Despite facing challenges such as unfavorable weather conditions, financial crises, global market disruptions, and fertilizer shortages that have led to a decreased revenue, we remain committed to sustain at the market through strategic planning, innovative solutions, and efficient resource management.

Revenue (Rs.) – 8,282,238
Gross Profit (Rs.) - (2,746,743)

RUBBER

Notwithstanding adverse climate shifts and scarcity of fertilizer, the company has sustained at favorable revenue through the execution of cost-cutting and process-optimization tactics.

Revenue (Rs.) – 209,416,106
Gross Profit (Rs.) - (54,565,512)

COCONUT

The industry's success has also been attributed to its capacity to adjust to shifting consumer demands and market conditions. This tenacity in the face of difficulties emphasizes how crucial agility and vision are to maintaining development and profitability in a competitive marketplace.

Revenue (Rs.) – 64,558,666
Gross Profit (Rs.) - 22,910,224

" The remarkable success of our company's financial performance serves as evidence of our steadfast dedication to sustainable solutions, driving the advancement of our business towards improved efficiencies....."

People

Total employees
2646

Female representation
50%

Investment in training
Rs. 3 mn

Planet

Carbon footprint
3770 tonnes of CO_2 equivalent

11.68 Megaliters Total water withdrawal

Total energy consumed
13296.95 GJ

Profit

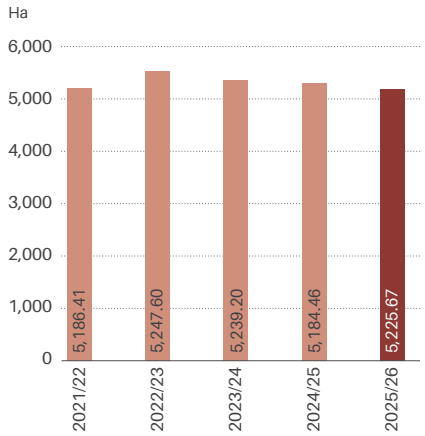
Total assets
Rs. 16 bn

EBIT
Rs. 2.64 bn

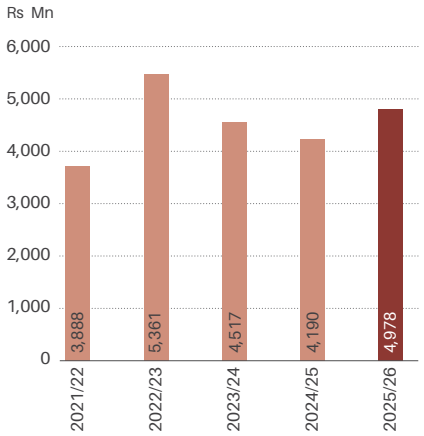
Earnings per share
Rs. 7.91

Company Highlights

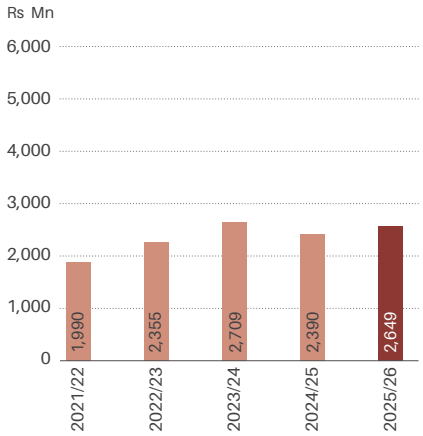
Revenue Extent



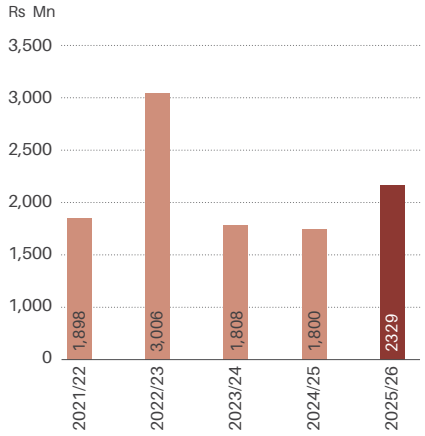
Total Revenue



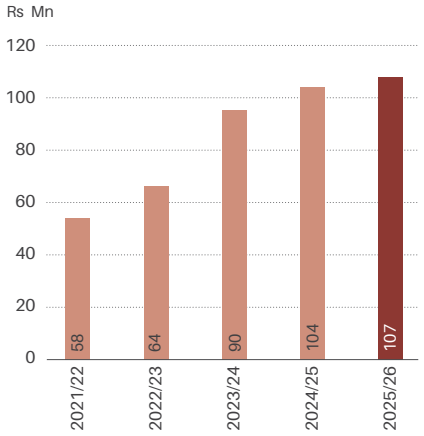
Cost of Sales



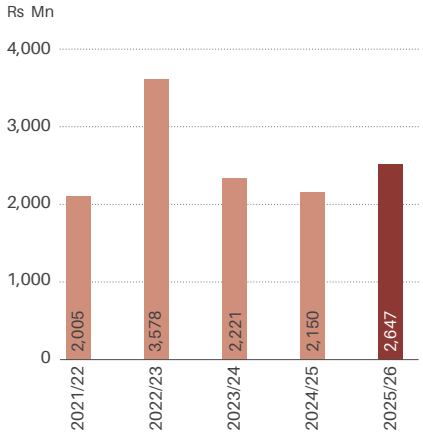
Gross Profit



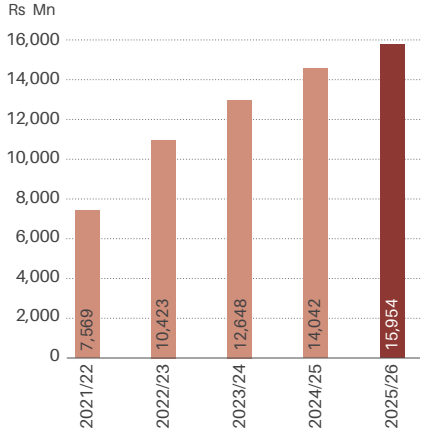
Finance Cost



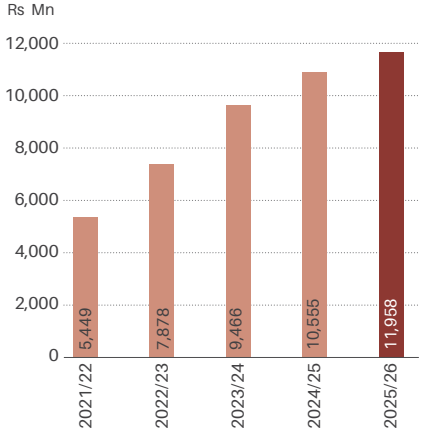
Profit/(Loss) before taxation



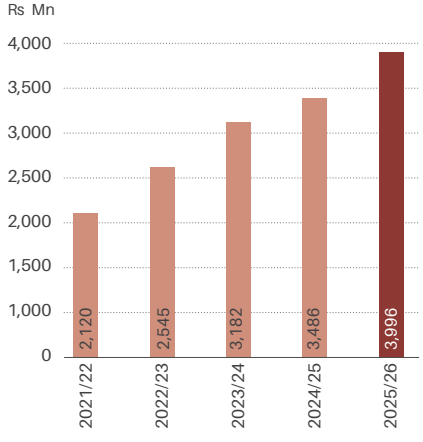
Total Assets



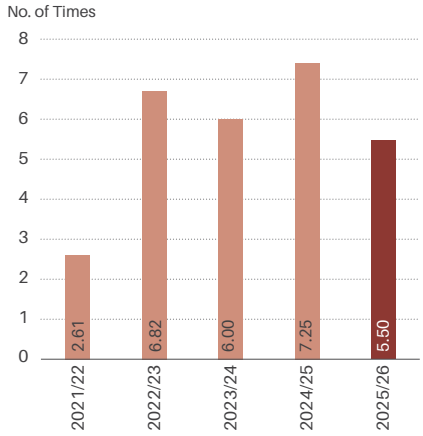
Shareholder's Equity



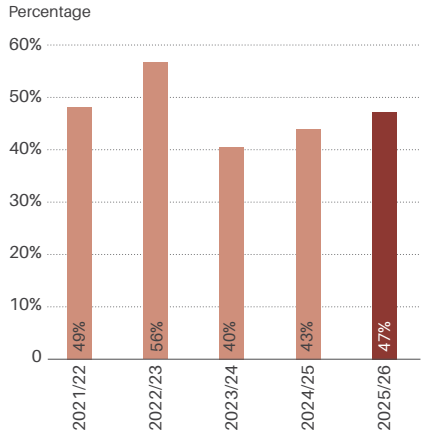
Total Liabilities



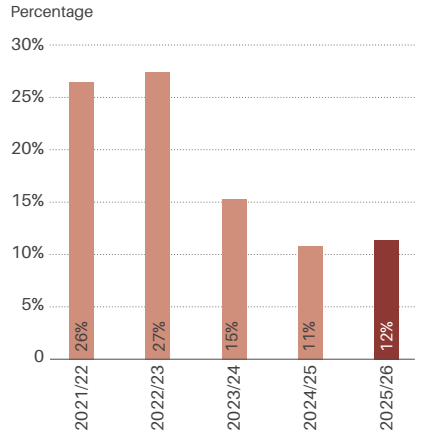
Cash Ratio



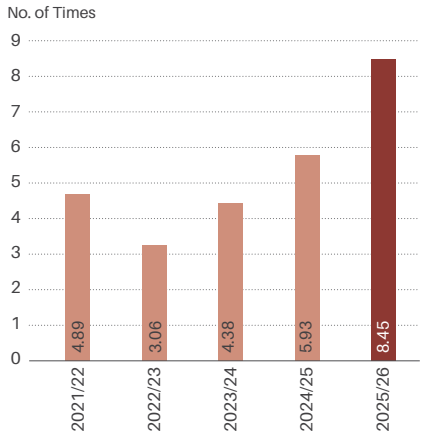
Gross Margin Ratio



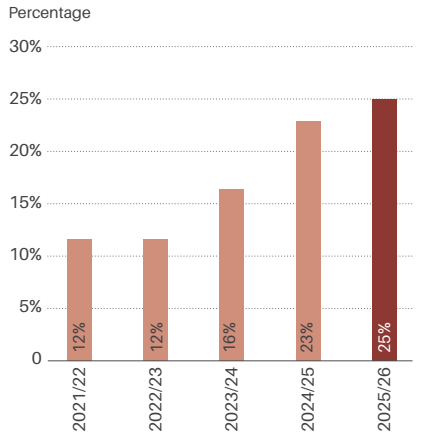
Return on Assets Ratio



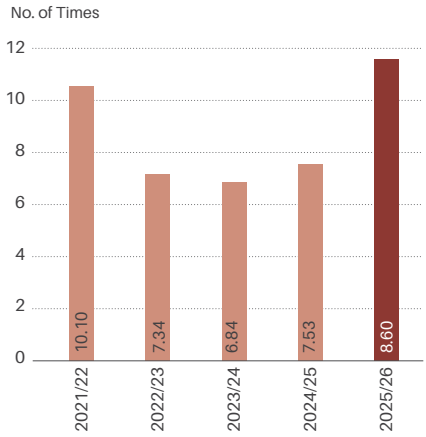
Price-Earnings Ratio



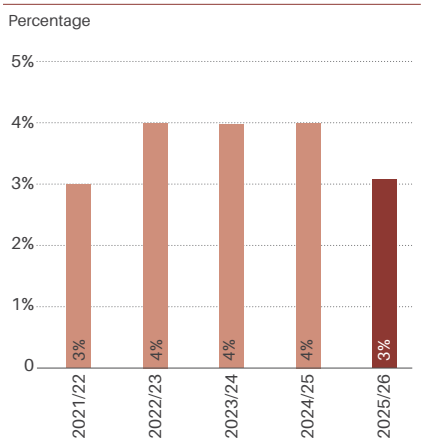
Dividend Payout Ratio



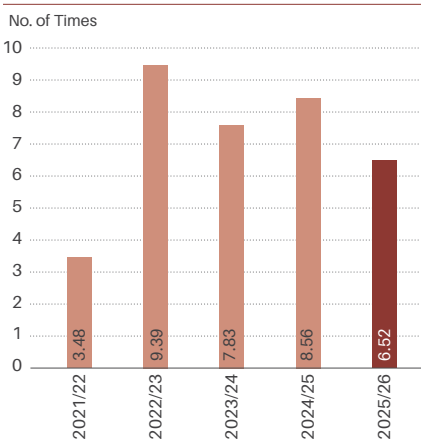
Inventory Turnover Ratio



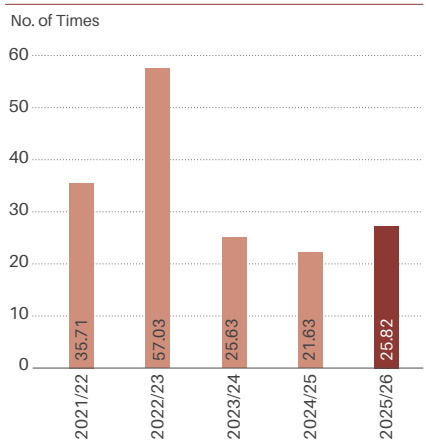
Dividend Yield Ratio



Current Ratio



Interest Coverage Ratio



Estate Profile

UVA REGION

GONAKELLE

	Extent (Ha)	Crop(Kg)
Tea	320.25	342,810
Rubber		
Coconut		
Oil Palm		
Cinnamon		
Other	441.88	

Location	Passara
No of Factories	1 - Tea
Factory Registration No	Tea - MF00234
Elevation from Sea Level (m)	1062
Elevation Range of Tea	
Production	Uva Medium
Distance from Colombo(km)	232
Latitude	6.926781
Longitude	81.14184
Management Contact	057-4926256 055-2288550

CANAVARELLA

	Extent (Ha)	Crop(Kg)
Tea	350.50	267,727
Rubber		
Coconut		
Oil Palm		
Cinnamon		
Other	449.2	

Location	Namunukula
No of Factories	1 - Tea
Factory Registration No	Tea - MF00105
Elevation from Sea Level (m)	1312
Elevation Range of Tea	
Production	Uva High
Distance from Colombo	225
Latitude	6.8967168
Longitude	81.118667
Management Contact	057-4926257

KANDAHENA

	Extent (Ha)	Crop(Kg)
Tea	238.50	172,430
Rubber		
Coconut		
Oil Palm		
Cinnamon		
Other	507.83	

Location	Namunukula
No of Factories	
Factory Registration No	
Elevation from Sea Level (m)	1234
Elevation Range of Tea	
Production	Uva Medium
Distance from Colombo	221
Latitude	6.87951157
Longitude	81.13343197
Management Contact	057-4926258

PINGARAWA

	Extent (Ha)	Crop(Kg)
Tea	363.24	289,691
Rubber		
Coconut		
Oil Palm		
Cinnamon		
Other	340.31	

Location	Namunukula
No of Factories	
Factory Registration No	
Elevation from Sea Level (m)	1200
Elevation Range of Tea	
Production	Uva High
Distance from Colombo	*220*
Latitude	6.875363
Longitude	81.11941
Management Contact	055-2285175

HINDAGALA

	Extent (Ha)	Crop(Kg)
Tea	375.56	343,281
Rubber		
Coconut		
Oil Palm		
Cinnamon		
Other	754.49	

Location	Namunukula
No of Factories	1 - Tea
Factory Registration No	Tea - MF00668
Elevation from Sea Level (m)	1400
Elevation Range of Tea	
Production	Uva Medium
Distance from Colombo	216
Latitude	6.86784
Longitude	81.097025
Management Contact	057-4926260

KINELLAN

	Extent (Ha)	Crop(Kg)
Tea	82.31	69,750
Rubber		
Coconut		
Oil Palm		
Cinnamon		
Other	72.57	

Location	Ella
No of Factories	1 - Tea
Factory Registration No	Tea - MF01283
Elevation from Sea Level (m)	1052
Elevation Range of Tea	
Production	Uva Medium
Distance from Colombo	205
Latitude	6.875557
Longitude	81.0419289
Management Contact	057-4926261

KALUTARA REGION

ELADUWA

	Extent (Ha)	Crop(Kg)
Tea		
Rubber	41.38	40,000
Coconut		
Oil Palm	328.86	5,200,000
Cinnamon		
Other	304.76	

Location	Matugama
No of Factories	1 - Crepe
Factory Registration No	Rubber-KR-20
Elevation from Sea Level (m)	30
Elevation Range of Tea	
Production	Low Grown
Distance from Colombo	67.8
Latitude	6.506055
Longitude	80.046544
Management Contact	034-2245362 034-4924414

MIRISWATTE

	Extent (Ha)	Crop(Kg)
Tea	9.15	8,250
Rubber	74.70	56,000
Coconut		
Oil Palm	203.00	2,127,500
Cinnamon		
Other	264.15	

Location	Welipenna
No of Factories	
Factory Registration No	
Elevation from Sea Level (m)	68
Elevation Range of Tea	
Production	Low Grown
Distance from Colombo	77.9
Latitude	6.4319745
Longitude	80.097488
Management Contact	034-2274202 034-4924413

PALLEGODA

	Extent (Ha)	Crop(Kg)
Tea		
Rubber	93.13	66,000
Coconut	8.00	52,000
Oil Palm	450.52	6,500,000
Cinnamon		
Other	391.35	

Location	Dharga Town
No of Factories	1 - Crepe
Factory Registration No	Rubber - KR -18
Elevation from Sea Level (m)	30
Elevation Range of Tea	
Production	Low Grown
Distance from Colombo	75.6
Latitude	6.4663744
Longitude	80.0654162
Management Contact	034-2274417 034-4924412

SIRIKANDURA

	Extent (Ha)	Crop(Kg)
Tea		
Rubber	38.50	25,115
Coconut		
Oil Palm	108.97	1,253,155
Cinnamon		
Other	486.53	

Location	Matugama
No of Factories	
Factory Registration No	
Elevation from Sea Level (m)	30
Elevation Range of Tea	
Production	Low Grown
Distance from Colombo	79.6
Latitude	6.492832
Longitude	80.140943
Management Contact	034-2247370 034-4924411

YATADOLA

	Extent (Ha)	Crop(Kg)
Tea		
Rubber	86.32	53,950
Coconut		
Oil Palm	138.91	1,613,547
Cinnamon	4.00	600.00
Other	419.36	

Location	Matugama
No of Factories	
Factory Registration No	
Elevation from Sea Level (m)	30
Elevation Range of Tea	
Production	Low Grown
Distance from Colombo	65.4
Latitude	6.505888
Longitude	80.066494
Management Contact	034-2245449

PELAWATTE

	Extent (Ha)	Crop(Kg)
Tea	10.95	16,425
Rubber		
Coconut		
Oil Palm	196.16	2,315,000
Cinnamon		
Other	248.39	

Location	Matugama
No of Factories	1 - Tea
Factory Registration No	Tea - MF01283
Elevation from Sea Level (m)	166
Elevation Range of Tea	
Production	Low Grown
Distance from Colombo	103
Latitude	6.38454
Longitude	80.26997
Management Contact	034-3303833

Estate Profile

GALLE REGION

BADDEGAMA

	Extent (Ha)	Crop(Kg)
Tea	23.12	26,013
Rubber	82.07	50,000
Coconut	39.26	120,000
Oil Palm	132.92	1,900,000
Cinnamon	11.26	1,200
Other	362.63	

Location	Baddegama
No of Factories	1 - Tea
Factory Registration No	Tea - MF00655
Elevation from Sea Level (m)	30
Elevation Range of Tea Production	Low Grown
Distance from Colombo	107 Km
Latitude	6.170725
Longitude	80.183125
Management Contact	091-2292228 091-4925997

CITRUS

	Extent (Ha)	Crop(Kg)
Tea	3.30	4,785
Rubber	57.23	57,230
Coconut	5.08	25,000
Oil Palm	211.98	3,030,798
Cinnamon	5.00	1,200
Other	225.25	

Location	Poddala
No of Factories	
Factory Registration No	
Elevation from Sea Level (m)	32
Elevation Range of Tea Production	Low Grown
Distance from Colombo	107 Km
Latitude	6.106574
Longitude	80.232774
Management Contact	091-4926001 091-2234105

WALPITA/MONROVIA

	Extent (Ha)	Crop(Kg)
Tea	14.50	14,500
Rubber	27.11	20,250
Coconut	139.82	410,000
Oil Palm	17.34	104,040
Cinnamon	21.40	1,700
Other	119.16	

Location	Poddala
No of Factories	
Factory Registration No	
Elevation from Sea Level (m)	30/32
Elevation Range of Tea Production	Low Grown
Distance from Colombo	116 Km
Latitude	6.11938
Longitude	80.20458
Management Contact	091-4926000 091-2292294

MATARA REGION

AKURESSA

	Extent (Ha)	Crop(Kg)
Tea	0	-
Rubber	57.02	42,180
Coconut	43.94	43,000
Oil Palm	170.88	1,700,000
Cinnamon	11.35	750
Other	524.35	

Location	Telijjawila
No of Factories	
Factory Registration No	
Elevation from Sea Level (m)	90
Elevation Range of Tea Production	Low Grown
Distance from Colombo	151
Latitude	6.033725
Longitude	80.484991
Management Contact	041-2240223 091-4925999

HULANDAWA

	Extent (Ha)	Crop(Kg)
Tea	41.73	37,500
Rubber	26.17	19,500
Coconut	-	-
Oil Palm	232.30	2,800,000
Cinnamon	-	-
Other	376.04	

Location	Akuressa
No of Factories	
Factory Registration No	
Elevation from Sea Level (m)	122
Elevation Range of Tea Production	Low Grown
Distance from Colombo	162 Km
Latitude	6.1758548
Longitude	80.468817
Management Contact	041-4922713

TENNAHENA

	Extent (Ha)	Crop(Kg)
Tea	10.67	6,000
Rubber	27.24	20,512
Coconut		
Oil Palm	287.82	3,460,000.00
Cinnamon	2.25	525.00
Other	265.13	

Location	Pitabeddera
No of Factories	
Factory Registration No	
Elevation from Sea Level (m)	123
Elevation Range of Tea Production	Low Grown
Distance from Colombo	169
Latitude	6.216121738
Longitude	80.47448077
Management Contact	041-2281202

NPPLC'S DIGITAL PRESENCE

> In the current digital era, a company's online presence is just as important as its physical presence, as it has the power to make or break success in the marketplace. By investing in digital marketing strategies, optimizing websites for search engines, and engaging on social media, companies can effectively connect with their target audience and stay ahead of the competition in an increasingly digital world.

Connecting Our Plantation Story with a Digital World

In the current digital era, a company's online presence is just as important as its physical presence, as it has the power to make or break success in the marketplace.

By investing in digital marketing strategies, optimizing websites for search engines, and engaging on social media, companies can effectively connect with their target audience and stay ahead of the competition in an increasingly digital world.

Our Journey towards a More Digital Annual Report

We continue to transform the way we communicate, connect and engage with our stakeholders. This year, we moved beyond traditional reporting by introducing a range of digital initiatives designed to make our Annual Report more accessible, interactive, engaging and meaningful.

What we have done:

Bringing Our Story to Life - Our Documentary Series

- We took our stakeholders beyond numbers and disclosures through our documentary series, showcasing the people, operations, communities and stories that shape Namunukula Plantations PLC. Through authentic visual storytelling, we aim to create a deeper connection between our stakeholders and the Company.

A Dedicated Digital Gateway to Our Annual Report

- In 2025/26 we introduced a dedicated Annual Report website to provide stakeholders with a convenient and engaging digital gateway to our financial, operational and sustainability information. The platform enables users to explore our performance and key disclosures in a more accessible and user-friendly way.

Introducing AI Assistance

- We embraced Artificial Intelligence to make information easier to discover and understand. Our AI-powered assistance helps users navigate the Annual Report, find relevant information and interact with our disclosures in a more intuitive way.

Interactive PDF version of the Annual Report

- Our Annual Report is also available in an interactive PDF format, enabling readers to move seamlessly between sections, access relevant information and explore the report digitally at their convenience.

Gamification of the Annual Report

- We introduced an online questionnaire featuring questions based on our Annual Report, encouraging stakeholders to explore and engage with its key information. A dedicated feedback section at the end allows participants to share their views, suggestions and ideas, helping us improve the quality and relevance of our future Annual Reports.

NPPLC'S Digital Presence

What are We Planning to Do:

Building the 2026/27 Annual Report around stakeholder's Feedback

1

- Our next step is to turn stakeholder feedback into action. We will carefully evaluate the insights received through our questionnaire and other engagement initiatives to further enhance the content, design, accessibility and overall experience of the 2026/27 Annual Report.

Creating More Interactive Stakeholder Experiences

2

- We aim to move from simply reporting to our stakeholders towards engaging with our stakeholders. Going forward, we plan to introduce more interactive digital activities that encourage participation, dialogue and meaningful connections.

Growing a Community of People Who Care About Our Story

3

- We want to reach beyond traditional readers and build a wider community of stakeholders who are genuinely interested in Namunukula Plantations PLC, our people, our performance, our sustainability journey and our future. Our digital platforms will help us connect with this community in new and meaningful ways.

Becoming more digital transformative

4

- Our ambition goes beyond digitising the Annual Report. We aspire to transform the way we communicate, engage, listen and create value through digital innovation. By embracing emerging technologies and new forms of stakeholder engagement, we are taking steps towards a more connected, transparent and future-ready reporting experience.

Looking Ahead

Our ambition goes beyond digitizing the Annual Report. We aspire to transform the way we communicate, engage, listen and create value through digital innovation.

Our journey is evolving:

From reporting information	➢ to creating experiences
From communicating with stakeholders	➢ to engaging with them
From an Annual Report	➢ to an always-on digital journey
From static information	➢ to interactive and data-driven insights
From digital reporting	➢ to digital transformation across our business

The next chapter of our digital journey is not simply about becoming more digital. It is about becoming more connected, informed, accessible and future-ready.

Embark on a Thrilling Virtual Journey

Immerse yourself in our Captivating Documentary Series using below QR Code:

Our Overall Operations
https://youtu.be/XMCB6Uwawvw

Our Natural Wealth
https://youtu.be/wNqvA6GGnso

Our Oil Palm Production Process
https://youtu.be/RcNXMjSA0W8

Our Tea Cultivation and Manufacturing Process
https://youtu.be/fQ8SvtQuiCA

Our Rubber Cultivation and Manufacturing Process
https://youtu.be/Xbhn9u2098E

Our Coconut Cultivation Process
https://youtu.be/BAqcEQ3n39U

Our Cinnamon Production Process
https://youtu.be/d7xVlUg80e8

Enhancing Annual Report Engagement

Access The QR Codes to watch Videos on Key Sections 2025/2026 Annual Report:

Overview of the Namunukula Plantations PLC
https://youtu.be/tShN9t8Tzm8

Our Company At a Glance
https://youtu.be/qfAmwPL2NaI

Review of Our Oil Palm Production
https://youtu.be/2GeJoQPO1oI

Review of Our Tea Production
https://youtu.be/KQeMgsJUNqg

Review of Our Rubber Production
https://youtu.be/m9xHsAMRbSU

Review of Our Coconut Production
https://youtu.be/CiTU54nPwF0

Review of Our Cinnamon Production
https://youtu.be/3f4Er9W-XfA

Access the QR Codes for view the PDF version of our 2025-2026 Annual Report
https://www.cse.lk/company-profile?symbol=NAMU.N0000

Access the QR Codes to listen the audios of sections that have been pasted in the relevant section of the 2025-2026 Annual Report.

Voice Overs | Video Clips | PDF Version | QR Code

Know Our Story. Win the Glory.

Think you know about us?

Here's your chance to put your knowledge to the test!

Why Take the Challenge?

As part of our commitment to making our Annual Report more engaging and interactive, the quiz provides an opportunity to discover the key stories, milestones and highlights presented throughout this Annual Report, while gaining a deeper understanding of our performance and the value we create for our stakeholders.

01

EXPLORE

Read our Annual Report and discover the key stories, achievements and highlights of the year.

02

QUIZ

Answer a series of questions based on the information presented in the report.

03

Score

Aim for the highest possible score by putting your knowledge to the test.

04

Win

From the participants who achieve the highest scores, 10 winners will be selected through a selection process to receive valuable and exciting gifts.

10 Winners

Quiz Duration:

15 minutes

Closing Date:

15th November 2026

SCAN TO JOIN

https://namunukulaplantations.com/questionnaire

We would also love to hear from you. Share your suggestions and feedback about our Company and this Annual Report. Tell us what you enjoyed, what could be improved, and what you would like to see in future reports.

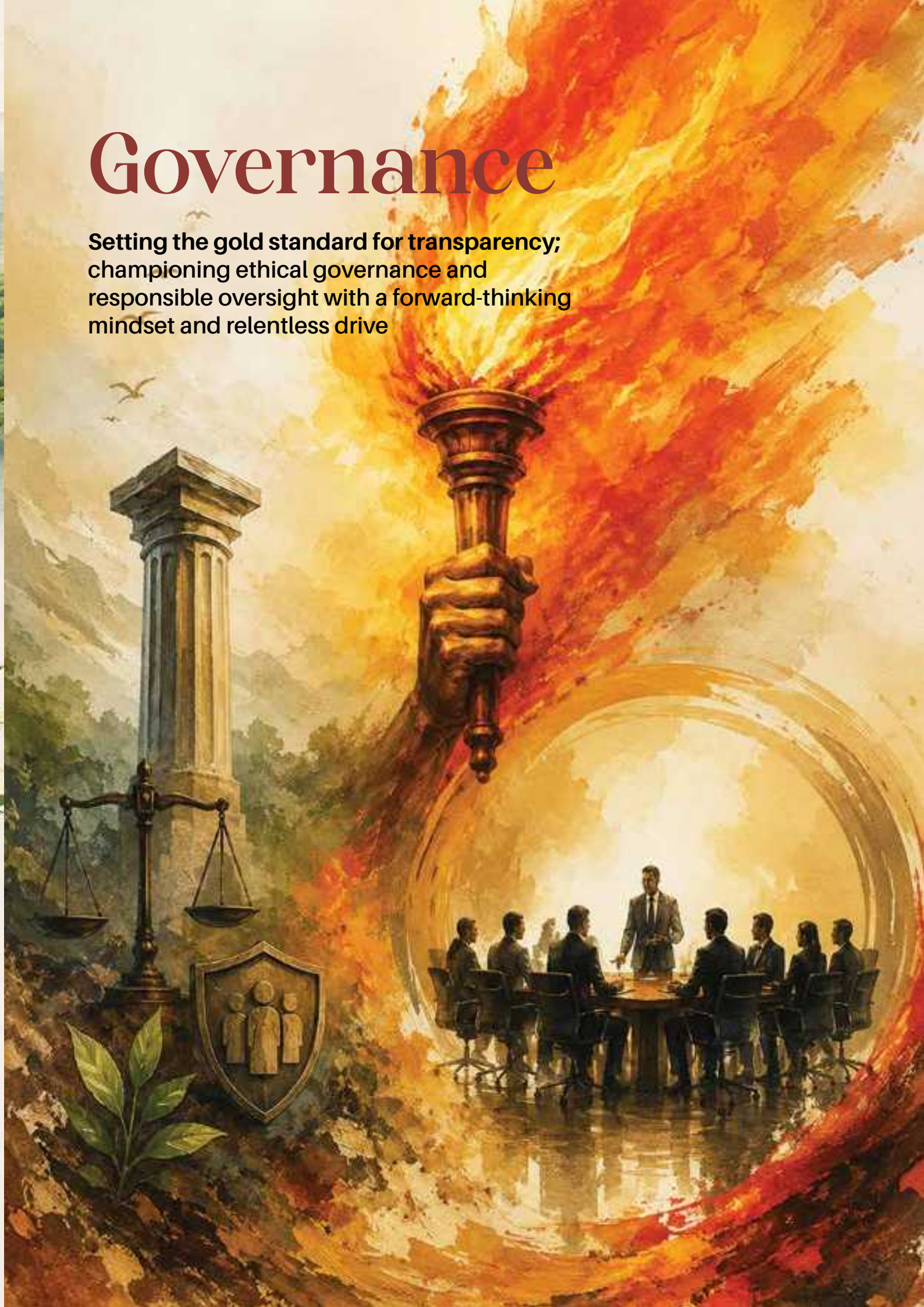
We encourage our employees, shareholders, customers, business partners and other stakeholders to take part in the quiz and share the experience with others. Invite your colleagues, friends and fellow stakeholders to join the challenge and discover our story together.

Read. Discover. Challenge. Win.

Terms & Conditions Apply.

Governance

Setting the gold standard for transparency; championing ethical governance and responsible oversight with a forward-thinking mindset and relentless drive



Board of Directors

GRI 2-9/11

Dr. Sena Yaddehige
Chairman

Mr. Shaminda Yaddehige
Non-Executive Director

Mr. Gerard Amerasinghe
Non-Executive Director

Mr. Ranil Goonetilleke
Independent Non-Executive Director

Mrs. Kusalani De Silva
Independent Non-Executive Director

Dr. Bandara Rekogama
Independent Non-Executive Director

DR. SENA YADDEHIGE

Chairman

The business legacy of Dr. Sena Yaddehige spans not only time but also the depth of multiple industries and sectors. Renowned as a pioneer in the field of engineering and as a revered global business icon, Dr. Yaddehige is also a Swiss-based industrialist, with numerous ventures in multiple countries. Under the leadership of Dr. Yaddehige, Richard Pieris Group has evolved into one of the leading diversified business conglomerates in Sri Lanka with the footprint extending from manufacturing, to exports, to retail, to plantations, to financial services, creating value across the national economy in multiple sectors. Dr. Yaddehige also served as a Director on the Board of the National Development Bank PLC (NDB) from 2007 to 2010.

As a businessman and industrialist with wide global recognition, his companies are established in the USA, UK, Germany, and Singapore. In addition, Dr. Yaddehige is also the founding Managing Director of a European manufacturing firm, which develops and exports automotive components and systems, which are based on his innovations and conceptions. His repertoire of innovations and developments includes contactless sensor technology and drive by wire systems. Furthermore, as a radiation specialist, Dr. Yaddehige is also the creator of several other technologies and components in radiation processing, for which he owns several patents from around the world. Locally, he holds the patent for slow release fertiliser, which provides relatively better results than quick release fertilisers while being a safer alternative for the environment. Dr. Yaddehige also pioneered the development unit for lithium batteries in Sri Lanka.

Apart from his professional and scientific accolades, he was awarded with three doctorates, one of which is a Doctor of Science (D.Sc.), awarded as a high commendation for his original findings and research in radiation, radiation processing, Electromechanical sensor technology, Non-contact sensor technology, and automotive pedal systems, and as recognition of his patents in these respective areas.

MR. SHAMINDA YADDEHIGE

Non-Executive Director

Mr. Shaminda Yaddehige is a Non-Executive Director of the Company. Mr. Yaddehige was educated at Charter House-United Kingdom and graduated in Chemical Engineering from University College London. In addition, he also possesses a Master's Degree in Business Administration from IE Business School which is ranked amongst the top 10 business schools in the World.

Mr. Yaddehige worked as a Management Consultant at Price Waterhouse Coopers- United Kingdom and also at world renowned international ultra-high net worth banking giant, Credit Suisse of Switzerland. He has an extensive experience in international marketing and has built a very strong marketing network in Europe.

Mr. Yaddehige is an Executive Director and also the Chief Operating Officer of the Richard Pieris & Company PLC. Further he is in the Directorates of Richard Pieris Exports PLC, Richard Pieris Natural Foams Limited, and Richard Pieris Distributors Limited and also in several other Companies within the Richard Pieris Group.

MR. GERARD AMERASINGHE

Non-Executive Director

Mr. Amerasinghe had his education at St. Anthony's College Kandy and joined the aviation industry at the age of 21 and worked with various airlines, including a sting in Saudi Arabia with British Caledonian Airlines.

In the year 1991 he ventured out his own Travel Company, Worldlink Travels (Private) Limited being a family business Enterprise. Today, Worldlink Travels has become one of the most successful companies in the travel industry by setting up a number of companies in the travel and tourism industry during the past 34 years, under its umbrella. All of them are operating in a niche segment including the newly opened Ammara Brand Hotel Chain.

Mr. Amerasinghe has held various positions in the industry, which includes the Chairman of Sri Lanka Association of Airline Representatives (SLAAR) and president of the Sri Lanka Interline Club. His expertise in the Service Sector un–Interruptedly for more than 34 years has obviously guided him to take correct business decisions towards success.

MR. RANIL GOONETILLEKE

Non-Executive Independent Director

Mr. Ranil Goonetilleke is a FCMA of the Chartered Institute of Management Accountants UK (CIMA). Consequent to undergoing training at KPMG (formerly Ford, Rhodes Thornton & Company), Mr. Goonetilleke started his career at Haycarb PLC serving in the middle and senior managerial roles and subsequently at Ceylon Brewery PLC and Lion Brewery Ceylon PLC as its Director Finance. He has over 40 years of professional working experience. He currently serves as a Non-Executive Director of Lion Brewery Ceylon PLC, Pegasus Hotels of Ceylon PLC and a Non-Executive Independent Director and Audit Committee Chairman of Ceylinco Holdings PLC. He is also an Independent Non-Executive Director of the National Savings Bank whilst being the Chairman of the bank's Board Risk Management Committee and the Board Nomination Committee. At present he serves as a member of the steering Committee on Export Development of the Ceylon Chamber of Commerce and in the Committee of the Exporters Association of Sri Lanka of the Ceylon Chamber of Commerce. Mr. Ranil Goonetilleke is also a Board Member of the National Council for Child and Youth Welfare, a charity organization operating 6 child care centres for children providing care and shelter for needy children who have faced very difficult and unfortunate circumstances.

He has participated in several training and Executive Development programmes in Sri Lanka, INSEAD France, Wharton University, and Philadelphia amongst many others both locally and overseas.

MS. KUSALANI DE SILVA

Independent Non-Executive Director

Mrs. D. Kusalani De Silva is a Special Grade officer in the Sri Lanka Administrative Service (Intake 2003), currently serving as an Additional Director General at the Department of Project Management and

Board of Directors

Monitoring under the Ministry of Finance, Planning and Economic Development. With over two decades of experience in public administration, she has held several key leadership roles such as Additional Commissioner General of Labour(Administration),Additional General Manager of Railways(administration), Commissioner of Motor traffic (Development) and Divisional Secretary Welivitiya-Divithura, contributing significantly to governance, policy implementation, and institutional development. She is particularly recognized for her work in digital transformation within government institutions and her commitment to improving service delivery in the public sector.

She holds a BSc in Physical Science from the University of Peradeniya, a Master's Degree in Sociology from the University of Kelaniya and a Master's Degree in Service Innovation from Thammasat University in Thailand. She has also completed advanced executive trainings at global institutions including Academy for International Business Officials (AIBO) in China and National Center for Good Governance (NCGG) in India Her academic work also includes research on service-oriented government institutions, reflecting her interest in improving public sector performance that has supported her career in governance and policy development. She possesses strong competencies in leadership, strategic planning, problem-solving, and team management, supported by excellent communication and interpersonal skills.

DR. BANDARA REKOGAMA

Independent Non-Executive Director

Dr. Bandara Rekogama brings a wealth of experience, with over 34 years in the fields of engineering and banking. He is a former banker, MSME consultant, engineer, and a lecturer at the Institute of Bankers of Sri Lanka. Dr. Rekogama holds a Doctor of Philosophy (PhD) from the Thames International University (TTIU), Paris, Master of Business Administration (MBA) from Sikkim Manipal University, National Diploma in Technology from the University of Moratuwa, Postgraduate Executive Diploma in Banking & Finance (IBSL) and Member in the Institute of Incorporated Engineers, Sri Lanka (IIESL), Incorporated Member of Engineering Council of Sri Lanka (ECSL), Member – Engineers' Guild of Sri Lanka (MEGSL), Fellow member of the Institute of Chartered Professional Managers of Sri Lanka (CPM), Member of Sri Lanka Institute Directors (MSLID)

Dr. Rekogama is currently serving as a Non-Executive Independent Director of GSG Impact Sri Lanka, and also a Director at Rekobiz Private Limited. Further, he is also an expert in MSME Banking, Youth & Women financial services, External consultant Asian development Bank (ADB), freelance consultant for Banking & finance, Entrepreneur development & Training. Currently, he serves as a visiting lecturer for Institute of Bankers Sri Lanka (IBSL) and few private educational Institutes. He also provides consultancy services to national and multinational agencies for the MSME sectors and currently represents as committee member of the CMA Sri Lanka SME Development committee. He also serves in the Council of Management of The Institution of Incorporated Engineers, Sri Lanka for the session 2026/2027

Dr. Rekogama previously served as a Non-Executive Independent Director of PMF finance PLC, the Head of Microfinance and Head of Refinance & Special Lending Products at Hatton National Bank. Before joining HNB, he held various positions in few private sectors as an engineer for engineering organizations specializing in project management, Sales & Marketing of Industrial Machinery / Equipment & procurement management. He has attended many numbers of training programmes/ workshops and corporate partnership programmes locally and internationally covering USA, Netherlands, Thailand, Cambodia, Uganda, El-Salvador etc.

Our Management Team

CORPORATE MANAGEMENT

Mr. Saman Doranegama	Acting Chief Executive Officer
Mr. Dhammika Laksiri	Sector Financial Controller
Mr. Alex Samuel	Deputy General Manager UVA Region
Mr. Asanka Ekanayake	Deputy General Manager Low Grown Region

SENIOR MANAGEMENT

Mr. D. Sivaraj	Senior Manager
Mr. M. Teshan Mendis	Senior Accountant
Mr. L. P. Tennakoon	Manager Plantations
Mr. R. M. S. S. Herath	Manager Information Systems
Mr. S. P. Wijedasa	Engineer – Plantations Sector
Mr. Priyantha Bandara	Manager – Forestry
Mr. Janaka Gallappaththi	Manager Coffee Planting
Ms. J. W. C. Jayawickrama	Legal Officer
Ms. Nethma Karunarathna	Accountant

HEAD OFFICE MANAGEMENT TEAM

Mr. Gihan Moramudali	Assistant Accountant
Mrs. M. Wickramarachchi	Assistant Manager
Mrs. Hashani Handapangoda	Secretary
Ms. Ireshika Ranasinghe	Senior Accounts Executive
Ms. Ama Muhandiramge	Senior Accounts Executive
Mr. Nisath Wijerathne	Senior Accounts Executive
Mr. J. Fernando	Executive
Mr. S. R. Dhanapala	Administrative Executive
Mr. W. M. S. J. Wijesinghe	IT Executive

ESTATE MANAGEMENT TEAM

Galle Range

Baddegama Estate	Mr. W. P. Rupasingha Superintendent	Mr. U. M. N. B. Senarathna Asst. uperintendent
Citrus Estate	Mr. M. M. S. Jayasekara Superintendent	Mr. D. C. Jayawardena Asst. Superintendent
Walpita/ Monorovia Olympus Estate	Mr. S.S. Gunasekara Superintendent	Mr. A. D. Amarasinghe Asst. Superintendent

ESTATE MANAGEMENT TEAM

Kaluthara Range

Eladuwa Estate	Mr. G.S.U. De Silva Superintendent	Mr. C.H.Ranasinghe Asst. Superintendent
Pallegoda Estate	Mr. R. M. Ranasinghe Superintendent	Mr. W. P. B. Vitharana Mr. S. Devinda Asst. Superintendent
Miriswatte Estate	Mr. K. P. D. N. kalugalla Superintendent	
Yatadola Estate	Mr. L. K. S. Karunathilaka Superintendent	Mr. E G .Hettiarachchi Asst. Superintendent
Pelawatte Estate	Mr. Damith Mohottige Superintendent	Mr. D. U. Maddekandage Asst. Superintendent

ESTATE MANAGEMENT TEAM

UVA Range

Gonakelle Estate	Mr.U.R.B.Madugalle Superintendent	Mr.Charitha Madushan Mr.S.T.Gamage
Cannavarella Estate	Mr. J. A. C. E. Jayalath Superintendent	Mr. C. A. B. Vithanage Mr. B. R. D. D. Bogahawatta Asst. Superintendent
Kandahena Estate	Mr. H. M. W. Sajith Hellarawa Superintendent	
Pingarawa Estate	Mr. H. P. Rajapakse Superintendent	Mr. T. A. Muthunayaka Asst. Superintendent
Hindagala Estate	Mr.J.S.Kalansooriya Superintendent	Mr.C.L. Samuel Mr.Janiru Dissanayaka Asst. Superintendent
Kinellan Estate	Mr. S. Lakamal Gunasekara Superintendent	

ESTATE MANAGEMENT TEAM

Matara Range

Akuressa Estate	Mr. K. D. R. Dayan Superintendent	Mr. B. A. U. S. Bandara Asst. Superintendent
Hulandawa/ Belomont Estat	Mr. K. I. W. M. Kularathna Superintendent	Mr. P. C. M. De Silva Mr. V. S. Weragoda Asst. Superintendent
Tennahena Estat	Mr. D. Dalpadathu Superintendent	Mr. R. Kavintha Shiran Asst. Superintendent

Corporate Governance

Namunukula Plantations PLC has designed its Corporate Governance policies and practices to ensure that the company is focused on its responsibilities to its stakeholders and on creating long term shareholder value. The company recognizes the interests of all its stakeholders including shareholders, employees, customers, suppliers, consumers and among the other communities in which it operates. The company complies with the rules on Corporate Governance included in the Listing Rules of the Colombo Stock Exchange and guided by the principles included in the Code of Best Practice on Corporate Governance issued jointly by the Securities and Exchange Commission of Sri Lanka and the Institute of Chartered Accountants of Sri Lanka.

The Board of Directors of Namunukula Plantations PLC is committed and takes responsibility to maintain the highest standards of Corporate Governance whilst give concerns to major external & internal steering instruments on governance as mentioned below.

Major External Steering Instruments on Governance		Major Internal Steering Instruments on Governance
Mandatory	**Voluntary**	
Companies Act No. 07 of 2007.		Articles of Association of the Company
Listing Rules of the Colombo Stock Exchange		Operational policies, Guidelines and Manuals
Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 and amend-ments thereto.		Integrated risk management procedures
Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.		Internal control, procedures, and processes.
SLFRS S1 and SLFRS S2		Board-approved governance policies and operat-ing procedures
	Global Reporting Initiatives(GRI) standards published by Global Reporting initiatives	
	Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka (a voluntary Code).	Board of Directors' working procedure

This statement sets out the Corporate Governance policies, practices and processes adopted by the Board.

The Board of Directors

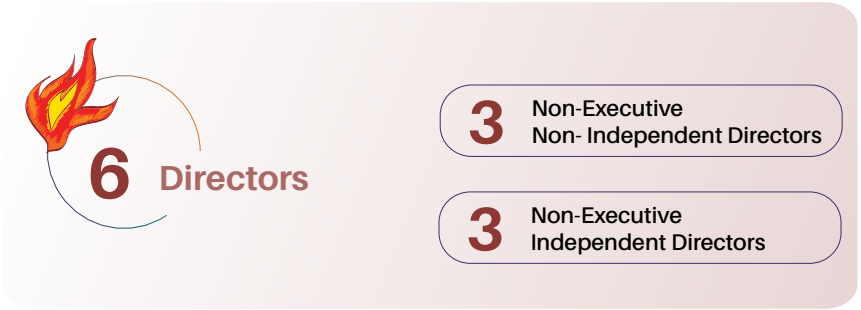
GRI 2-9/15/17

The company is governed by its Board of Directors, who directs and supervises the business and affairs of the company on behalf of the shareholders.

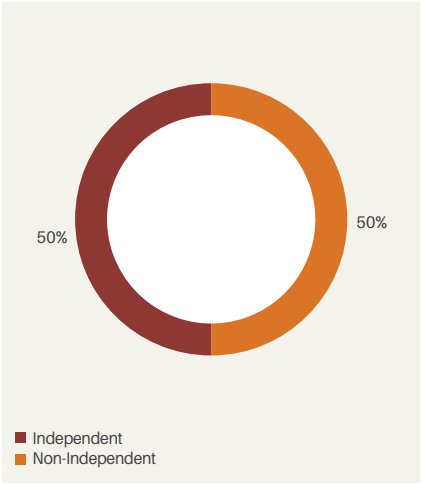
The Board comprises six Directors, and all of them are Non-Executive Directors. Out of six non- executive directors, four are Independent, ensuring an independent outlook to temper the expediency of the experts and also two directors is Non-Independent. The Board has assessed the independence of the Non-Executive Directors.

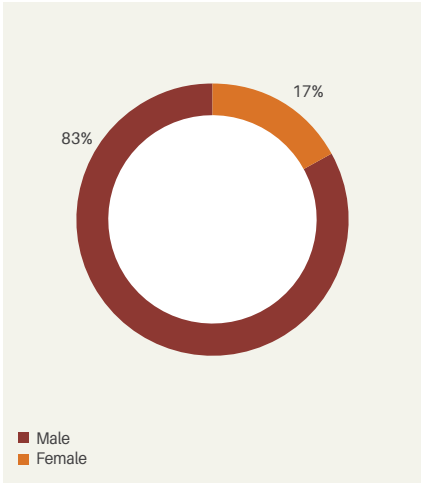
Senior Managers (Management) are involved with the day to day running of the company with the management. Following diagram and table depicted the composition of the Board and the senior management.

All independent Directors are having no direct or indirect material relationship with the company and have duly submitted the annual declaration as per the Colombo Stock Exchange Listing Rules. Their wide range of expertise and significant experience in commercial, corporate and financial activities bring an independent view and judgment to the Board.



Name of Director	Non-Executive	Independent	Non-Independent
Dr. S. Yaddehige	○		○
Mr. N.C.Peiris (Retired from the directorate W.I.F. 15th July 2025)	○	○	
Mr. Shaminda Yaddehige	○		○
Mr. Gerard Amerasinghe	○		○
Ms. C.S. Perera (Ceased to be a director W.E.F. 09th April 2026)	○	○	
Mr. Ranil Goonetilleke	○	○	
Dr. Bandara Rekogama (Appointed on 16th July 2025)	○	○	
Mrs. Kusalani De Silva (Appointed on 09th April 2026)	○	○	
		○ Chairman	○ Directors





Mr. SGD Amerasinghe has completed 9 years in the directorate as Independent Non-Executive Director of the Company, he is no longer an Independent Director but will continue in the directorate as Non-Independent, Non-Executive Director of the Company.

Role of the Chairman in overseeing the management of impacts

GRI 2-11/12

The Chairman and the Chief Executive Officer of the Company are two different personnel where power and authority are clearly distinguished.

The separation of officers with executive powers in the company ensures a balance of power and authority.

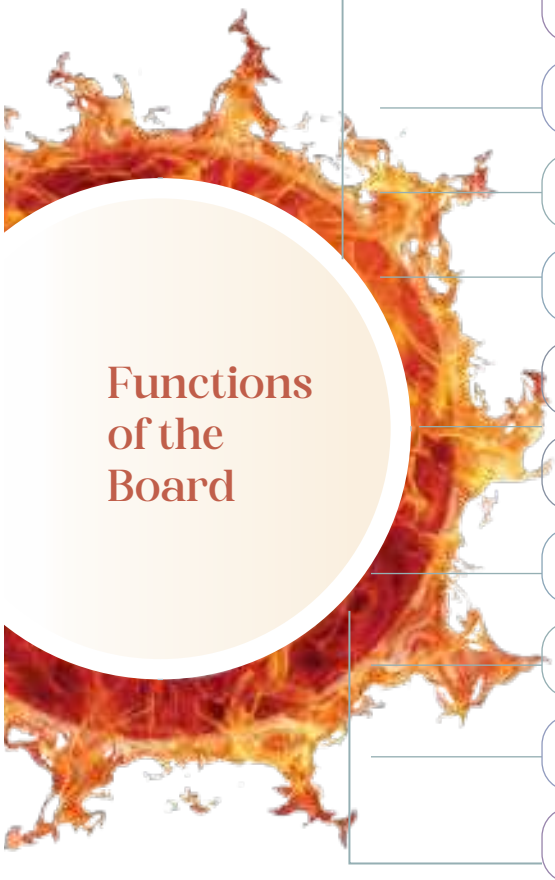
The Chairman is responsible for matters relating to policy, maintaining regular contact with the other Directors, shareholders and external stakeholders of the company. He is responsible for Company's overall commercial, operational and strategic development and assisted by the Corporate Management of the Company. The finance function devolves on the Head of Finance and Sector Financial Controller who is present by invitation at board meetings when financial matters are discussed. The Board of Directors have access to independent professional advice as and when deemed necessary for decision making.

Board secretary

Richard Pieris Group Services (Pvt) Ltd served as the group company secretary of NPPLC. Secretaries and the Board apprise of all laws and regulations and compliance thereof. The secretaries maintain Minutes of Board meetings which is open for inspection by the Board Directors at any time. The Board Secretaries are available to shareholders for any questions or clarifications.

Corporate Governance

GRI 2-24



- Direct the business and affairs of the company
- Formulate short and long-term strategies, as a basis for the operational plans of the company and monitor implementation.
- Report on their stewardship to shareholders
- Identify the principal risks of the business and ensure adequate risk management systems in place
- Review the adequacy and effectiveness of internal controls and ensure its operation.
- Approve the annual capital and operating budgets and review performance against budgets
- Approve the interim and final financial statements of the Company
- Determine and recommend interim and final dividends for the approval of shareholders
- Ensure compliance with laws and regulations
- Sanction all material contracts, acquisitions or disposal of assets and approve capital projects

Sub Committees of the Board

GRI 2-13

The Board is responsible for the establishment and functioning of all Board Committees, the appointment of members to these committees and their compensation. The Board has delegated responsibilities to four Board sub committees which operate within clearly defined terms of reference. Information on four Board Committees is given in Pages 38 to 42.

Audit Committee

The Committee consisted of one Non-Independent Non-Executive Director and two Independent Non-Executive Directors namely Mr. S G D Amerasinghe, Dr. Bandara Rekogama, and the Chairman of the Committee, Mr.Ranil Goonetilleke, a Fellow of the Institute of Chartered Management Accountants – UK. The Company Secretary functions as Secretary to the Audit Committee.

The Audit Committee Report on page 38 describes the activities carried out by the Committee during the financial year.

Remuneration Committee

The Remuneration Committee consisted of two Independent Non-executive Directors and one Non-Independent Non-executive Director namely its' Chairman Dr. Bandara Rekogama, Mr. Ranil Goonetilleke (Independent Non-Executive Director) and Mr. S G D Amerasinghe (Non-Independent Non-Executive Director).

The Report of the Remuneration Committee on page 40 highlights its main activities.

Related Party Transactions Review Committee

The Related Party Transactions Review Committee consisted of two Independent Non-Executive Directors and one Non-Independent Non-Executive Director namely its' Chairman Mr. Ranil Goonetilleke, Dr. Bandara Rekogama (Independent Non-Executive Director) and Mr. S G D Amerasinghe (Non-Independent Non-Executive Director).

The Report of the Related Party Transactions Review Committee on page 41 highlights its main activities.

Nominations and Governance Committee

The Nominations and Governance Committee consisted of two Independent Non-Executive Directors and one Non-Independent Non-Executive Director namely its' Chairman Dr. Bandara Rekogama, Mr. Ranil Goonetilleke (Independent Non-Executive Director) and Mr. S G D Amerasinghe (Non-Independent Non-Executive Director).

The Report of the Related Party Transactions Review Committee on page 41 highlights its main activities.

Sub Committee		Audit Committee	Remuneration Committee	Related party Transactions Review Committee	Nominations and Governance Committee
Committee Members	Mr. Ranil Goonetilleke	©	0	©	0
	Mr. S G D Amerasinghe	0	0	0	0
	Dr. Bandara Rekogama	0	©	0	©
				© - Chairman ©	0 - Member

Meetings of the Board of Directors

The Chairman, with the assistance of the Company Secretaries, establishes the agenda for each Board Meeting and together with this Board papers are submitted in advance on Company performance, new investments, capital projects and other issues which require specific Board approval. Prior to each Board meeting, the directors are provided with all relevant management information and background material relevant to the agenda to enable informed decisions and separate information memorandum is provided on statutory payment at each Board meeting.

Every Director therefore gives sufficient time and effort to Board matters. The Directors who are also members of the Board Sub-Committees make a strong commitment to discharge their duties. Directors exercise independent judgment in the effective discharge of their duties and responsibilities in matters relating to the Board including strategy, performance, resource allocation, risk management, compliance and standard of business conduct.

During the year there were 04 board meetings held,

- 26th September 2025
- 02nd December 2025
- 10th March 2026
- 30th March 2026

Name of the Member	Number of meetings eligible to attend	Number of Meetings attended
Dr. S Yaddehige	4	1
Mr. N.C.Peiris (Retired from the directorate W.I.F. 15th July 2025)	-	-
Mr. Shaminda Yaddehige	4	2
Mr. Gerard Amerasinghe	4	2
Mr. Ranil Goonetilleke	4	4
Ms. C.S. Perera (Ceased to be a director W.E.F. 09th April 2026)	4	2
Dr. Bandara Rekogama (Appointed on 16th July 2025)	4	4
Ms. Kusalani De Silva (Appointed on 09th April 2026)	-	-

Internal Controls

The Board is responsible for instituting an effective internal control system to safeguard the assets of the Company and ensure that accurate and complete records are maintained from which reliable information is generated. The system includes all controls including financial, operational and risk management. Strategies adopted by the Company to manage its risk are set out in its report on Risk Management on pages 43 to 65.

Apart from the Strategic Plans, a comprehensive budgetary process is in place. The objectives of the Company are determined and the Critical Success Factors and the Key Performance Indicators to monitor the objectives are identified to be included in the budget. The performance is monitored monthly, through a comprehensive monthly management reporting system. Clear criteria and benchmarks have also been set out for the evaluation of capital projects and new investments.

The Internal Audit Division regularly evaluates the internal control system across the organization and its findings are reviewed first by the Audit Committee and significant issues are thereafter reported to the Board. The Board reviewed the internal control procedures in existence and are satisfied with its effectiveness.

Relationship with Shareholders

The Board maintains healthy relationships with its shareholders (Individual and Institutional) while maintaining a dialogue with potential shareholders as well. The Annual General Meetings are held to communicate with the shareholders and their participation is encouraged. Its principal methods of communication include the corporate website, the annual report, quarterly Financial Statements and press releases. Apart from that, the board is dedicated to upholding the highest standards of professional and ethical behavior, and directors disclose their outside business interests upon appointment.

Relationship with Other Stakeholders

GRI 2-16

The Board identifies the importance of maintaining a healthy relationship with its key stakeholders and ensures the Company as a whole inculcates this practice. Internal communication is mainly conducted through e-mails, memos and circulars.

The Board also ensures that the Company policies and practices are in line with the Company's values and its social responsibilities. The Company promotes protection of the environment, health and safety standards of its employees and others within the organization.

The relevant measures taken are given in detail in the Materiality Assessment on pages 150 to 156.

Corporate Governance

Compliance

GRI 2-23/24

The Board places significant emphasis on strong internal compliance procedures. The financial statements of the Company are prepared in strict compliance with the guidelines of the Sri Lanka Accounting Standards and other statutory regulations.

Namunukula Plantations PLC is committed to maintaining sound corporate governance practices, ethical business conduct, transparency, accountability and compliance with applicable laws and regulations. The Company's governance practices are guided by applicable Sri Lankan laws, regulatory requirements and recognized corporate governance principles.

The Company's commitments include conducting business with integrity, respecting human rights, preventing corruption and maintaining responsible and transparent decision-making. Relevant policies and governance practices are communicated to employees and incorporated into the Company's operations and decision-making processes.

The Company's governance framework supports responsible business conduct and provides oversight through internal controls, audits and established governance mechanisms.

Policy commitments are approved by the Board of Directors, apply to the Company's operations and relevant business relationships, and are communicated through policies, training and stakeholder communications.

The Company embeds its responsible business commitments by allocating responsibility across the Board, senior management and relevant operational teams, integrating these commitments into organisational strategies, policies and operational procedures, and extending relevant expectations to business partners.

No specific training programmes are currently provided on the implementation of these policy commitments.

Financial statements are published quarterly in line with the Listing Rules of the Colombo Stock Exchange through which all significant developments are reported to shareholders quarterly. The Board of Directors, to the best of their knowledge and belief, are satisfied that all statutory payments have been made to date.

Corporate Governance Requirements under Section 9 of the Listing Rules issued by the Colombo Stock Exchange.

Going Concern

The Directors have continued to use the 'Going Concern' basis in the preparation of the financial statements, after careful review of the financial position and cash flow status of the Company. The Board of Directors believes that the Company has adequate resources to continue its operation for the foreseeable future.

Corporate Governance Requirements under Section 7 of the Listing Rules issued by the Colombo Stock Exchange.

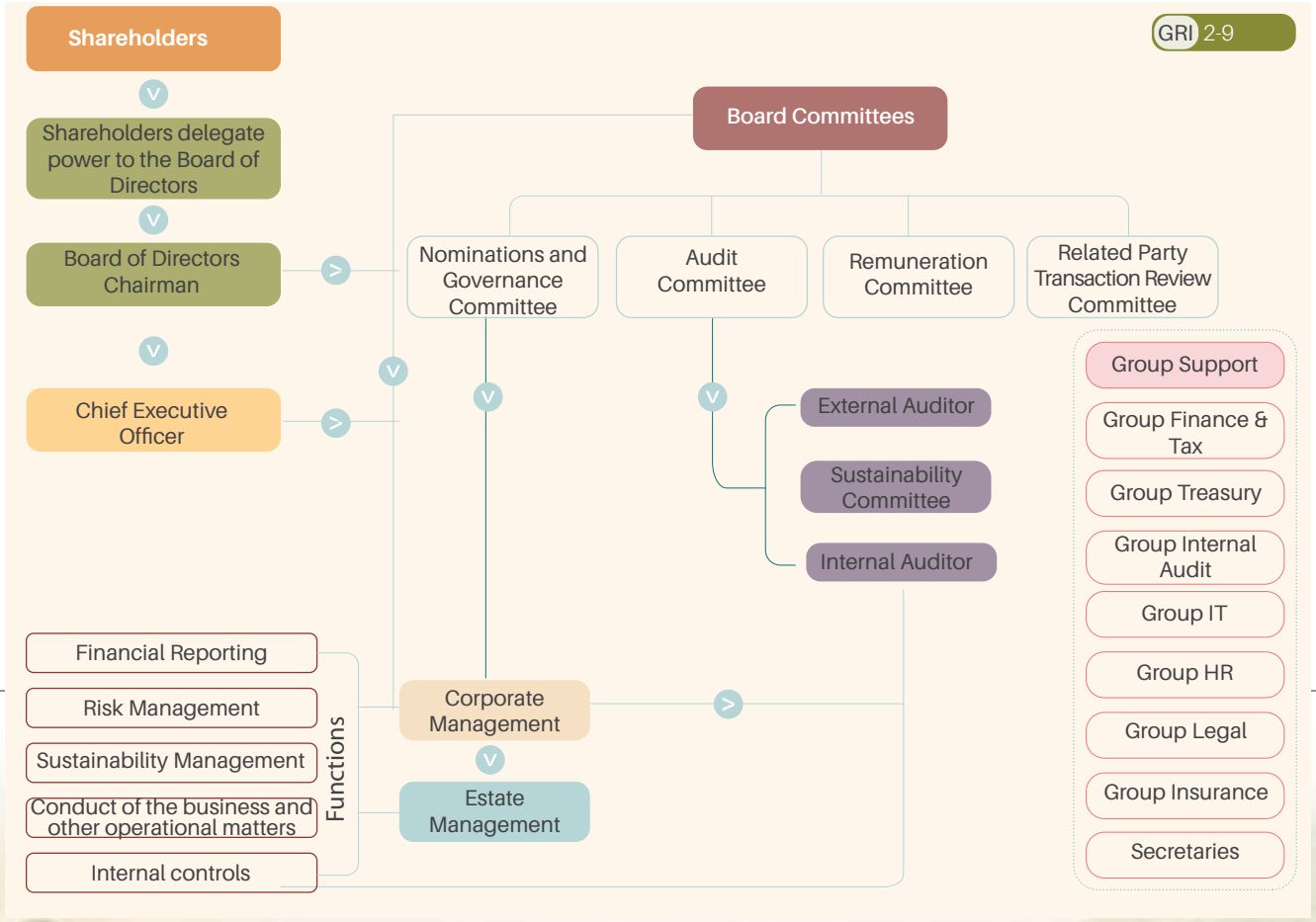
Colombo Stock Exchange	Status of Namunukula Plantation PLC
Non-Executive Directors	In Compliance
Independent Directors	In Compliance
Disclosures relating to Directors	In Compliance
Remuneration Committee	In Compliance
Audit Committee	In Compliance
Related Party Transactions Committee	In Compliance
Nominations and Governance Committee	In Compliance

Corporate Governance Requirements under Section 9 of the Listing Rules issued by the Colombo Stock Exchange

The corporate governance requirements applicable to listed entities were revised during the FY 2025/26 with effect from 01st October 2023. The compliance report for this is provided on pages 253 to 257.

Corporate Governance Structure

GRI 2-9



Report of the Audit Committee

Composition of the Committee

The Committee consisted of one Non-Independent Non-Executive Director and two Independent Non-Executive Directors namely Mr. S G D Amerasinghe, Dr. Bandara Rekogama, and the Chairman of the Committee, Mr.Ranil Goonetilleke, a Fellow of the Institute of Chartered Management Accountants – UK. The Company Secretary functions as Secretary to the Audit Committee.

The committee comprises the following members and their attendance at meetings are as follows.

Name of the Member		Number of meetings eligible to attend	Number of Meetings attended	
Mr. Ranil Goonetilleke	Chairman	9	8	◉
Mr. S G D Amerasinghe	Member	9	8	⊙
Mr. Neville Peiris (Retired from the directorate W.I.F. 15th July 2025)	Member	2	-	◉
Dr. Bandara Rekogama (Appointed on 16th July 2025)	Member	7	7	◉

◉ Independent Non- Executive Director
⊙ Non- Independent Non- Executive Director

Charter of the Committee

The Audit Committee Charter, defines the purpose, authority, composition and responsibilities of the Committee.

The purpose of the Audit Committee is to:

1. Assist the Board of Directors in fulfilling its overall responsibilities in the financial reporting process.
2. Review the system of internal controls and risk management.
3. Monitor and evaluate the effectiveness of the internal audit function.
4. Review the Company's process for monitoring compliance with laws and regulations.
5. Review the independence and performance of the external auditors.
6. To make recommendations to the Board on the appointment of external auditors and recommend their remuneration and terms of engagement.

The principal activities of the Committee are detailed below:

Internal Audit and Risk Management

The Internal Audit program was reviewed by the Committee to ensure that it covered the major business areas.

Special audit committees were convened for internal audit reports and the Head of Group Internal Audit was invited to participate in the discussions. A summary of the salient findings of all internal audits and details of the investigations carried out by the Internal Audit Department for the period was presented. The responses from Management with respect to the internal audit findings were reviewed and noted and where necessary corrective actions were recommended.

Internal Controls

During meetings, the Committee reviewed the adequacy and effectiveness of the internal control systems and the Group's approach to its exposure to the business and financial risks. Processes are in place to safeguard the assets of the organization and to ensure that the financial reporting system can be relied upon in the preparation and presentation of the quarterly and annual statements. The Audit Committee reviews the financial statements taking into consideration the key performance impacts highlighted by Management in the operations of the Company.

Financial Statements

The Committee reviewed the Group's Quarterly Financial Statements, the Annual Report and Accounts for reliability, consistency and compliance with the Sri Lanka Accounting Standards and other statutory requirements, including the Companies Act, No 7 of 2007, prior to issuance. The committee also reviewed the adequacy of disclosure in the published Financial Statements.

External Auditors

The Audit Committee has reviewed the other services provided by the External Auditors to ensure their independence as Auditors has not been compromised.

The Committee met with the Auditors and discussed issues arising from the audit and corrective action taken when necessary. Meetings were held with the external auditors regarding the scope and the conduct of the annual audits

The Audit Committee has recommended to the Board of Directors that Messrs Ernst & Young be re-appointed as Auditors for the financial year ending 31st March, 2026 subject to the approval of the shareholders at the next Annual General Meeting.

Meetings

The Audit Committee held 09 meetings during the year under review.

- 27th May 2025
- 17th June 2025
- 05th August 2025
- 22nd August 2025

- 16th October 2025
- 04th November 2025
- 21st January 2026
- 10th February 2026
- 19th March 2026

The Head of Finance, Sector Finance Controller, Group Internal Audit Head and Chief Executive Officer are invited to attend the audit committee meetings.

Conclusion

The Committee received confirmation from the chief executive officer and Sector financial controller on the company operational and financial status. It was satisfied that the financial records are properly maintained and that the financial statements accurately reflect the company operations and financial position. Further, the Committee obtained regular updates regarding compliance matters.
The Audit Committee is satisfied that the control environment prevailing in the organization provides reasonable assurance regarding the reliability of the financial reporting of the Group, the assets are safeguarded and the Listing Rules of the Colombo Stock Exchange have been complied with. Any non-compliances are intimated to the Board for corrective action.

Mr. Ranil Goonetilleke
Chairman of the Audit Committee
25th August 2026

Remuneration Committee Report

Composition of the Committee

The Remuneration Committee consisted of two Independent Non-executive Directors and one Non-Independent Non-executive Director namely its' Chairman Dr. Bandara Rekogama, Mr. Ranil Goonetilleke (Independent Non-Executive Director) and Mr. S G D Amerasinghe (Non-Independent Non-Executive Director).

The following changes took place during the financial year in compliance with the Governance Rules stipulated in Section 9 of the Listing rules of the Colombo Stock Exchange.

The members who served on the Committee during the financial year are as follows:

Dr. Bandara Rekogama (Appointed on 16th July 2025)	Chairman	◉
Mr. Ranil Goonetilleke	Member	◉
Mr. Neville Peiris (Retired from the directorate W.I.F. 15th July 2025)	Member	◉
Mr. S G D Amerasinghe	Member	⊙

◉ Independent Non- Executive Director
⊙ Non- Independent Non- Executive Director

Meetings and Attendance

The Remuneration Committee held one meeting during the year under review.

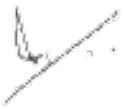
Name of the Member		Number of meetings eligible to attend	Number of Meetings attended
Dr. Bandara Rekogama (Appointed on 16th July 2025)	Chairman	1	1
Mr. Ranil Goonetilleke	Member	1	1
Mr. Neville Peiris (Retired from the directorate W.I.F. 15th July 2025)	Member	-	-
Mr. S G D Amerasinghe	Member	1	1

Remuneration Policy

The Committee is proposed to the Board for reviewing the remuneration of the Executive Director/Chief Executive Officer and to recommend appropriate remuneration benefits and other payments.

The Remuneration policy of the Company is formulated to attract and retain high caliber personnel and motivate them to develop and implement the business strategy in order to optimize long term shareholder value. The Committee took into account, competition, market information and business performance in deciding the overall remuneration policy.

Further information on the policies adopted by the Company can be accessed using the link or QR code provided. They have been uploaded to the Company's website in accordance with the Corporate Governance Rules of the Colombo Stock Exchange.



Dr. Bandara Rekogama
Chairman - Remuneration Committee
25th August 2026

https://www.arpico.com/investor-relations/policies/

Related Party Transactions Review Committee Report

Composition of the Committee

The Related Party Transactions Review Committee consisted of two Independent Non-Executive Directors and one Non-Independent Non-Executive Director namely its' Chairman Mr. Ranil Goonetilleke, Dr. Bandara Rekogama (Independent Non-Executive Director) and Mr. S G D Amerasinghe (Non-Independent Non-Executive Director).

The committee comprises the following members.

Name of the Member		Number of meetings eligible to attend	Number of Meetings attended	
Mr. Ranil Goonetilleke	Chairman	6	5	◉
Mr. S G D Amerasinghe	Member	6	5	⊙
Mr. Neville Peiris (Retired from the directorate W.I.F. 15th July 2025)	Member	1	-	◉
Dr. Bandara Rekogama (Appointed on 16th July 2025)	Member	5	5	◉

◉ Independent Non- Executive Director
⊙ Non- Independent Non- Executive Director

The Group Head of Finance and Sector Financial Controller attended the meetings by invitation. The Company Secretary functions as Secretary to the Related Party Transactions Review Committee.

The Objectives of the Committee,

- To exercise oversight on behalf of the Board, that all Related Party Transactions ("RPTs", other than those exempted by the CSE listing rules on the Related Party Transactions) of the Company, its parent Richard Pieris & Company PLC and all listed subsidiaries withing the Richard Peiris Group are carried out and disclosed in a manner consistent with the CSE listing rules.
- To advise and update the Board of Directors on the related party transactions of each of the listed companies on a quarterly basis.
- To ensure compliance with the CSE listing rules on the Related Party Transactions.
- To review policies and procedures of Related Party Transactions of the Group.
- To ensure shareholder interests are protected and that fairness and transparency are maintained.

The Committee reviewed the policy framework for adoption on Related Party Transactions for Richard Pieris & Company and all the listed subsidiaries in the group. In such process the committee considered and reviewed Related Party Transactions which require approval of the Board of Directors, based on the various thresholds set out by the Colombo Stock Exchange listing rules and disclosure requirements, etc. The monitoring system in place to capture the information pertaining to Related Party Transactions and to determine that the transactions comply with statutory and regulatory requirements were also reviewed.

The Committee has held 06 meetings during the period. The activities and views of the Committee have been communicated to the Board of Directors where appropriate.

- 17th May 2025
- 05th August 2025
- 18th August 2025
- 04th November 2025
- 24th December 2025
- 10th February 2026

Related Party Transactions during the year 2025/26

Details of the related party transactions entered into by the Group/Company are disclosed on pages 323 to 325.

Declaration

Annual Report of the Board of Directors on the Affairs of the Company, Pages 271 to 275 for the declaration by the Board of Directors that no related party transaction falling within the ambit of the Listing Rules was entered into by the Company during 2025/26, except what was disclosed in the note no. 32.

Disclosures

A detailed disclosure of all the related party transactions, including recurrent and non-recurrent related party transactions, that are required to be disclosed under Section 9.3.2 of the Listing Rules of the CSE has been made in Note 32 to the financial statements given from pages 323 to 325 in the report.

Mr. Ranil Goonetilleke
Chairman
25th August 2026

Nominations and Governance Committee Report

GRI 2-10

Composition of the Committee

The Nominations and Governance Committee consisted of two Independent Non-Executive Directors and one Non-Independent Non-Executive Director namely its' Chairman Dr. Bandara Rekogama, Mr. Ranil Goonetilleke (Independent Non-Executive Director) and Mr. S G D Amerasinghe (Non-Independent Non-Executive Director).

The committee comprises the following members

Dr. Bandara Rekogama (Appointed on 16th July 2025)	Chairman	◉
Mr. Ranil Goonetilleke	Member	◉
Mr. Neville Peiris (Retired from the directorate W.I.F. 15th July 2025)	Member	◉
Mr. S G D Amerasinghe	Member	⊙

◉ Independent Non- Executive Director
⊙ Non- Independent Non- Executive Director

Meetings and Attendance

The Nomination and governance Committee held one meeting during the year under review.

Name of the Member		Number of meetings eligible to attend	Number of Meetings attended
Dr. Bandara Rekogama (Appointed on 16th July 2025)	Chairman	-	-
Mr. Ranil Goonetilleke	Member	1	1
Mr. Neville Peiris (Retired from the directorate W.I.F. 15th July 2025)	Member	-	-
Mr. S G D Amerasinghe	Member	1	1

The meetings were conducted to review matters relating to Board composition, governance frameworks, and succession planning.

The Committee operates under the guidelines established in its Charter, which is approved by the Board of Directors. The Charter outlines the purpose, authority, composition, and responsibilities of the Committee in line with the Corporate Governance rules.

Purpose of the Committee

The primary purpose of the Nomination & Governance Committee is to:

1. Ensure the Board comprises an appropriate mix of skills, experience, and diversity to effectively discharge its responsibilities.
2. Recommend the appointment and re-election of Directors to the Board, ensuring adherence to established Corporate Governance principles.
3. Oversee the development and implementation of sound governance policies and practices across the Company.
4. Evaluate the independence of Non-Executive Directors annually and ensure compliance with regulatory requirements.

Governance and Oversight

The Committee reviewed the Group's compliance with the Corporate Governance Code prescribed by the Colombo Stock Exchange and other applicable regulations.

The framework for governance policies, including Board performance evaluations and training initiatives for Directors, was strengthened to align with emerging best practices.

Director Nominations and Succession Planning

During the year, the Committee:

- Recommended the appointment of one Director to fill vacancies arose from retirements. The nominations were based on a structured assessment of the candidates' qualifications, experience, and alignment with the Group's strategic objectives.
- Develop succession plan for board of directors and key management roles across of the company.

Board Effectiveness and Independence

The Committee conducted an annual review of the Board's composition, independence, and performance. Feedback was collected from Directors to identify areas for improvement. The independence of all Non-Executive Directors was assessed, ensuring adherence to governance standards.

Training and Development

The Committee facilitated training sessions for Directors on key topics, including sustainability, risk management, and regulatory updates. Continuous development programs were designed to enhance Directors' capabilities in fulfilling their roles effectively.

Conclusion

The Nomination & Governance Committee is satisfied that its activities during the year have supported the Group's governance framework and strategic direction. The Committee remains committed to uphold the highest standards of governance, ensuring the Board's effectiveness, and facilitating sustainable long-term growth for the Company.

Dr. Bandara Rekogama
Chairman - Nominations and Governance Committee
Colombo.
25th August 2026

Risk Management

The rigorous execution of strong risk management techniques is critical to achieving our strategic goals, supporting long-term value generation, and serving as a foundation for our business model.

Risk is the possibility that an uncertain event will occur and cause a loss, harm, or deviation from an expected outcome. Managing risk can mark the fine line between the success or failure of a business. It is therefore paramount that the intelligent and proactive management of risk is essential for the long-term continuity of a Company. Risk management contributes value by creating an early warning system that positions the organization to make adjustments to the strategy and business model that capitalize on market opportunities and emerging risks before they become common knowledge in the industry.A strong governance framework, risk management process, corporate social responsibility, and internal audit procedures are all crucial for becoming a good corporate citizen in a dynamic business environment. Continuous practice of strong corporate governance always contributes to a sustainable flow of operations as well as a transparent operational structure.

In the process of corporate governance, risk management plays a vital part where risk are proactively identified, evaluated, managed and reported. This is a paramount importance in the plantation sector, due to the known fact that the climate change have had a significant impact in the past. Priority is given to risks based on the impact and the likelihood of occurrence. A step going beyond traditional risk management, while taking actions to minimize the downside of the risks. Improved decisions are taken to capitalize on the potential opportunities as well. NPPLC is exposed to a multitude of risks when reaching for its realization of vision, mission and corporate objectives. The Board of Directors therefore places special emphasis on the management of risks and together with the Management Committee, ensures that a sound system of controls including financial, operational and compliance controls are in place, and reviews regularly the effectiveness of such controls, to safeguard shareholder investments.

Corporate Governance Pillars in Relation to Risk Management

Corporate governance supports risk management through four main pillars:

Accountability	• This pillar ensures clear responsibility for risk oversight and strategic direction. • The Board approves the risk management policy and risk appetite, providing clear direction on the level of risk the company will accept.
Transparency	• This pillar ensures risk data is shared accurately and timely. • Include detailed risk disclosures in annual reports, describing key Internal and external risks
Fairness	• This pillar ensures that risk strategies respect stakeholder equity and rights. • Decisions on risk-taking (e.g., expansion, diversification, environmental risk mitigation) are evaluated fairly, ensuring no group is unduly disadvantaged.
Responsibility	• This pillar ensures risks are managed ethically and in support of long-term sustainable value. • Company have embed environmental, social and governance (ESG) considerations into risk assessments.

Risk Management

Risk governance framework

Governance Level	Function	Area Focused
Board of Directors	Governance and risk oversight at corporate level.	• Set the tone on risk management culture. • Maintain sound and effective risk management and internal control system. • Risk Appetite.
Audit Committee	Ensure key risks are properly identified and clearly reported to the Board. (Independent risk & control oversight)	• Review the effectiveness of the risk management process and oversee implementation of risk strategies. • Review and approve changes to the risk management program. • Ensure risk reporting from management is adequate and comprehensive.
Internal Audit Function	Evaluate and enhance risk management, internal controls, and governance processes.	• Define and monitor the risk management process and implement mitigation actions. • Plan and perform assurance activities to ensure effective internal controls, policies, and procedures.
Functional Managers	Identify and evaluate and mitigate risks related to business functions	• Communicate the Company's tax risk appetite and tax risk management approach. • Identify risks within each business unit. • Support and advise on risk mitigation actions. • Monitor and control identified risks. • Provide assurance to the Board that tax risks are properly assessed in all significant transactions and decisions.
Estate level managers	Ensure the risk mitigation actions are implemented correctly and timely.	• Identify operational risks. • Manage risks on an ongoing basis and ensure controls are effective. • Implement risk mitigation actions at estate level. • Evaluate effectiveness of risk mitigation as part of all commercial decisions.

The company also adopts the three lines of defense model (as illustrated below), which promotes a structured approach to risk management by clearly defining roles and responsibilities. This framework ensures proper segregation of duties, strengthens accountability, and supports the effective identification, management, and oversight of risks across the organization.

1 st Line Defense

The first line of defense, comprising business line management, is responsible for the identification, assessment, acceptance, and mitigation of risks in day-to-day operations.

2 nd Line Defense

The second line of defense, including the Board, Audit Committee, and the Head of Risk, provides oversight by monitoring risk management practices and ensuring that appropriate controls and policies are in place.

3 rd Line Defense

The third line of defense, represented by Internal Audit, provides independent assurance on the effectiveness of the first and second lines of defense, ensuring that risk management processes are functioning as intended.

RISK MANAGEMENT

It is essential to maintain a risk management process as it enables the Company to manage risk effectively and efficiently. In response to this, a multi-step Risk Management Process is in operation, where potential threats or risks, whether internal or external to the business, are identified and evaluated. The Diagram below shows the above steps of risk management in overall context of Namunukula Plantations PLC.

Based on the risk level, Company takes appropriate decisions & necessary action to mitigate the risk. If the risk is within the Company`s risk appetite, actions will be taken to minimize the risk or accept the risks. In contrary if it is beyond the risk appetite, actions will be taken to transfer or avoid the risks.

Risk Identification

To ensure effective management, Risks and Opportunities identification is precise and specific.

Risk Assessment

Quantitative and qualitative assessments are essential for comprehensive risk evaluation, analyzing probability, impact, and financial implications.

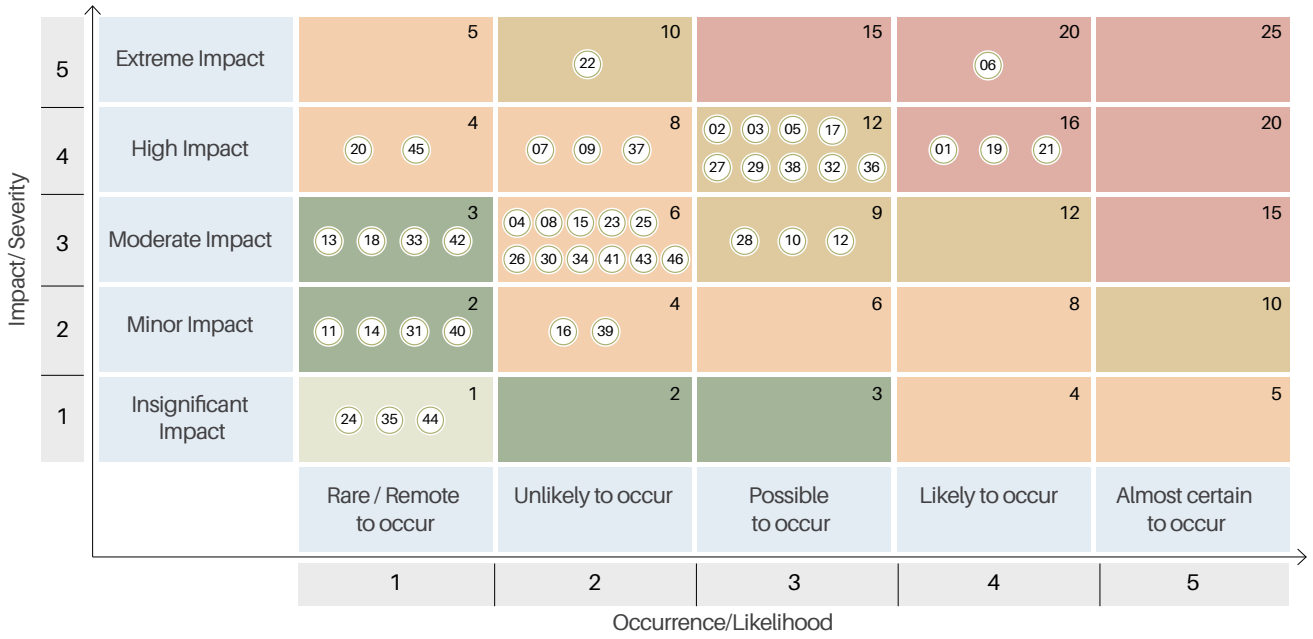
Risk Treatment

The risk treatment plan aims to minimize the probability and impact of risks through preventive actions.

Risk Monitor and Report

Developing a monitoring and reporting structure ensures proper escalation and implementation of risk responses.

Following graph depicts the linking control activities to the risk response



Risk Management

In addition to the Risk Matrix methodology used to evaluate the likelihood and impact of operational and strategic risks, the Company utilizes several analytical tools to strengthen enterprise-wide risk assessment and long-term decision-making.

Strategic Risk Assessment Tools

Tool	Purpose	Application within Plantation Operations
SWOT Analysis	Evaluates internal strengths and weaknesses together with external opportunities and threats	Assists in identifying operational efficiencies, market opportunities, crop diversification potential, and industry challenges
PESTEL Analysis	Assesses external macro-environmental factors	Evaluates political, economic, social, technological, environmental, and legal developments affecting plantation operations
Scenario Analysis	Assesses potential future business conditions and uncertainties	Supports preparedness for climate variability, commodity price fluctuations, labour shortages, and export market changes

NPPLC continuously monitors the effectiveness of actions taken in response to risk minimization strategies implemented to verify the appropriateness of the implemented strategies. In risk monitoring, the Company is expected to evaluate the effectiveness of the strategies implemented as to whether the strategies have brought the expected results by reducing the respective risks within the year. This monitoring process is carried out at different levels of the Company. The Company maintains a formal mechanism of risk reporting initially by corporate management. The risks are then presented to the Board of Directors, Audit Committee of the Company and other responsible top management, if required. Finalized and approved risk strategies are communicated to the ground level for implementation. Ultimately, to review the risk management process, the gross risk (assessment of risk before risk minimization strategies are being implemented) is compared with the net risk (assessment of risk after risk minimization strategies are being implemented) and the impact to continue with the sustainable risk management cycle is documented. This diagram overleaf summarizes examples of key risks in these areas and shows that some specific risks can have both external and internal drivers and therefore overlap the two areas.

The Company recognizes the growing importance of sustainability-related risks and opportunities in achieving long-term success. Environmental and social factors significantly influence operational resilience and stakeholder trust. To address this, sustainability risks are embedded within the enterprise risk management framework, supported by continuous monitoring, stakeholder engagement, and structured governance. Risk evaluation is conducted using a matrix approach, guiding appropriate response strategies.

Risk Categorization

1- Insignificant 2- Low 3 - Medium 4 - High 5 - Extreme

Risk Categorization				Occurance/ Likelihood	Impact	Risk Level
Strategic Risk	Macro Economic & Market Risk	1	Economic crisis	4	4	16
		2	Oil palm price volatility	3	4	12
		3	Auction prices	3	4	12
		4	Customer demand changes	2	3	6
		5	Global economic impact	3	4	12
	Government policy & regulatory risk	6	Government Policy On Oil Palm Expansion	4	5	20
	Climate & Environmental Changes	7	Climate risk	2	4	8
		8	Ecological risk	2	3	6
	Social Community & Cultural Risk	9	Social and Community engagement related risks	2	4	8
		10	Social Pressure against Oil palm expansion	3	3	9
		11	Cultural sensitivity	1	2	2
		12	Labor relations	3	3	9
	Reputation & Brand Risk	13	Reputation	1	3	3
		14	Brand image	1	2	2
	Competition & Industry Risk	15	Competition actions	2	3	6
		16	Substitute products	2	2	4
	Human Capital & Talent Risk	17	Wage structure	3	4	12
		18	Talent Attraction & Retention	1	3	3
		19	Labor Availability	4	4	16
Operational Risk	Production & Agricultural Risk	20	Production risk	1	4	4
		21	Access to Field For Crop recovery	4	4	16
		22	Crop Diseases	2	5	10
		23	Energy Cost	2	3	6
	Supply Chain & Procurement Risk	24	Procurement	1	1	1
		25	Inventory	2	3	6
		26	Value chain	2	3	6
		27	Factory Machinery	3	4	12
	Technology & Information	28	Technology risk	3	3	9
		29	IT systems	3	4	12
		30	Data intergrity	2	3	6
	Health Safety & Workforce Risk	31	Occupational risk & safety	1	2	2
		32	Human capital & Labor risk	3	4	12
Financial Risk	Liquidity,Investment & Capital Risk	33	Liquidity Management	1	3	3
		34	Investment risk	2	3	6
		35	Asset returns	1	1	1
	Interest Rate, Inflation & Currency Rate Risk	36	Interest rate risk	3	4	12
		37	Inflation & Currency Risk	2	4	8
		38	Foreign Exchange Risk	3	4	12
	Credit & Counterparty Risk	39	Credit Risk From Buyers, Suppliers, Lenders	2	2	4
Compliance Risk	Legal Regulatory & Compliance Risk	40	Compliance with relavent legislations & internal policies	1	2	2
		41	Tax compliance	2	3	6
		42	PMMD compliance requirements	1	3	3
	Fraud, Ethics & Anti Corruption Risk	43	Fraud & Anti corruption	2	3	6
	Certification & Sustainability Compliance Risk	44	Rainforest Alliance (RA) Certification and Renewal	1	1	1
Emerging Risk	Emerging & Other Risks	45	Cyber Security Breaches (hacking, data leaks)	1	4	4
		46	Failure to Adopt New Technology (precision agriculture, AI)	2	3	6

Risk Categorization

Company identified above mention risks in accordance with risk impact and risk level. NPPLC's risk management plan of key risks present as follows:

STRATEGIC RISK

Macroeconomic & Market Risk

Insignificant Low Medium High Extreme

Risk	Risk Description	Likelihood	Risk Impact
01.Economic Crisis People Profit	Compared to previous years, the Sri Lankan economy in 2025/2026 has shown moderate growth with lower inflation and improved macroeconomic stability. However, structural challenges, sector-specific pressures, high public debt, and the risk of fuel shortages continue to pose significant threats to business operations. Implications / Consequences • Revenue losses due to yield reductions caused by limited access to essential inputs and fuel • Disruptions to transportation and field operations due to fuel shortages • Unavailability of inputs for continuous operations • Increased operational costs due to higher fuel and logistics expenses Company Objectives • Ensure continuity of day-to-day operations without interruptions • Minimize productivity losses due to insufficient inputs and fuel constraints • Maintain efficient logistics and transportation despite fuel-related challenge Risk Minimization Strategies • Continuous monitoring of economic conditions and fuel supply trends • Reducing dependency on imported agrochemicals and fertilizers by promoting organic alternatives and efficient use of available stocks • Implementing cost reduction and operational efficiency improvement initiatives • Identifying and maintaining alternative suppliers for critical inputs • Maintaining emergency cash flow arrangements with financial institutions (banks, brokers)	H	H
02.Oil Palm Price Volatility Profit	Price Volatility arises mainly from global Crude Palm Oil market forces and import duty on Crude Palm Oil. This could potentially impact to Possible Revenue shortfalls against the expected amount and ultimately affect to our market place and competitive advantage. Implications / Consequences • Revenue shortfall Company Objectives • Minimizing the risk associated with the Oil palm prices. Risk Minimization Strategies • Continuous monitoring of global CPO prices. • Improve the product quality and increase production quantity. • Larger contract volumes during higher prices to advantage from seasonal price changes. • nvestment in the joint venture AEN, where the entire crop is processed.	M	H

Insignificant Low Medium High Extreme

Risk	Risk Description	Likelihood	Risk Impact
03.Auction Prices Profit	The Tea & Rubber market remains volatile due to global factors such as geo political tensions in key import destinations for Sri Lanka Teas & Rubber, economic depression in key world economies, fluctuations in interest rates, exchange rates and world oil prices etc. influencing demand and the price of Tea & Rubber. Implications / Consequences • Impact on profitability & Sales forecasting • Price competition leading to potential losses Company Objectives • Minimizing the risk associated with the auction prices. • Ensuring the best price is obtained at the auctions. Risk Minimization Strategies • Upgrade the quality level of products to be acceptable to premium market buyers. • Spread risk through crop diversification and change grade mix to cater customer requirements. • Obtain international standards and quality accreditations to maintain attractive prices. • Continuous monitoring of market price trends and predicting future variations	M	H
04.Customer Demand Changes People Profit	Change in consumer demand behaviour poses a significant risk to our plantation company. Shifts in consumer preferences towards other crops based products, or fluctuations in global market trends, can directly impact the demand for our crops and affect pricing strategies. Implications / Consequences • Loss of market if products don't align with trends • Shift to sustainable or alternative Company Objective • Enhance crop diversification by developing and promoting sustainable and organic crop options to meet changing consumer preferences. Risk Minimization Strategies • Analyzing current market situation to monitor consumer trends and preferences, allowing for timely adjustments for our cultivations. • Following sustainable cultivation practices and obtain third party certifications to appeal to environmentally conscious consumer	L	M
05.Global Economic Impact People Profit	Understanding and monitoring global economic changes is vital for conducting thorough risk assessments to minimize the risk associated with changes due to global recessions, sanctions on countries, or changes in international markets. Implications / Consequences • Export demand fluctuations • Currency and trade policy challenges Company Objectives • Proactively monitoring and adapting to global economic changes to mitigate associated risks and optimize opportunities, ensuring sustained resilience and long term growth Risk Minimization Strategies • Maintaining a diversified product range to meet the probable trends. • Implementing cost-saving measures and efficiency improvement procedures to enhance profitability by investing in new technologies.	M	H

Risk Categorization

Government Policy & Regulatory Risk

Insignificant | Low | Medium | High | Extreme

Risk	Risk Description	Likelihood	Risk Impact
06.Government Policy On Oil Palm Expansion GRI 2-6 Profit Planet	Changes in government policy from current drive to increase import substitution activity for edible oil. Restriction imposed by government on Oil palm cultivation impact to replanting & new planting process of Oil palm and it creates lower yield and crop due to non-replacement of ageing trees. Implications / Consequences • Restrictions on land use or expansion • Compliance costs and penalties Company Objective • Eliminate the negative perception associated with Oil palm planting. Risk Minimization Strategies • Represent the policy direction through the Planters Association & Palm Oil Industry Association (POIA). • Rather than planting new Oil palm trees, invest in new and replanted Coconut trees. • Engagement wi th government agencies • Affiliation with industry association • Active government relations and policy advocacy programmes • Transparent environmental impact assessments and communication	H	E

Climate & Environmental

07.Climate Risk GRI 201-2 Profit Planet	We operate in a considerably volatile natural condition & Due to unpredicted weather patterns and natural environmental conditions our production quality and quantity could get affected. Implications / Consequences • Lower yields due to unpredictable weather • Increased pests and diseases Company Objectives • Minimizing adverse effects due to climate changes. • Maintain the quality of the crops in spite of climate changes. Risk Minimization Strategies • Change fertilizing cycles to go in par with the climate changes. • Change the harvesting pattern accordingly. • Crop diversification.	L	H
08.Ecological Risk Planet	Ecological risks pose significant challenges to our plantation operations, particularly in the cultivation and distribution of Tea, Rubber, Oil palm, Coconut, and Cinnamon. These risks include soil degradation, loss of biodiversity, and climate change impacts, which can adversely affect crop yields and sustainability. Implications/Consequences • Legal penalties for environmental harm • Loss of operating licenses Company Objectives • To implement sustainable agricultural practices that minimize environmental harm while maximizing productivity. Risk Minimization Strategies • Following environment friendly practices that enhance biodiversity and soil health, and systematically reduce chemical usage in cultivation process, thereby protecting the surrounding ecosystem.	L	M

Social Community & Cultural Risk

Insignificant | Low | Medium | High | Extreme

Risk	Risk Description	Likelihood	Risk Impact
09.Social and Community Engagement Related Risk People	Social and community engagement-related risks in our plantation Company can arise from negative perceptions, conflicts with local communities. These risks can undermine our reputation, lead to protests, and hinder operational efficiency. To address these concerns, we believe that it is crucial to foster strong relationships with local stakeholders and ensure that our operations align with community interests and sustainable practices. Implications / Consequences • Operational disruptions due to protests or conflict • Legal challenges or project delays Company Objective: • To build and maintain positive relationships with local communities, ensuring that our plantation activities contribute to their social and economic well-being. Mitigation Strategies: • Creating platforms and implementing programmes to develop community engagement and understand their needs, address concerns, and involve them in decision-making processes related to plantation activities. • Invest in local development projects, such as education, healthcare, and infrastructure, to demonstrate our commitment to the community's welfare	L 	H
10.Social Pressure against Oil palm expansion GRI 2-6 Profit Planet People	It was unable to replace the aging palm due to opposition from various groups to Palm Oil expansion and cultivation. It became difficult to sustain the crop yields. To reduce this risk, the Company has to allocate additional resources, which represents an opportunity cost. Implications / Consequences • Opportunity cost of maintaining unproductive Rubber and Tea fields • Project delays or cancellations Company Objectives • Assessing the environmental impact without bias. • Maintain best social relationship as responsible corporate citizen Risk Minimization Strategies • Organize public awareness campaigns • Village integration programmes • Engagement with pressure groups 04. Offer employment opportunity to community	M 	M
11.Cultural Sensitivity People	Cultural sensitivity-related risks in our plantation company, which cultivates Tea, Rubber, Oil palm, Cinnamon, and Coconut, can significantly impact community relations, employee morale, and brand reputation. Misunderstanding local customs, traditions, or land rights can lead to conflicts with indigenous populations, negatively affecting our operations and sustainability efforts and also may lead to loss of consumer trust. Implications / Consequences • Damage to Company image due to cultural missteps • Community resistance Company Objective: • Foster strong relationships with local communities by respecting their cultural heritage and promoting inclusive agricultural practices. Mitigation Strategies: • Establish ongoing dialogues with local communities to understand their cultural values and practices. • Increasing awareness of local customs and cultural issues, ensuring that all staff understand the importance of cultural sensitivity in their interactions with local communities	I 	L

Risk Categorization

Insignificant | Low | Medium | High | Extreme

Risk	Risk Description	Likelihood	Risk Impact
12.Labour Relations People	Labour relations related risk of our company may affect the workforce stability, operational continuity & overall productivity. Implications / Consequences • Legal penalties or Compensation claims • Increased employee turnover & reduced productivity • Reputational Damage Company Objective • Maintain fair & Stable labour relations that support employee well-being & effective operations. Risk Minimization Strategies • Ensure compliance with labour laws • Fair wages & working environment • Implement effective grievance handling mechanism	M	M
Reputation & Brand Risk			
13.Reputation Profit	A positive reputation is essential for us to drive the brand value, customer loyalty, and stakeholder trust, which are crucial for long-term success, as even a single reputational misstep in today's digitally interconnected world can lead to significant and wide ranging consequences. Implications / Consequences • Loss of market trust and stakeholder confidence • Decreased brand value and partnerships Company Objective • Establishing a positive perception about the organization among stakeholders Risk Minimization Strategies • Having in place a budgetary process & a budgetary control mechanism on a monthly basis to ensure that the Company's performance is continuously in line with its targets • Ensuring effective communication with various stakeholders such as employees, bankers, regulators customers, suppliers and the shareholders	I	M
14.Brand Image Profit	Brand reputation plays a crucial role in the success of our plantation business, as it directly influences customer satisfaction and ensure long-term profitability. Any negative perceptions related to product quality, ethical sourcing, or environmental impact can significantly hinder sales and damage our reputation where we specially involve in sale of tea directly to the customer through our tea center. Implications / Consequences • Reduced customer loyalty and trust • Negative media affecting business prospects Company Objective: • To establish and maintain a strong brand reputation by ensuring the highest quality standards and ethical practices in our production and packaging process Mitigation Strategies: • Share information about our sourcing, production processes, and sustainability efforts through marketing channels to build trust and engage with customers. • Implement strict quality control measures and seek third-party certifications to assure customers regarding our commitment to high standards and ethical practices	I	L

Competition & Industry Risk

Insignificant | Low | Medium | High | Extreme

Risk	Risk Description	Likelihood	Risk Impact
15.Competition Actions Profit	Competitor risk is paramount to our company's success as it provides crucial insights into market dynamics, threats, and opportunities. By understanding competitor behaviour and strategies, we can anticipate market shifts, identify gaps, and differentiate their offerings effectively. Implications / Consequences • Market share loss to more efficient or innovative firms • Price undercutting or better-quality offerings Company Objectives • Ensuring that our Company remains competitive, resilient, and sustainable in the market. Risk Minimization Strategies • Minimization of risks through diversification of crops	L	M
16.Substitute Products Profit	The availability of substitute products poses a risk to demand and pricing of our produce. Changes in consumer preferences, lower-priced alternatives, or imported substitutes may reduce market share and place pressure on margins. Implications / Consequences • Declining demand due to alternative products • Increased price competition • Reduce profit margins Company Objectives • Maintaining main marketing positioning through quality and differentiation • Ensure stable demand across markets Risk Minimization Strategies • Diversification of portfolio • Focus in quality enhancement & value addition • Expansion in to new market segments	L	L

Human Capital & Talent Risk

17.Wage structure Profit People	Maintaining positive margin with a rising wage structure under collective bargaining of the farmers & labours have become a challenging task while maintaining the remaining productivity level. Implications • Rising labour costs impacting profitability • Discontent or strikes if perceived as unfair Company objectives • Compliance to the regulatory wage structure Risk minimization strategies • Improve labour productivity by better HR practices • Outstanding or suspending of non-value adding activities • Negotiate with trade unions & stakeholders for a wage structure base on the productivity & wage negotiations are done with the Employer's federation of • Use technology to fulfill labour deficiencies • Implementation of productivity linked incentive schemes	M	H

Risk Categorization

Insignificant | Low | Medium | High | Extreme

Risk	Risk Description	Likelihood	Risk Impact
18.Talent Attraction & Retention Profit People	Talent attraction & Retention along with labour management, are critical risks for our plantation company, as a skilled and dedicated workforce is essential for maintaining productivity and achieving operational goals. High turnover rates can lead to increased training cost, reduced efficiency, & disruption of work process, jeopardizing our competitive edge in the industry. Implications/ consequences • Skills shortages impacting operations • Higher costs for recruitment and training Company Objective: • Enhance workforce stability by reducing employee turnover rates significantly within the next year. Mitigation Strategies: • Foster a positive work environment through regular feedback, recognition, and professional development opportunities, ensuring employees feel valued and invested in the company's success • Benchmark compensation against industry standards and provide attractive benefits to attract and retain top talent in the labour market.	I	M
19.Labour Availability Profit People	Plantation operations are highly dependent on the availability of skilled and experienced labour. Shortages due to workforce migration, demographic changes, or social factors may affect the timely execution of field activities. Implications / Consequences • Possible decline in crop quality due to untimely agricultural practices • Delays in harvesting & field operations leading to potential production losses Company Objectives • Ensures adequate labour availability to support uninterrupted plantation operations Risk Minimization Strategies • Implement of employee welfare and retention activities • Adoption of mechanization where feasible to dependency on manual labour	H	H

OPERATIONAL RISK

Production & Agricultural Risk

Insignificant | Low | Medium | High | Extreme

Risk	Risk Description	Likelihood	Risk Impact
20.Production risk Profit	Unpredictability in product quality results in reduced demand and leads to a drop in market price, market share & reputation. Further, this could result in working capital deficiencies. Implications / Consequences • Disrupted operations and lower output • Increased costs due to inefficiencies Company Objectives • Minimizing the inconsistencies in product quality • Centralizing Tea & Rubber processing according to High NSA & obtain selling mark advantage Risk Minimization Strategies • Obtaining regular advice from Industry experts, Tea Research Institute, Rubber Research institute, brokers and customers. • Close supervision of plucking, tapping & harvesting operations and manufacturing process. • Optimizing of Product portfolio to cater specific market segments and develop revenue streams from other projects such as tourism, minor crops and fruits cultivation. • Conduct quality assessments frequently and identify the improvements required in terms of quality. • Adhere to quality standards like ISO and HACCP. 06. Use Benchmark of introduced measures within the industry	I	H
21.Access to Field For Crop recovery People	Limited field access can hinder crop recovery and disrupt key activities like harvesting and maintenance. It may lead to crop loss, worker injuries, reduced morale, and overall inefficiencies that affect productivity and operational continuity. Implications / Consequences • Injury or fatality to workers, leading to compensation claims and reputational damage • Crop loss due to wild animal intrusion • Disruption of field activities (harvesting, maintenance, replanting). • Worker dissatisfaction and low morale Company Objectives • Employee Health & Safety: Threatens safe working environment standards • Operational Efficiency: Disrupts planned field operations and logistics • Production Targets: May result in missed harvest targets due to delays or crop damage • Cost Management: Unexpected costs from injuries, delays, and wildlife damage Risk Minimization Strategies • Conduct regular risk assessments and update field hazard maps • Improve field access infrastructure (roads, bridges, drainage) • Provide personal protective equipment (PPE) and first-aid facilities in the field • Establish clear emergency response procedures and train field staff • Conduct staff awareness programmes on identifying and responding to wildlife threats	H	H

Risk Categorization

Insignificant | Low | Medium | High | Extreme

Risk	Risk Description	Likelihood	Risk Impact
22.Crop Diseases Profit	Crop diseases pose an operational risk that can affect plant health, yield, and long term productivity. If not properly managed, they can lead to significant revenue loss, increased replanting costs, and reduced sustainability of operations. Implications / Consequences • Reduction in crop yield and quality, resulting in revenue loss • Tree mortality leading to long-term productivity decline and increased replanting costs. Company Objectives • Maintain long-term productivity and ensure sustainable operations. • Minimize replanting costs and safeguard yield efficiency and profitability. Risk Minimization Strategies • Implementation of scheduled fungicide applications and use of disease-resistant planting materials • Canopy management and field sanitation practices. • Prompt removal of infected plants, soil treatment, and use of tolerant varieties	L	E
23.Energy cost Profit Planet	The high cost of energy-related risk poses a significant challenge to our plantation operations, particularly in the cultivation and distribution of Tea, Rubber, Oil palm, Coconut, and Cinnamon. Rising energy prices can lead to increased operational costs, affecting our overall profitability and ability to compete in the market. Implications / Consequences • Increased operational expenses • Need for energy-efficient technologies Company Objectives • One of our Company objectives is to enhance operational efficiency by reducing energy consumption across all production processes. Risk Minimization Strategies • Planning to invest in renewable energy sources, such as solar power, to reduce reliance on conventional energy and lower costs in the long-term.(Page 100). • Adopt energy-efficient technologies and practices in our cultivation and processing operations to optimize energy use and minimize waste.	L	M
Supply Chain & Procurement Risk			
24.Procurement Risk Profit	Ensuring efficient flow of operations require good relationships with suppliers, which in turn will ensure, discounted prices and quality raw materials to add more value to our products. Implications / Consequences • Delay or cost increase in raw materials • Disruption in production schedules Company Objectives • Minimizing risk associated with price and availability. Risk Minimization Strategies • Establishing relationships with more than one supplier to buy leaf in order to reduce over-dependency on a single supplier • Entering into forward contracts for purchases of certain raw material items	I	I

Insignificant | Low | Medium | High | Extreme

Risk	Risk Description	Likelihood	Risk Impact
25.Inventory Risk Profit	Due to lower demand conditions there is a risk of accumulating produce stocks in the Tea factories, we have to ensure these stocks are disposed at the correct time at the auction. Implications / Consequences • Spoilage, theft, or overstock issues • Working capital inefficiencies Company Objectives • Reducing stock obsolescence and manage stock holding costs. • Reducing the risk associated with theft and shrinkage. Risk Minimization Strategies • Adopting a monthly declaration policy. • Identifying slow moving stocks and effectively laying out a channel for these to be sold off.	L	M
26.Value Chain Risk Profit	Risk due to loss of confidence and relationship with suppliers of inputs, (fertilizers, chemicals, packing materials, bought leaf suppliers) buyers and end customers and risk of non-maintaining manufacturing standards. Implications / Consequences • Bottlenecks or inefficiencies from suppliers to market • Quality or delivery delays Company Objectives • Minimizing risk of not meeting profit expectations. Risk Minimization Strategies • Follow a transparent procedure to evaluate quotations of suppliers through RPC group purchasing division. • Ensure on time payments and settlement for bought leaf suppliers and other commodity suppliers. • Conducting workshops for bought leaf suppliers to educate to deliver good quality leaf	L	M
27.Factory Machinery Breakdowns and Disruptions Profit	Machinery breakdowns and disruptions pose a significant risk to our plantation operations, impacting the cultivation and distribution of Tea, Rubber, Oil palm, Coconut, and Cinnamon. Such interruptions can lead to delays in harvesting and processing, resulting in financial losses and diminished product quality. Implications / Consequences • Production halts Company Objectives • To ensure operational continuity by maintaining a reliable and efficient machinery system. Risk Minimization Strategies • Implementing a rigorous preventive maintenance programme to regularly service and inspect equipment, thereby reducing the likelihood of unexpected breakdowns. • Planning to invest in new technologies and equipment to minimize downtime during repairs and ensure that production processes remain uninterrupted.	M	H

Risk Categorization

Technology & Information Risk

Insignificant | Low | Medium | High | Extreme

Risk	Risk Description	Likelihood	Risk Impact
28.Technology risk Profit	To enhance the productivity of the industry that we operate in, we have to consider efficient allocation of technological resources in our plantations. We have to consider new investment in new technological plants, machineries and advanced information technology to ensure a smooth flow of information for control purpose. Implications / Consequences • Obsolete systems hindering productivity • Cyber security threats Company Objectives • Keeping pace with the current technological developments and safeguard against obsolescence. Risk Minimization Strategies • Continuous investments in new Machinery and experiments on new methods. • Mechanization of estate functions up to the highest possible extent. • Investing in Research & Development activities whenever necessary. • Implementation of the new computer system in head office and • Investing in hardware resources with reputed companies.	M	M
29.IT systems Profit	With a decentralized information system and accounting system we operate in, we have to ensure those systems are up to date and operate resourceful to satisfy our dynamic needs. Implications / Consequences • Data loss, breaches, or downtime • Reduced decision-making capability Company Objectives • Minimizing risk associated with security, hardware communication and software • Maintaining of spare servers mirroring of hard disks with critical data. Risk Minimization Strategies • Maintaining of spare servers mirroring of hard disks with critical data. • Introduce sound IT Policy, IS policy and close supervision thereon. • Data back-ups stored in off-site locations. • Vendor agreements for support service and maintenance. • Regular updating of Virus scanners, Firewalls etc. • Compliance with statutory requirements for environmental preservations.	M	H
30.Data integrity Risk Profit	Accurate and reliable data is essential for effective decision-making and operational management. Weak controls, system failures, or human errors may affect the integrity of operational and financial data. Implications / Consequences • Inaccurate reporting and decision-making. • Potential compliance and regulatory issues • Operational inefficiencies due to unreliable data. Company Objectives • Ensure accuracy, reliability, and security of operational and financial data. • Maintain strong internal controls over data management processes. Risk Minimization Strategies • Implementation of internal controls and data validation procedures. • Regular system monitoring and data backup processes. • Periodic audits and staff training on data handling and security.	L	M

Health Safety & Workforce Risk

Insignificant | Low | Medium | High | Extreme

Risk	Risk Description	Likelihood	Risk Impact
31.Occupational risk & safety People	Occupational health and safety (OHS) is a critical risk in the plantation industry, particularly in the cultivation and distribution of Tea, Rubber, Oil palm, Coconut, and Cinnamon. Workers in these sectors often face hazards such as exposure to chemicals, heavy machinery, and extreme weather conditions, which can lead to injuries or longterm health issues. Implications / Consequences • Legal claims or penalties • Productivity loss and worker dissatisfaction Company Objectives • Ensure a safe and healthy work environment for all employees, minimizing workplace accidents and promoting overall well-being. Risk Minimization Strategies • Providing awareness to employees on safe handling practices and the use of personal protective equipment (PPE), and conducting health assessments to identify and address potential hazards proactively. • Appointing Health & Safety Committee at estate level with representation from field, the factory, divisions of the estate and medical staff which is headed by an Executive to address health and safety related issues	I 	L
32.Human capital & Labour risk Profit People	Heart of the operations is the people we have employed in our plantations. They are the key to our success and the most valuable assets of the Company. Implications / Consequences • Injuries, absenteeism, or low productivity • Legal liabilities Company Objectives • Ensuring a smooth flow of operations without any undue disruptions. • Minimize the risk associated with lack of labour in estates. • Minimize the risk associated with labour and talent migration. Risk Minimization Strategies • Maintaining healthy relationships with trade unions through regular dialogues. • Entering into collective agreements with trade unions • Ensure compliance with all regulatory requirements with regard to the benefits applicable to workers at estates. • To protect ourselves as an employer being successful in motivating, developing, retaining and attracting the best of human capital. • Implement better HR practices to attract retain high skilled and knowledgeable employees.	M 	H

Risk Categorization

FINANCIAL RISK

Liquidity & Cashflow Risk

Insignificant | Low | Medium | High | Extreme

Risk	Risk Description	Likelihood	Risk Impact
33.Liquidity Management Risk Profit	Failure to maintain Liquidity and cash management will disrupt the smooth flow of day to day operations and lead to widen the working capital gap of the Company. Implications / Consequences • Inability to meet short-term obligations • Strain on operations and strategic projects Company Objectives • Capitalizing on opportunities to raise funds at lowest possible cost. • Maximum utilization of the concessionary funding available to Plantation Companies. • Ensuring proper management of working capital. Risk Minimization Strategies • Funding of long-term assets through Equity and Long-term Loans. • Ensure availability and effective utilization of short-term facilities where necessary. • Closely monitoring of cash flow in every day and identify ways and managing funds. • Maintain cash flow and budgetary controls systems for effective monitoring. • Ensure the Company's ability to repay or refinance is not exceeding	I 	M

Investment & Capital Risk

34.Investment risk Profit	This involves failure in investments/inability to achieve expected objectives and resulted future profitability and sustainability of the Company. Implications / Consequences • Poor ROI on new projects • Shareholder dissatisfaction Company Objectives • Maximizing the return of investment Risk Minimization Strategies • Inexcusable evaluation of all investment proposals and getting advice from expertise persons. • Adopting a stringent approval procedure for Capital expenditure, based on the level of investment and the expected pay back. • Ensure availability and effective utilization of short-term facilities where necessary. Realistic investment is made in capital development i.e. replanting, machinery and upgrading plant. • Maintain cash flow and budgetary control systems for effective monitoring. • Closely monitor the progress to ensure project deliverables are achieved within the given budgets and timelines.	L 	M

Liquidity & Cashflow Risk

Insignificant | Low | Medium | High | Extreme

Risk	Risk Description	Likelihood	Risk Impact
35.Asset returns Profit	Inefficient utilization of assets may result in lower returns and reduced overall profitability of the Company. Implications / Consequences • Lower return on assets and reduced profitability. • Underutilization of estate resources and infrastructure. • Increased maintenance and operational costs. Company Objectives • Ensure optimal utilization of Company assets. • Improve efficiency and maximize returns from estate resources. Risk Minimization Strategies • Regular monitoring of asset performance and productivity. • Implementation of efficiency improvement initiatives. • Proper maintenance and management of estate assets.	I	I
Interest Rate, Inflation & Currency Rate Risk			
36.Interest rate risk Profit	The risk that borrowing cost and investment's value will change due to a change in the absolute level of interest rates. (AWPLR) Implications / Consequences • Rising costs of financing • Reduced profitability Company Objectives • Ensuring a strong liquidity position. • Minimizing adverse effects of interest rate volatility and currency denominated borrowings. • To ensuring cost of borrowing is at the optimum level. • Maximum utilization of the concessionary funding available to Plantation Companies. Risk Minimization Strategies • Negotiation with Financial institutions for fixed debt servicing arrangements. • Short-term assets to be financed with the short-term finance arrangements and longterm assets to be financed with the long-term arrangements. • Monitor debt levels constantly and maintain a balance between debt and equity. • Maintain a better credit rating. • Maintain efficient treasury management.	M	H
37.Inflation & Currency Risk Profit	The risk that arises from the change in price of one currency in reaction to another as well as the changes in real value of the domestic currency. Implications / Consequences • Cost escalation and reduced export margins • Earnings volatility Company Objectives • Minimizing risk associated with the fluctuation in foreign currency rates in relation to proceeds, import payments and foreign currency debt transactions. • Ensuring effective utilization by coordinating with treasury operations through various hedging techniques such as forward bookings, forward sales, swaps etc. Risk Minimization Strategies • Forward exchange rate agreement with financial institutions. • Purchasing time of classes of assets are pre arrange to minimize inflation and currency Risk. • Follow internal currency risk management strategies like leading, lagging and external currency risk management strategies.	L	H

Risk Categorization

Insignificant | Low | Medium | High | Extreme

Risk	Risk Description	Likelihood	Risk Impact
38.Foreign Exchange Risk Profit	Foreign exchange risk is the risk arising from fluctuations in currency values, which can negatively impact export earnings and increase the cost of imports. This can affect the company's financial stability, profitability, and cost management if not properly managed. Implications / Consequences • Adverse currency movements may reduce export revenues and increase import costs Company Objectives • Financial stability, profitability, cost control. Risk Minimization Strategies • Natural hedging, forward contracts, foreign currency reserves, currency diversification	M	H
Credit & Counterparty Risk			
39.Credit Risk From Buyers, Suppliers, Lenders Profit	Credit risk arises from the possibility that buyers, suppliers, or financial institutions may fail to meet their financial obligations to the Company on time. Implications / Consequences • Delays or losses in receivables from buyers. • Disruptions in supply arrangements due to financial instability of suppliers. • Constraints in accessing financial facilities from lenders. Company Objectives • Maintain strong credit management and financial stability. • Ensure reliable relationships with buyers, suppliers, and lenders. Risk Minimization Strategies • Continuous monitoring of creditworthiness of buyers and suppliers. • Establishing clear credit terms and limits. • Maintaining strong relationships with financial institutions.	L	L

COMPLIANCE RISK

Legal Regulatory & Compliance Risk

Insignificant | Low | Medium | High | Extreme

Risk	Risk Description	Likelihood	Risk Impact
40.Compliance with relavent legislations & internal policies Profit People	The Company is subject to special regulations and litigation risk will lead to loss of reputation as well as legal costs. Implications / Consequences • Legal sanctions or fines • Reputational harm Company Objectives • Eliminate the non-compliance and reduce the inabilities to understand the legislative and statutory requirements. Risk Minimization Strategies • The Company is developing a set of measures and internal controls to ensure its legal compliance, including compliance with laws. • Periodically review and monitor compliance status of statutory and other requirements. • Seek expert consultant where necessary	I	L
41.Tax Compliance Profit	Non- adherence to the legal requirements and obligations and systematically and preventively safeguarding the Company's internal policies in the field of taxes will lead to reputational damage and additional costs like fines and penalties. Implications / Consequences • Penalties or audits • Strained financial and legal resources Company Objectives . • Reduce the reputation damage which will occur due to non-compliances to tax regulation. Risk Minimization Strategies • Monitor the legal requirements with regard to tax regularly. • Monitor the legal requirements with regard to VAT and SVAT regularly. • Implement strong technical support for tax positions, including opinions from external advisors. • Maintain strong compliance procedures ensuring accurate and complete tax returns. • Maintain good working relationships with tax authorities	L	M
42.PMMD Compliance Requirements Profit People	The risk of failing to adhere to government-mandated procurement and operational regulations. Non-compliance can lead to legal penalties, delays in project approvals, and damage to the company's reputation, ultimately affecting operational continuity and stakeholder trust. Implications / Consequences • Non-compliance could result in regulatory penalties, reputational damage, and delays in project approvals. Company Objectives • Legal and regulatory compliance, operational continuity, stakeholder confidence. Risk Minimization Strategies • Regular audits, compliance training, dedicated compliance officer	I	M

Risk Categorization

Fraud, Ethics & Anti-Corruption Risk

Insignificant | Low | Medium | High | Extreme

Risk	Risk Description	Likelihood	Risk Impact
43.Fraud & Anti corruption Profit People Planet	Fraud and anti-corruption pose significant risks to our plantation operations, particularly in the cultivation and distribution of Tea, Rubber, Oil palm, Coconut, and Cinnamon. These risks can undermine our financial integrity, disrupt supply chains, and reputation with customers and partners. Implications / Consequences • Financial losses and criminal liabilities • Damage to reputation and trust Company Objectives • Maintaining transparency and integrity in all business dealings to foster trust with stakeholders Risk Minimization Strategies • Establishment of Policy on Anti-Bribery and Corruption within the company. • Providing awareness for employees on ethical practices and compliance with anticorruption laws. Namunukula Plantations PLC operates with integrity, transparency, and accountability. This policy outlines the company's commitment to preventing bribery, corruption, and any form of unethical conduct.	L 	M
Certification & Sustainability Compliance Risk			
44.Rainforest Alliance (RA) Certification and Renewal Profit Planet	Rainforest Alliance (RA) certification risk is a compliance risk related to maintaining sustainability standards required for certification. Implications / Consequences • Loss of certification can reduce access to premium markets and affect sustainability credentials. Company Objectives • Market access, sustainability leadership, revenue growth. Risk Minimization Strategies • Periodic RA gap assessments, staff training, third-party pre-certification audits.	I 	I
Emerging Risk			
45.Cyber Security Breaches (hacking, data leaks) Profit	The Company is exposed to cyber security risks such as unauthorized access to information systems, hacking, or potential data leaks which may disrupt business operations and compromise confidential information. Implications / Consequences • Loss or leakage of confidential business and stakeholder information • Disruption to IT systems and operational processes • Reputational damage and potential financial loss Company Objectives • Strengthen cyber security practices and protect the Company's information systems and data. • Ensure employees are aware of cyber security risks and follow secure IT practices. Risk Minimization Strategies • Implement appropriate IT security controls including system access restrictions, antivirus protection, and firewall security. • Conduct regular monitoring, maintenance, and updates of IT systems to prevent vulnerabilities. • Provide employee awareness programs on cyber security and safe use of information systems. • Seek expert IT support where necessary to strengthen cyber security measures.	I 	H

Insignificant Low Medium High Extreme

Risk	Risk Description	Likelihood	Risk Impact
46.Failure to Adopt New Technology (Precision Agriculture, AI) Profit	The Company may face challenges in adopting emerging technologies such as precision agriculture and artificial intelligence in plantation management. Failure to adopt new technologies in a timely manner may reduce operational efficiency and limit the Company's ability to remain competitive in the industry. Implications / Consequences • Reduced productivity and operational efficiency • Higher production costs compared to technologically advanced competitors • Inability to optimize resource utilization and crop management Company Objectives • Promote the adoption of modern agricultural technologies to enhance productivity and operational efficiency. • Improve knowledge and awareness of technological advancements in plantation management. Risk Minimization Strategies • Explore and gradually implement suitable technologies such as precision agriculture tools and data-driven management systems. • Provide training and awareness programs for employees on the use of modern technologies. • Collaborate with agricultural experts and technology providers to identify appropriate technological solutions. • Continuously evaluate technological developments within the plantation industry	L 	M

Risk Categorization

Amid evolving market dynamics and increasing focus on sustainability, Namunukula Plantations PLC continues to identify and pursue strategic opportunities that support long-term value creation. Leveraging its strong presence in Sri Lanka's plantation sector, the Company is well-positioned to capitalise on emerging trends such as sustainable agriculture, premium product demand, and renewable energy integration

These opportunities are systematically evaluated and incorporated into the Company's strategic planning process, enabling resilience, diversification, and enhanced competitiveness. By aligning growth initiatives with environmental, social, and governance (ESG) priorities, the Company aims to strengthen its market position while delivering sustainable returns to stakeholders.

Traceable and Ethical Supply Chain

Youth Employment and Talent Attraction

Portfolio Optimisation

Estate Infrastructure Management

Climate-Related Opportunities

Traceable and Ethical supply Chain

Strengthening traceability and ethical sourcing practices offers a key opportunity to enhance market competitiveness and brand reputation. Implementing end-to-end traceability systems, will enable transparency from cultivation to export. This supports compliance with international sustainability standards and certification requirements, while also strengthening trust among local and global buyers. Enhanced traceability also enables premium pricing opportunities in ethically conscious markets.

Youth Employment and Talent Attraction

Attracting and retaining young talent presents a strategic opportunity to strengthen the company's future workforce. By offering structured career pathways, digital learning platforms, and exposure to modern agricultural technologies, the Company can position the plantation sector as an attractive career destination. Focused investments in up skilling, leadership development, and employee engagement initiatives will enhance productivity, innovation capacity, and long-term organizational resilience.

Portfolio Optimization

Portfolio optimization provides opportunities to enhance resilience and long-term value creation through strategic diversification. This includes expanding into high-value crops, strengthening value-added processing capabilities, and exploring adjacent agribusiness segments. In addition, diversification of export markets and product lines enables reduced exposure to commodity price volatility. These initiatives support improved margins, stronger market positioning, and sustainable growth.

Climate-Related Opportunities

Climate change presents both challenges and opportunities for value creation. By adopting climate-smart agriculture, improving water and energy efficiency, and investing in renewable energy solutions, the Company can significantly reduce its environmental footprint. Opportunities also exist in carbon sequestration through agroforestry practices and participation in carbon credit markets. Furthermore, growing global demand for sustainably produced agricultural goods enables access to premium markets and enhanced brand value. (Refer pages 68 to 71 Climate Risk. Climate related opportunities)

Climate Risk Management

As part of its continued commitment to sustainability and responsible governance, Namunukula Plantations PLC has adopted SLFRS S1 (General Requirements for the Disclosure of Sustainability–related Financial Information) and SLFRS S2 (Climate–related Disclosures) in this year's annual report. Recognizing the growing impact of climate change on business operations, the Company emphasizes the importance of effective climate risk management to safeguard its environmental, social, and economic sustainability.

By aligning its reporting practices with these globally recognized standards, the Company aims to enhance transparency, strengthen stakeholder engagement, and build resilience against climate–related risks.

Governance and Oversight

At Namunukula Plantations PLC, the governance of climate-related risks and opportunities is embedded within its sustainability framework and overseen by the Sustainability Committee. This committee is responsible for managing sustainability matters across the organization, ensuring alignment with environmental commitments and stakeholder expectations.

A dedicated Head of Environmental Sustainability has been appointed to lead environmental initiatives, focusing on identifying, assessing, and mitigating climate-related risks while also exploring opportunities to improve environmental performance. Through regular evaluations and strategic planning, the Sustainability Committee ensures a proactive approach to addressing climate challenges and advancing the Company's sustainability objectives.

SUSTAINABILITY RELATED RISK AND OPPORTUNITIES (SRRO's)

Sustainability-related risks and opportunities are increasingly critical to the long-term resilience and success of the Company. SRRO includes challenges such as resource scarcity, waste management, social equity, and corporate governance, prompting businesses to adopt proactive strategies for accountability and transparency. In this context, the Company continuously refines its sustainability approach by integrating environmental and social considerations into its decision-making processes.

During the reporting period, the Company further strengthened its enterprise risk management framework by embedding Sustainability-Related Risks and Opportunities (SRRO s) into its overall risk governance structure. The Corporate Management Committee plays a key role in reviewing and evaluating risk insights generated through the ESG Steering Committee.

Risk identification, monitoring, and reporting are conducted on an ongoing basis through collaboration with functional management teams, supported by internal and external audits, market intelligence, and industry benchmarking.

Climate Risk Management Aligned with SDG s

The Company recognizes that climate-related risks have significant implications for the long-term sustainability of its operations, particularly in the plantation sector. In managing these risks, the Company aligns its climate strategy with relevant United Nations Sustainable Development Goals (SDGs) to ensure a structured and globally consistent approach to sustainability.

Climate-related risks such as extreme weather events, changing rainfall patterns, water scarcity, soil degradation, and biodiversity loss are addressed through targeted mitigation and adaptation measures. These initiatives are integrated into the Company's operational and sustainability frameworks and are designed to enhance resilience across its agricultural value chain.

The Company primarily aligns its climate risk management practices with SDG 13 (Climate Action) by implementing

Climate Risk Management

strategies to strengthen climate resilience and reduce environmental impact. In addition, SDG 15 (Life on Land) is supported through sustainable land management practices, biodiversity conservation, and soil protection initiatives. Water efficiency and irrigation management contribute to SDG 6 (Clean Water and Sanitation), while efforts to improve energy efficiency and explore renewable energy solutions align with SDG 7 (Affordable and Clean Energy). Furthermore, responsible resource use and production practices support SDG 12 (Responsible Consumption and Production).

Through this integrated approach, the Company ensures that climate risk management is not only focused on mitigation and adaptation but also contributes meaningfully to global sustainability objectives. Climate-related considerations are embedded within the enterprise risk management framework and are continuously monitored through established governance structures to support informed decision-making and long-term value creation.

Climate Related risks and Opportunities (CRRO)

In the current business landscape, organizations are increasingly recognizing the importance of Sustainability-Related Risks and Opportunities (SRRO) as they face environmental changes and evolving regulations. A key aspect of SRRO is Climate Related Risks and Opportunities (CRRO), which specifically addresses the effects of climate change on organizations. CRRO includes physical risks, like those from climate events, and transition risks associated with moving to a low carbon economy. However, it also presents opportunities for innovation and adaptation, allowing businesses that invest in sustainable practices to gain competitive advantages and enhance their brand reputation. As a plantation company, we are dedicated to mitigating climate-related risks and aligning our strategies with sustainability goals that benefit both our business and the environment. This chapter will explore effective climate risk management, methodologies for assessing CRRO, and best practices for building resilience while capitalizing on opportunities in the green economy, ultimately demonstrating our commitment to sustainability and strategic navigation of climate challenges.

Climate Related Risks

Physical and transition risks are critical components of risk management, particularly in the context of climate change and sustainability. We believe that proactively identify and manage these risks can enhance our resilience, safeguard our assets, and seize new opportunities for innovation, ultimately ensuring long-term sustainability and competitiveness in an increasingly uncertain environment.

Physical Risk									
Risk Description :	Physical risks encompass the direct impact of climate change-related events—such as extreme weather patterns, rising temperatures, and shifting precipitation—that can adversely affect our crop yields, soil health, and overall agricultural productivity.								
Relevent Risks :		Time Horizon						Proactive Mitigation Responses	Capital Deployment
		Short-Term		Medium-Term		Long-Term			
		Impact	Liklihood	Impact	Liklihood	Impact	Liklihood		
1. Climate Change and Extreme Weather Events	Increased frequency of extreme weather events such as heavy rains, droughts, and storms can damage crops and infrastructure.	High	Low	High	Moderate	High	High	Climate-resilient agricultural practices, Diversifying to drought-resistant crops, Enhancing soil management techniques to improve water retention.	Finance Capital, Natural Capital , Human Capital, Intellectual Capital
2. Soil Erosion and Land Degradation	Erosion caused by heavy rainfall and unsustainable farming practices can lead to loss of topsoil, negatively impacting productivity.	Moderate	High	High	Moderate	High	High	Following contour farming to reduce soil erosion, maintain soil health, and improve land productivity.	Finance Capital , Natural Capital , Human Capital.
3. Pests and Diseases	Changing climatic conditions may lead to the proliferation of pests and diseases that can devastate crops	High	Low	High	Moderate	High	High	Developing an Integrated Pest Management strategy that includes regular monitoring, biological control methods.	Finance Capital, Natural Capital, Intellectual Capital
4. Flooding	Heavy monsoon rains and poor drainage can cause flooding, leading to crop loss and damage to our infrastructure.	Moderate	Low	Moderate	Low	High	Moderate	Maintaining proper drainage systems and Water disposal management infrastructures.	Finance Capital, Natural Capital , Human Capital, Intellectual Capital

Climate Risk Management

Transition Risk									
Risk Description:	Transition risks arise from the global shift towards sustainable practices and policies aimed at mitigating climate change, which may impose regulatory changes, market volatility, and evolving consumer preferences that could disrupt our cultivation and production process and supply chains.								
Relevent Risks :		Time Horizon						Proactive Mitigation Responses	Capital Deployment
		Short-Term		Medium-Term		Long-Term			
		Impact	Liklihood	Impact	Liklihood	Impact	Liklihood		
1. Regulatory Changes	New environmental regulations may impose stricter standards on land use, pesticide application, and carbon emissions, affecting our operational costs and practices.	High	Low	Moderate	High	High	High	Implementing a compliance and sustainability programme that actively monitors regulatory developments and integrates sustainable practices into operations.	Finance Capital Intellectual Capital
2. Market Demand Shifts	A growing consumer preference for sustainably sourced products may lead to decreased demand for our conventional plantation products, affecting sales and profitability.	Moderate	Low	Moderate	High	High	High	Diversify our offerings by investing in organic and sustainable cultivation practces. Engage in market research to identify and respond to consumer trends, and promote the sustainability credentials.	Finance Capital Intellectual Capital, Human Capital, Social Capital
3. Technological Advancements	The emergence of advanced agricultural technologies could render our traditional plantation practices obsolete, leading to competitive disadvantage to us.	Low	High	High	Moderate	High	Moderate	Investing in R&D to adopt and integrate new agricultural technologies that enhance productivity and sustainability. Collaborate with local regulatory bodies / institutes or tech firms to stay at the forefront of innovation in plantation management.	Finance Capital , Intellectual Capital, Natural Capital

Climate-Related Opportunities

The plantation operations of Namunukula Plantations PLC are distributed across two distinct agro-climatic regions in Sri Lanka, namely the Uva Region and the Low Country Region. This geographic diversity enables the Company to benefit from varying climatic conditions, contributing to product quality differentiation and operational resilience.

The Uva Region estates are located in the mid-to-high elevation zones, generally ranging from approximately 700–1,900 meters above mean sea level, providing favourable conditions for premium-quality tea production. In contrast, the Low Country estates are situated at lower elevations, typically below 600 meters above mean sea level, where warmer climatic conditions support higher yield productivity and different product characteristics.

This diversified elevation portfolio strengthens the Company's ability to balance quality and volume production while enhancing resilience against climate variability.

As global focus on climate change increases, Namunukula Plantations PLC is well-positioned to leverage sustainable practices for long-term value creation. By adopting climate-smart agriculture, improving resource efficiency, and exploring renewable energy, the Company can reduce its environmental impact while enhancing operational performance. Rising demand for sustainably produced plantation products also presents opportunities to access premium markets and strengthen brand value. Through responsible land management and sustainability initiatives, the Company aims to turn climate-related challenges into growth opportunities.

Climate Opportunities

Opportunities	Our Proactive Response Strategy	Expected Outcome	Relevant SDGs	Relevant GRI Standards
Sustainable Agro-Product Development	Develop organic and sustainably sourced production process and Invest in certifications .	Attract environmentally conscious consumers by Offering maximum value to them.		**GRI 301** (Materials), **GRI 302** (Energy) GRI 416 (Customer Health & Safety)
Renewable Energy Integration	Planning to Invest in solar panels and wind turbines to power plantation operations.	This reduces reliance on fossil fuels, lowers operational costs, and aligns with national goals for renewable energy. Additionally, consider selling excess energy back to the grid, creating a new revenue stream.		**GRI 302** (Energy), **GRI 305** (Emissions)
Eco-Tourism Initiatives	Transform parts of the plantation into eco-tourism sites that educate visitors about sustainable practices and biodiversity.	Diversifies income and raises awareness about conservation efforts and the importance of protecting Sri Lanka's unique ecosystems.		**GRI 413** (Local Communities), **GRI 203** (Indirect Economic Impacts)
Carbon Sequestration	Implement agroforestry practices and Participate in carbon credit markets.	Maximizing carbon capture by quatifying and selling the carbon offsets generated from enhanced tree planting and sustainable land management practices.		**GRI 304** (Biodiversity), **GRI 305** (Emissions)

Stakeholder Engagement and Communication

Stakeholder engagement and communication are integral components of our climate risk management process at our plantation company. By actively involving stakeholders such as local communities, regulatory bodies, and environmental organization we foster a collaborative approach to identifying and addressing climate-related risks.

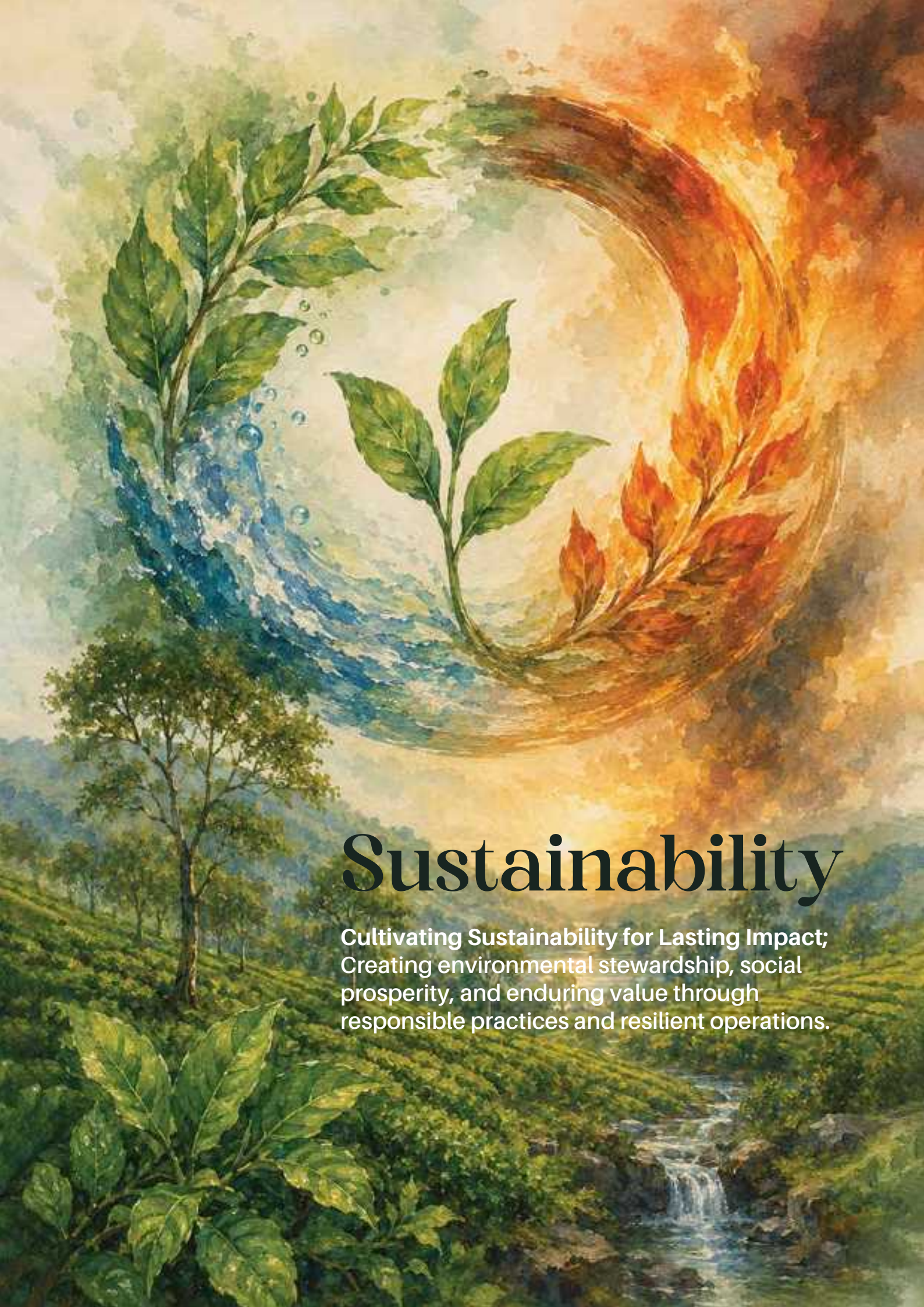
Transparent communication ensures that all parties are informed about our sustainability practices and climate adaptation strategies, enabling us to gather valuable insights and feedback. This two-way dialogue not only enhances our decision-making but also strengthens community trust and resilience, ultimately driving our commitment to sustainable plantation management in the face of climate change.

Our Future Direction

As a forward-thinking plantation company, our future direction in climate risk management will focus on enhancing resilience and sustainability across our operations. We plan to implement advanced data analytics and climate modeling tools to assess potential risks associated with climate change, enabling us to make informed decisions about crop selection and land use.

Our commitment to reforestation and biodiversity will be strengthened, promoting ecological balance and carbon sequestration. Furthermore, we aim to engage in collaborative partnerships with local communities, researchers to foster innovative practices and share knowledge on sustainable agriculture. By investing in renewable energy sources and adopting precision farming techniques, we will minimize our carbon footprint and optimize resource use.

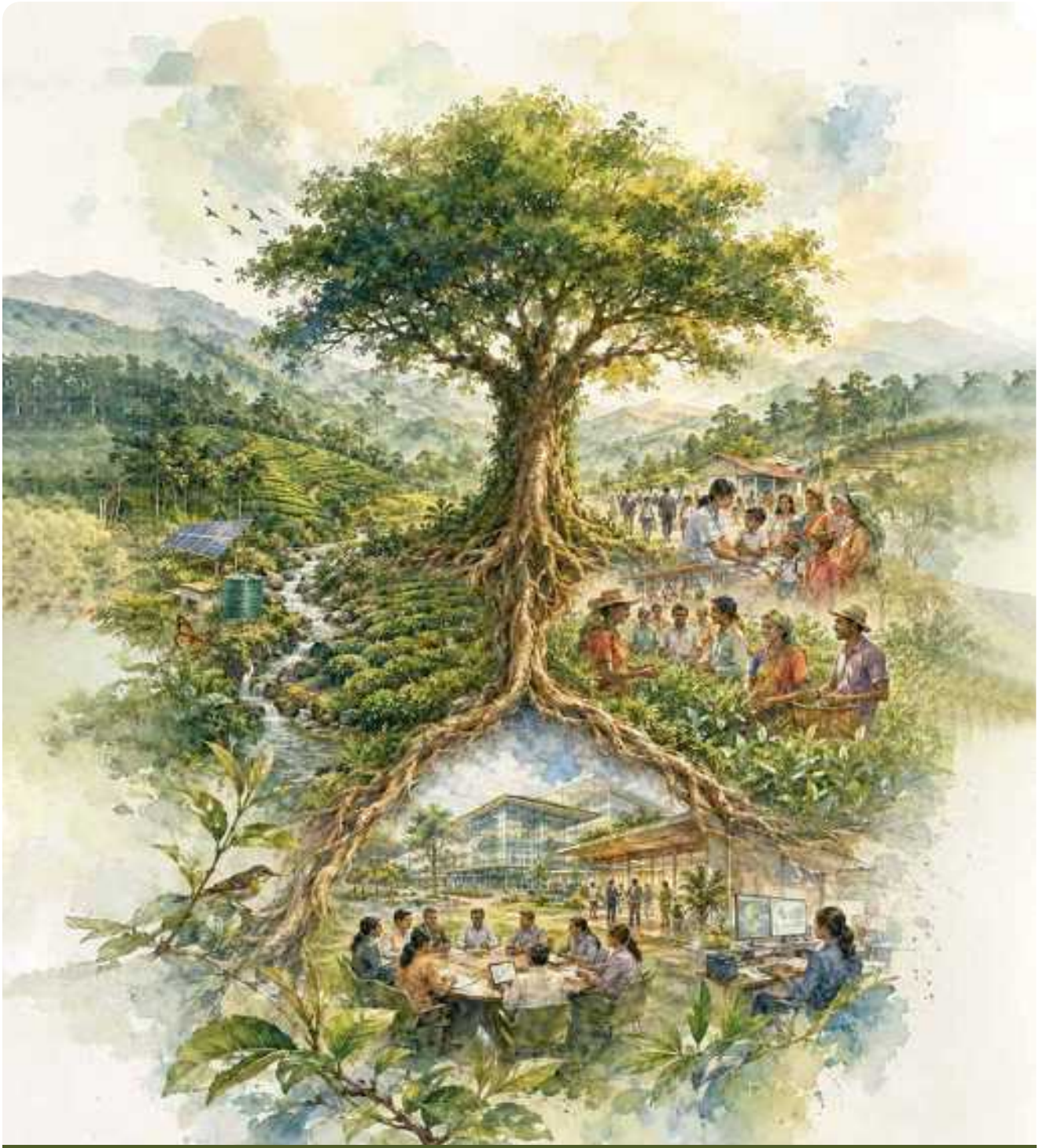
Ultimately, our goal is to ensure that our plantation practices not only thrive in the face of climate challenges but also contribute positively to the environment and society.



Sustainability

Cultivating Sustainability for Lasting Impact; Creating environmental stewardship, social prosperity, and enduring value through responsible practices and resilient operations.

Our EESG Framework



"The strength of our roots lies in how we respect nature, uplift communities, and govern with purpose."

At Namunukula Plantations PLC, sustainability is the cornerstone of our operations, deeply embedded in our strategic decision-making and business ethos. Through our comprehensive ESG framework, we harmonize economic viability with a steadfast commitment to community well-being and the responsible stewardship of natural resources.

Recognizing that our corporate success is inextricably linked to the health of the environment and the prosperity of those we serve, we remain dedicated to advancing a resilient and sustainable future for all.

EESG Strategy

Our ESG strategy serves as a foundational pillar of our business model, defining how we grow and create value through an ethical, sustainable, and inclusive lens. This approach is rooted in the conviction that enduring success is not measured by financial performance alone, but by our ability to minimize our environmental footprint, empower the communities we serve, and uphold the highest standards of transparent governance.

Our ESG framework reflects this commitment through four interconnected pillars:

ENVIRONMENTAL STEWARDSHIP

Actively minimizing our environmental impact through biodiversity preservation, efficient use of resources, and greenhouse gas reduction etc.

SOCIAL RESPONSIBILITY

Improving the quality of life for our employees, supporting local communities, ensuring fair labour practices, and fostering inclusive development.

GOVERNANCE EXCELLENCE

Ensuring transparent decision-making, regulatory compliance, ethical conduct, and effective oversight of sustainability-related risks and opportunities.

ECONOMIC DISCIPLINE

Economic discipline refers to the careful, efficient, and responsible management of financial and economic resources to ensure long-term stability, profitability, and sustainable growth.

Our strategy operates as an integrated component of our core business, meticulously aligned with our broader corporate goals to bolster operational resilience, safeguard brand integrity, and deepen stakeholder trust.

Beyond internal objectives, this approach is designed to meet the evolving expectations of our employees, regulators, communities, and customers. By bridging the gap between financial performance and ethical responsibility, we ensure that every ESG initiative delivers measurable value while addressing the diverse interests of those who depend on us.

Alignment with Global Frameworks

Our EESG approach aligns with global standards to ensure international best practice and comparability. We synchronize our reporting and strategic actions with the following frameworks:

- The UN Sustainable Development Goals (SDGs) – Supporting global priorities like clean energy, quality education, gender equality, decent work, and climate action.
- The Global Reporting Initiative (GRI) – To provide transparent, consistent, and credible disclosures on our sustainability impacts and outcomes.
- The Sri Lanka Sustainability Reporting Standards (SLFRS S1 and S2) – In alignment with the International Sustainability Standards Board (ISSB), these standards help us disclose material sustainability-related risks and opportunities, particularly those related to climate, in a manner that meets the expectations of regulators and financial stakeholders.
- ISO 14064-1:2018 – This international standard provides guidance for quantifying and reporting greenhouse gas (GHG) emissions and removals at the organizational level. It enhances the transparency, consistency, and accuracy of our GHG accounting and supports our efforts toward verified emissions reduction and climate-related disclosures.

Accountability & Reporting

GRI 2-13/2-14

To ensure effective implementation and continuous improvement of our ESG strategy, we have established a dedicated sustainability committee tasked with overseeing all aspects of environmental, social, and governance performance. This team is responsible for monitoring, managing, and mitigating sustainability-related risks and identifying opportunities that align with our long-term business goals. We believe that transparent reporting and accountability are critical to building stakeholder trust.

Our EESG Framework

Environmental Performance

Resource Consumption

Metric	2025/26	2024/25	Variance
Total Energy Consumption	13296.95 GJ	12127.18 GJ	9.6 %
Renewable Energy Consumption	4867.45 GJ	5197.227 GJ	6.3 %
Non-renewable Energy Consumption	8429.5 GJ	6929.95 GJ	21.6 %
Water Withdrawal	11.68	12.7	8.03 %
Total Water Consumption	4.73	5.1	7.25%
Total Water Discharge	6.95	7.6	8.55%

Emissions and Waste

Metric	2025/26	2024/25	Variance
Scope 1 Emissions	2,821.85 tCO_2e	3283 tCO_2e	14 %
Scope 2 Emissions	531.52 tCO_2e	580 t CO_2e	8.35 %
Scope 3 Emissions	416.9 tCO_2e	376 tCO_2e	10.85 %
Waste Generated	3087 kg	16059 Kg	80.77 %

Social Performance

Employees

Metric	2025/26	2024/25	Variance
Total Workforce	2646	2977	11.11 %
Women in Workforce (%)	50	51	1%
New Hires (%)	8	5.9	35.6 %
Average Training Hours per Employee	10.2	3.40	200 %
Employee Retention Rate (%)	82	92	10.86 %
Fatalities	0	0	0 %

Community

Initiative	Description	2025/26 Investment (Rs.Mn)	2024/25	Variance
Housing Program	Lines built for plantation workers and families	2.8	2	40 %
Education Support	Scholarships and investment for crèches	17	17	0%
Healthcare Access	Mobile health camps, dental camps	9.3	10.5	11.42 %
Skill Development	Technical and skill development programmes for employees	0.9	0.9	
Worker Welfare	Investment in community engagement initiatives	26.8	28	4.28 %

Governance Performance

Management

Metric	2025/26	2024/25
Directors on Board (Independent: Non independent)	4:2	4:2
Female Board Members (%)	17	17
Board Meetings Held	4	1
Whistle-blower Reports Resolved (%)	0	0
Regulatory Fines / Penalties	0	0

New Mechanisms

Initiative	Current Progress
Anti-Corruption & Ethics Training	Initial awareness sessions for managerial and administrative staff are being planned.
Stakeholder Engagement Policy	Stakeholder identification and engagement mechanisms are currently being reviewed to support effective implementation.

Our EESG Framework

Economic Discipline

Investments & Initiatives

Initiative	2025/26 Investment (Rs.Mn)	2024/25
New Planting and Replanting Cost	Rs. 134 Mn	Rs. 334 Mn
New Planting Extent	5.5. ha	76.78 Ha
Sustainable Certifications	Obtained GHG verification Certification	Obtained GHG verification Certification
Data Privacy	Developing policies and procedures to protect confidential company, employee, customer, and stakeholder information. Measures include strengthening data access controls, secure record management practices, and employee awareness on data privacy requirements.	At our tea centre, we safeguard customer privacy and provide separate boxes for suggestions and complaints

Looking Ahead

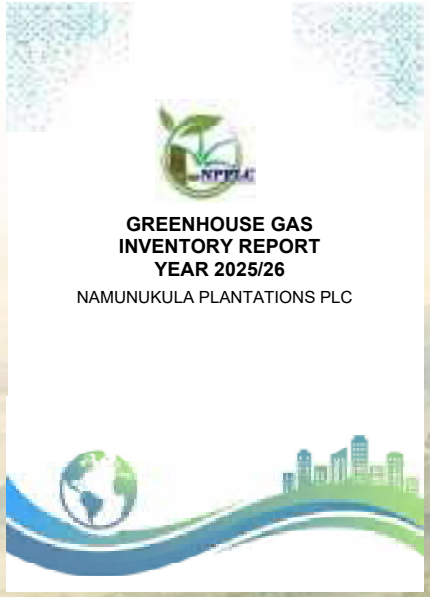
As a plantation company closely connected to both nature and our communities, we understand that sustainability is an ongoing process rather than a fixed goal, one that is vital and lasting. Guided by our Environmental, Social, and Governance (ESG) framework, we aim to integrate our core values into every aspect of our operations, pursuing growth alongside purpose and ensuring that advancement is balanced with accountability.

We are dedicated to fostering sustainable growth across every aspect of our business. Through initiatives such as inclusive community partnerships, environmentally conscious farming practices, principled leadership, and robust governance, we continuously adapt to the evolving demands of the world. We believe that true resilience is developed through proactive measures, teamwork, and a focus on long-term outcomes.

We see sustainability as an ongoing journey that reinforces our operations, builds confidence among stakeholders, and equips us to succeed in the face of global challenges.

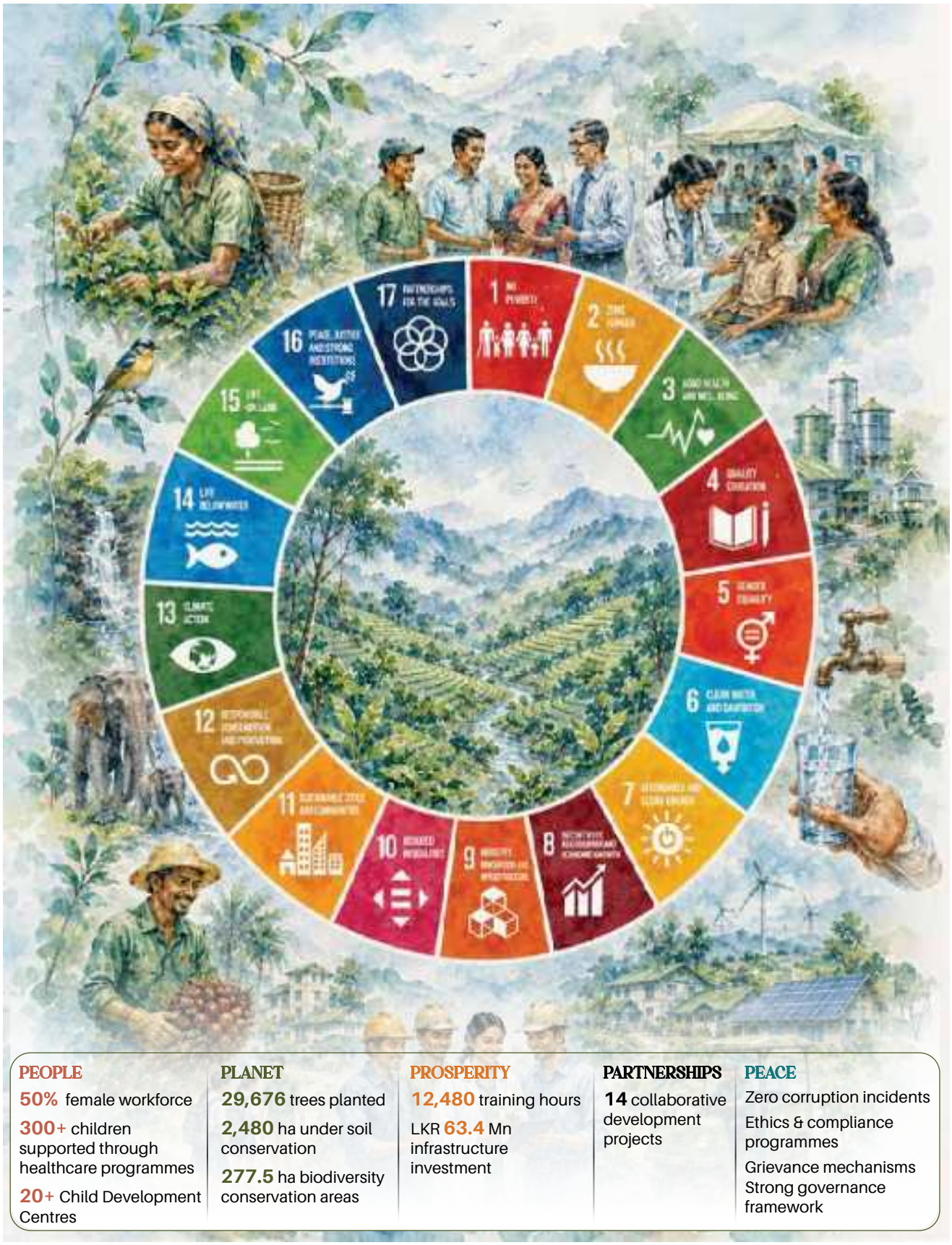
Working alongside our employees, partners, and communities, we are creating a future marked by responsible innovation, collective prosperity, and a legacy of stewardship that can be proudly passed on to generations to come.

Our ESG Policy



Access Our 2025/26 GHG Inventory Report

Our UN SDG Journey



PEOPLE

50% female workforce

300+ children supported through healthcare programmes

20+ Child Development Centres

PLANET

29,676 trees planted

2,480 ha under soil conservation

277.5 ha biodiversity conservation areas

PROSPERITY

12,480 training hours

LKR **63.4** Mn infrastructure investment

PARTNERSHIPS

14 collaborative development projects

PEACE

Zero corruption incidents

Ethics & compliance programmes

Grievance mechanisms

Strong governance framework

Our UN SDG Journey

PEOPLE (HUMAN WELL-BEING & EQUALITY)

SDG 1

Focus area : Welfare benefits for workers, Fair Wages

2025/26: The Company maintained 100% compliance with statutory wage requirements and continued to enhance employee welfare through various support programmes. During the year, LKR 24.93 million was invested in worker welfare and social benefits, contributing to the economic well-being of employees and their families.

Targets :
- Maintain 100% compliance
- Increase welfare spend by 5%

SDG 2

Focus area : Food Security & Nutrition Support

2025/26: Food security and nutrition remained a key focus area. Employees and their families were supported through estate cooperative societies, while nutritional assistance and infrastructure facilities were provided to Child Development Centres (CDCs) to promote healthy childhood development.

Target :
- Expand to 4,000 worker

SDG 3

Focus area : Child Healthcare & Nutrition, Estate Hospitals / Dispensaries, Health Awareness Programmes

2025/26: The Company continued to invest in employee and child health initiatives. Healthcare and nutritional support were provided to more than 300 children through over 20 Child Development Centres. Welfare officers were available across all estates to facilitate healthcare services and employee welfare programmes. In addition, more than 10 health awareness programmes were conducted during the year.

Targets :
- Increase healthcare and nutrition services coverage by 10%.
- Upgrade 2 estate dispensaries.
- Conduct 18 health awareness sessions.

SDG 4

Focus Area : Estate Schools/ ECD Centres, Scholarship for workers' children

2025/26: The Company supported early childhood education through more than 20 Child Development Centres, benefiting over 300 children. Educational opportunities were further enhanced through scholarship programmes, with over 20 students receiving financial assistance amounting to LKR 652,000.

Targets :
- Upgrade 2 ECD Centres.
- Increase scholarship by 10%.

SDG 5

Focus Area: Female workforce participation, Maternity Benefits & Childcare

2025/26: The Company continued to promote an inclusive workplace, with women representing approximately 50% of the workforce. Maternity benefits were provided to 13 employees, while more than 20 childcare facilities supported working mothers. The Company's anti-bribery and anti-corruption framework remained active throughout the year.

Targets:
- Maintain women workforce participation at above 45%
- Expand to 12 crèches
- 100% staff coverage in anti-bribery and anti-corruption

PLANET (ENVIRONMENT & NATURAL RESOURCES)

SDG 6

Focus area : Safe drinking Water Projects, Sanitation in Workers' Housing

2025/26: Access to safe drinking water was maintained for all estate households. Employees were also provided with estate housing and essential sanitation facilities, contributing to improved living standards and community well-being.

Targets:
- 100% coverage by drinking water projects
- Maintain quality of the projects

SDG 12

Focus Area : Employee training

2025/26: The Company invested in human capital development by providing training to 301 employees, totalling 12,480 training hours, thereby strengthening operational capabilities and promoting responsible business practices

Targets:
- Full staff coverage

SDG 14

Focus Area : Protection of Waterways

2025/26: Protection of waterways within operational areas remained a priority, with conservation measures implemented across all relevant estates to safeguard aquatic ecosystems and water resources.

Targets :
- Maintain full coverage

SDG 13

Focus area : Sustainable Agricultural Practices, Reforestation, Climate Resilient Crops & Soil Conservation

2025/26: Sustainable agricultural practices were maintained across 5,226 hectares of cultivated land. The company has so far planted 29,676 forest trees and implemented soil conservation and climate resilience measures across 2,480 hectares.

Targets :
- Increase sustainable agricultural practices up to 5%
- Replant tress up to 50,000
- Expand climate resilient crops by 2,500 ha

SDG 15

Focus Area: Biodiversity Conservation, Buffer Zones Near Forests & Waterfalls

2025/26: The Company continued its biodiversity conservation efforts by protecting 277.5 hectares of environmentally significant habitats. In addition, 5.5 hectares of ecological buffer zones were maintained near forests and waterfalls.

Targets:
- Expand biodiversity conservation by 5%
- Increase buffer zones to 5%

PROSPERITY (ECONOMY, JOBS & DEVELOPMENT)

SDG 7

Focus area : Use of Renewable Energy

2025/26: While no renewable energy sources were utilized during the reporting period, the Company continues to explore opportunities to incorporate sustainable energy solutions into its operations.

Targets :
- Increase to 20% contribution

SDG 8

Focus Area : Training & Skill Development, Zero Child & Forced Labour

2025/26: The Company remained committed to employee development, providing an average of 41 training hours per employee during the year. A zero-tolerance approach to child labour and forced labour was maintained, with no incidents reported.

Targets:
- Increase average training hours by 24 hours.
- Maintain Zero incidents of child labour or forced labour

SDG 9

Focus area : Modern Agricultural Technologies, Capital Investment in Infrastructure, Estate Community Infrastructure

2025/26: Modern agricultural technologies were implemented across seven estates to improve operational efficiency and productivity. Capital investments in infrastructure amounted to LKR 63.4 million, while three community infrastructure projects were successfully completed.

Targets :
- Expand modern agricultural technologies to 18 estates
- Invest annually up to 50 Mn in investment in infrastructure

Our UN SDG Journey

SDG 10

Focus Area : Equal Employment Opportunities, Wage Equity & Welfare Access

2025/26: The Company continued to promote equal employment opportunities and fair access to welfare benefits. No significant employment disparities were identified, and wage parity was maintained across the workforce.

Targets:
- Maintain & Sustain Parity

SDG 11

Focus Area: Community Development Programmes, Disaster Preparedness & Resilience

2025/26: A total of 18 community development projects were implemented during the year, contributing to the social and economic development of estate communities. Disaster preparedness initiatives included two emergency response drills and the updating of contingency plans.

Target:
- Conduct at least 1 community development programme each estate.
- Organize 3 fire drills

PEACE (JUSTICE & INSTITUTIONS)

SDG 16

Focus area : Anti-Corruption Policies & Worker Grievance Mechanisms

2025/26: Strong governance practices were supported through active anti-corruption policies and established grievance mechanisms across all estates. Employee grievances were addressed through structured processes, with resolution targeted within 30 days.

Targets :
- Resolve worker grievances within 21 days
- 100% staff coverage

PARTNERSHIP (WORKING TOGETHER)

SDG 17

Focus area : Government Collaboration, Industry Associations & Certifications

2025/26: Collaboration with government agencies continued through 14 development projects implemented during the year. The Company also maintained internationally recognized sustainability and quality certifications, including Rainforest Alliance (RA) and ISO standards.

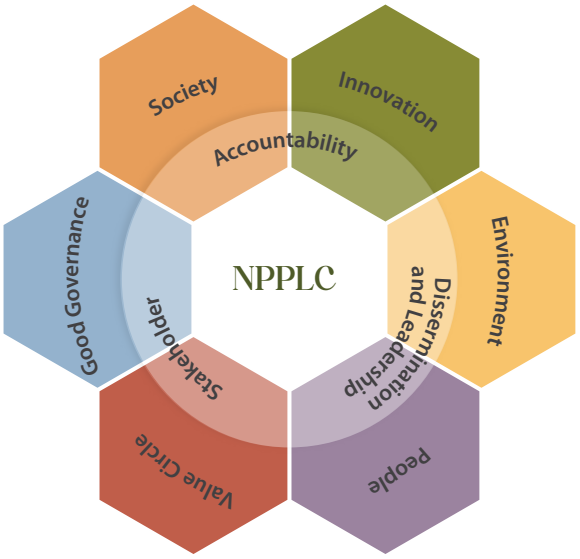
Targets :
- Maintain requirements and expand further

Sustainability Management

Commitment to sustainability: Our journey towards a resilient and greener future...

At Namunukula Plantations PLC, sustainability transcends mere theory to become the pulse of our operational identity. Our comprehensive ESG framework serves as a blueprint for this dedication, ensuring that every strategic choice honors the delicate balance between resource stewardship, social harmony, and long-term fiscal health. We operate with the profound understanding that our corporate endurance is tethered to the vitality of the landscapes we cultivate and the flourishing of the people who call them home.

By championing pioneering agronomic techniques, upholding the highest standards of human dignity in our workforce, and acting as vigilant guardians of the environment, we transform our ethical promises into a tangible legacy of resilience and planetary health.

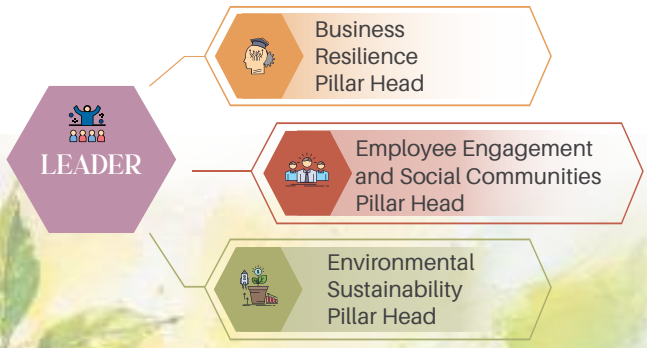


GRI 2-13/2-14

Leadership and Commitment

Our ESG mandate serves as a universal compass for all directors, employees, and partners. By integrating environmental stewardship, social welfare, and rigorous governance, we align our operations with international benchmarks. This ensures every facet of our business meets legal standards and exceeds stakeholder expectations through disciplined, ethical performance.

Our dedicated leadership team orchestrates the oversight of sustainability risks and opportunities, embedding environmental and social stewardship into our economic core. This collaborative governance fosters long-term resilience and minimizes our ecological footprint. By engaging stakeholders and environmental experts, we cultivate a responsible corporate culture committed to driving meaningful global impact.



LEADER'S PERSPECTIVE

"Sustainability is no longer an initiative; it is the cornerstone of our strategic endurance. By embedding stewardship into our DNA, I believe we ignite the innovation and resilience essential for our enduring growth....."

Mr. I.S. Doranegama
Acting Chief Executive Officer

BUSINESS RESILIENCE PILLAR HEAD'S INSIGHT

"To us, sustainability and strategy are a single heartbeat. We don't choose between being green and being profitable; we choose to be resilient. By solving for the planet, we've found our most sustainable path to growth....."

Mr. Dhammika Laksiri
Sector Financial Controller

ENVIRONMENT SUSTAINABILITY PILLAR HEAD'S INSIGHTS

"I see every step we take as a sacred vow to the Earth. By infusing our daily rhythm with eco-conscious action, I believe we are not just preserving nature, but breathing life into a greener legacy. Together, we are the architects of a future where our footsteps nourish the world for generations to come....."

Mr. Asanka Ekanayake
Deputy General Manager

EMPLOYEE ENGAGEMENT AND SOCIAL COMMUNITIES PILLAR HEAD'S INSIGHT

As the Pillar Head for Employee Engagement and Social Communities, I am responsible for strengthening employee relations, enhancing welfare and engagement initiatives, and supporting the social development of our estate communities. My role is focused on fostering a motivated and productive workforce, maintaining harmonious labour relations, and contributing meaningfully to the Company's long-term social sustainability and shared value creation..."

Mr. L.P.Tennakoon
Manager Plantations

Sustainability Management

GRI 2-16

	Leader	Business Resilience Pillar Head	Employee Engagement and Social Communities Pillar Head	Environmental Sustainability Pillar Head
Scope	Holds a pivotal role in guiding the committee's initiatives and strategies aimed at promoting sustainable practices within the organization. This individual is responsible for providing overall leadership, fostering collaboration among committee members, and ensuring that the committee's goals align with the broader sustainability objectives of the organization.	This pillar head is responsible for integrating sustainability into the organization's profit-making strategies, enhancing resilience and ensuring long-term success in a competitive market.	This pillar head leads initiatives that prioritize people in sustainability efforts. This role focuses on fostering employee engagement and promoting social responsibility, ensuring that committee activities enhance employee well-being while benefiting the broader community.	This Pillar Head leads the Sustainability Committee by promoting environmental stewardship within the organization. This role involves guiding initiatives to enhance sustainability, reduce the organization's environmental impact, and improve resilience to climate change. And ultimately pillar head is the key to drive the organization toward a greener future.
Responsibilities	• **Strategic Direction:** Set the overall sustainability vision and objectives for the committee, aligning them with the company's mission and values. • **Coordination:** Facilitate communication and collaboration among the pillar heads to ensure Cohesive efforts and information sharing. • **Performance Monitoring:** Oversee the performance metrics and progress towards sustainability goals, adjusting strategies as necessary. • **Stakeholder Engagement:** Serve as the primary point of contact for internal and external stakeholders on sustainability issues, promoting transparency and accountability. • **Guidance:** Providing overall guidance to the committee toward a sustainable future.	• **Financial Analysis:** Assess the economic viability of sustainability initiatives, ensuring that they contribute positively to the company's financial performance. • **Cost-Benefit Evaluation:** Analyze the financial implications of sustainable practices and recommend investments that yield long-term profitability. • **Market Trends:** Monitor market trends and identify opportunities for sustainable products and practices that can enhance profitability. • **Risk Management:** Evaluate financial risks associated with sustainability efforts and develop strategies to mitigate these risks. • **Stakeholder Value:** Ensure that sustainability initiatives create value for stakeholders, including investors, customers, and employees.	• **Employee Engagement:** Develop and implement programs that promote employee involvement in sustainability initiatives and foster a culture of responsibility. • **Community Relations:** Establish and maintain positive relationships with local communities, ensuring that their needs and concerns are addressed. • **Diversity and Inclusion:** Promote diversity and inclusion within the workforce, ensuring equitable opportunities for all employees. • **Training and Development:** Oversee training programs that educate employees about sustainability practices and their importance to the company's success. • **Social Impact Assessment:** Evaluate the social impact of the company's operations and initiatives, ensuring that they contribute positively to society.	• **Environmental friendly practices implementation:** Create and implement environmental practices that align with best practices and regulatory requirements. • **Resource Management:** Oversee the sustainable management of natural resources, including land, water, and biodiversity, to minimize environmental impact. • **Sustainability Reporting:** Track and report on environmental performance metrics, such as carbon emissions, waste management, and energy usage. • **Sustainable Practices Promotion:** Advocate for and implement sustainable agricultural practices that enhance ecosystem health and resilience. • **Compliance Monitoring:** Ensure compliance with environmental regulations and standards, conducting regular audits and assessments.

Strategic Approach toward Sustainability

In today's rapidly evolving business landscape, organizations are increasingly recognizing the importance of sustainability as a core component of their strategic approach. By integrating sustainable practices into our operational frameworks, we are not only enhancing our environmental stewardship but also driving long-term profitability and resilience. This strategic commitment encompasses a holistic view of sustainability, addressing environmental, social, and economic dimensions.

Our commitment to corporate excellence is anchored in a foundation of radical transparency and disciplined governance. We are dedicated to the rigorous reporting of our ESG performance, ensuring that our sustainability milestones and achievements remain in lockstep with the Colombo Stock Exchange requirements and international best practices.

Under the steadfast oversight of our Board of Directors, we ensure these initiatives are not merely supplementary but are deeply integrated into our primary corporate strategy, fostering a culture of accountability that serves all stakeholders. To empower the People who drive our progress, we adopt a community-centric approach that weaves local voices into our strategic planning. By championing fair labor standards, competitive wages, and comprehensive training, we create an environment where career advancement and human dignity flourish.

Our commitment extends beyond our borders as we stimulate regional economies through local supplier partnerships and investments in education, ensuring that our growth provides a better foundation for the health, well-being, and economic literacy of our surrounding communities.

From a Profit perspective, we view sustainability as a catalyst for long-term economic resilience. By diversifying our crop production and securing prestigious certifications such as Rainforest Alliance and Fair Trade, we enhance our brand equity and secure a presence in high-value global markets.

This strategic diversification, coupled with transparent metrics, builds a compelling case for ethically-minded investors, proving that a sustainable supply chain is the most effective vehicle for quality, adaptability, and consistent financial performance.

Our Environmental strategy reflects our identity as a responsible plantation leader, integrating ecological principles into every operational facet. Through the adoption of regenerative agroforestry, precision water management, and circular waste systems, we actively enhance the biodiversity and soil health that sustain us.

This holistic approach ensures our long-term productivity while shrinking our environmental shadow, positioning Namunukula Plantations PLC as a pioneer in the eco-conscious consumer landscape and a guardian of the natural world.

Our Sustainability Journey

Current Projects	Upcoming Projects
• Brailing Annual Report of the company • Scholarship Program for higher education of the employees' children • Providing mobile service to obtain National Identity cards for estate workers • Medical camps and health and wellbeing awareness programs • Construction of child development centers • House hold cash management programs • Housing programs • Community involvement and development related activities	• Coffee project – Low Range • Carbon credit selling project • Increase child development centers
• Home gardening awareness program • Material management • Energy management activities • Water and effluent management • Forest management • Waste management	
• Coffee project - UVA region • Tea center project – Kinellan • Opening bank accounts for estate workers • Green House Gas emission verification process • Factory automation process	

Risks & Opportunities

As a plantation company, we encounter several sustainability-related risks and opportunities that influence our operations and long-term success. Major risks include climate change, which can negatively impact crop production and biodiversity, as well as deforestation and land degradation that may result in regulatory issues and harm our reputation. In addition, social concerns such as labor conditions and relationships with local communities are also important challenges.

At the same time, these challenges create opportunities for us to improve. By adopting modern and sustainable agricultural practices, obtaining certifications, and forming

Sustainability Management

partnerships that support responsible sourcing and environmental conservation, we can strengthen our sustainability performance. Through these efforts, we aim not only to reduce risks but also to create long-term value for both our business and the communities we serve.

To effectively manage these risks and opportunities, we follow a structured and integrated approach. We start by identifying potential issues through impact assessments, stakeholder engagement, and data analysis. These risks are then evaluated and prioritized based on their likelihood and potential impact, ensuring alignment with our overall business strategy.

Our sustainability team, guided by the sustainability committee, works closely with different departments to develop and implement strategies that both mitigate risks and take advantage of opportunities and we have continuous monitoring and reporting systems in place to track our progress. This ensures that sustainability remains a key part of our decision-making process, helping us build resilience and support long-term growth.

GRI 2-23/2-24

	Profit	Planet				People	
	Business	Emission	Water	Waste	Bio Diversity	Diversity & Inclusion	Impact to community
Our Present Performance and Metrics	Tea Center Annual Profit increase 3.5Mn Coffee Project investment in Rs. 11Mn	GHG Inventory 1,235.07 tCo_2 7.44 tCH_4 1,579.34 tN_2O	Water Withdrawal 11.68 ML Water Consumption 4.7ML Water Discharge 6.9 ML	Waste Disposal 3,087 kg	Investment for Tree Planting (Rs.) Tea – 4,825,784.55 Rubber – 60,091,103.79 Oil palm – 28,755,029.45 Mixed – 10,929,270.09 Coconut- 29,829,162.93	Workforce Gender Diversity : Male: Female 1:1 Workforce Geographical Diversity : Kalutara – 773 Galle – 396 Matara – 383 UVA – 1,073 Colombo -21	Total Investment for Scholarships (Rs.) – 652,000 Total Investment for Staff Welfare (Rs.) – 26,835,304 Total Investment for Staff Medical (Rs.) – 9,361,411 Total Investment for Creche Maintenance (Rs.) – 16,581,914 Total Investment for Housing projects (Rs.) – 2,838,372
Short Term Targets	Increasing the revenue of the Tea center by 10% by Next year.	Reducing emission effect by 8% on next year.	Reducing Water withdrawal, Consumption and water discharge effect by 5% on next year.	Reducing Waste disposal effect by 10% on next year.	Achieving a survival rate of over 5% for the new plants by next year.	Enhance feedback loop for employees to voice concerns about diversity and inclusion next year.	Increasing investments on child development centers by 7 % within next year.

Long-term Targets

Profit
By 2030, we aim to plant 95,900 coffee plants with an expected Crop quantity of 229,371 kg

Water
Reducing Water withdrawal, Consumption and water discharge effect by 7% by 2030.

Bio Diversity
Restoring biodiversity and increasing carbon sequestration by 10% by 2030, and enhancing the overall health of the ecosystem.

Impact to community
Enhance community engagement by 12% over the next five years through strategic partnerships, educational programs, and sustainable practices that foster collaboration and support local livelihoods

Emission
Reducing emission effect by 15% by 2030 And achieving carbon credits by becoming carbon neutralized organization.

Waste
Reducing Waste disposal effect by 15% by 2030

Diversity & Inclusion
Achieve nearly 8% on employee engagement surveys related to feelings of inclusion and belonging within five years

OUR CURRENT PROJECTS

Opening Bank Accounts for Estate Workers

As part of our commitment to social sustainability and financial inclusion, Namunukula Plantation continues to support estate workers in accessing formal banking services. This initiative enhances financial security, promotes transparent wage payments, and encourages better money management among employees. As a result, 70% of our estate workforce has successfully opened bank accounts to date. We remain committed to extending this initiative to achieve full inclusion, thereby strengthening employee well-being and supporting sustainable community development.

Expected Outcome: Enhanced Financial Security

Project Journey

- 2024/25 Pilot & Awareness Programme
- 2025/26 Account Opening Across 15 Estates
- 2026/27 Expansion to Remaining Estates
- 2027/28 Full Workforce Financial Inclusion

Year	Milestone	Status
2025	Planning and coordination with banking partners to facilitate account opening for estate workers.	Initiative launched across the estate network.
2025 - 2026	Awareness programs, employee registration, document collection, and bank account opening campaigns conducted at estates.	Successfully implemented in **14 estates,** resulting in approximately **70% of the estate workforce opening bank accounts.**
2027 (Planned)	Expansion of the program to the remaining estates and follow-up support for employees who have not yet opened accounts.	Targeting increased financial inclusion across the workforce.
End of 2027 (Target)	Completion of bank account opening initiative across all estates.	**100% employee financial inclusion target.**

Sustainability Management

Tea Center Projectt

At our newly opened tea center integrated with Kinellan Tea Center in Ella, we are committed to embracing sustainability as a core principle that benefits both profit and the planet. By focusing on pure tea and infused tea sales, we not only cater to the growing demand for high-quality, ethically sourced products but also promote environmentally friendly agricultural practices that preserve the natural beauty of the region. Our initiatives, such as factory and field visits, allow customers to engage with the production process and appreciate the importance of sustainable farming, fostering a deeper connection to the land. The income generated from bungalow bookings and planned entertainment activities like camping not only boosts our revenue but also encourages eco-tourism, ensuring that our business thrives while protecting the local ecosystem. Through this holistic approach, we aim to create a profitable enterprise that respects and nurtures the environment, demonstrating that economic success and ecological responsibility can go hand in hand.

Expected Outcome: Toward diverse revenue stream

Project Journey

- 2024/25 Launch & Tea Retail
- 2025/26 Tea Experiences & Product Innovation
- 2026/27 High Tea & Nature Stay Development
- 2027/28 Complete Eco-Tourism Destination

Year	Milestone	Status
2025	**Tea Center Launch** – Opened Kinellan Tea Center at Ella, focusing on premium tea sales and brand promotion.	Completed
2025 – 2026	**Experience Expansion** – Introduced factory tours, tea tasting sessions, field visits, and launched a range of signature tea products such as silver tips under the brand name "Silver Feathers" and Kinellan Special Wooden Tea Box.	Completed
2027 (Planned)	**Eco-Tourism Development** – Planned introduction of a premium High Tea experience and nature-inspired accommodation facilities.	Planned
End of 2027 (Target)	**Destination Completion** – Full implementation of the High Tea project and eco-accommodation offerings, creating a unique tea and nature tourism destination.	Target

Coffee Planting Project

As a plantation company venturing into coffee cultivation, we recognize that our commitment to sustainability is vital for both profitability and the planet's health. By adopting practices that prioritize environmental stewardship—such as organic farming, biodiversity conservation, and water management—we not only enhance the quality of our coffee but also ensure the long-term viability of our ecosystems. This sustainable approach not only mitigates risks associated with climate change and resource depletion but also appeals to a growing consumer base that values ethically sourced products. Ultimately, by harmonizing profit with planet-friendly practices, we position ourselves not just as a competitive player in the coffee market, but as a responsible steward of the environment, paving the way for a thriving business that supports both economic growth and ecological balance.

Expected Outcome: Enhancing profitability through crop diversification

Project Journey

- 2024/25 Pilot Coffee Cultivation
- 2025/26 Sustainable Expansion
- 2026/27 Low Grown Region Rollout
- 2027/28 Commercial Growth & Market Development

Year	Milestone	Status
2025	**Pilot Phase** – Initiated coffee cultivation in selected estates, focusing on land suitability assessment, sustainable farming practices, and crop diversification.	Completed
2025 – 2026	**Expansion Phase** – Expanded coffee planting areas and strengthened environmental practices, including soil conservation, biodiversity enhancement, and efficient water management.	Completed
2027 (Planned)	**Regional Growth** – Planned expansion of coffee cultivation into suitable estates in the Low Grown Region, leveraging favourable climatic conditions and available land resources.	Planned
End of 2027 (Target)	**Commercial Development** – Scale up production, establish market linkages, and integrate coffee as a strategic revenue-generating crop alongside tea operations.	Target

Sustainability Management

Green House Gas Emission Verification

As a plantation company committed to sustainability, we have actively engaged in greenhouse gas (GHG) verification projects to enhance our accountability in disclosing emissions, including carbon, nitrogen, and methane. By transparently reporting our GHG outputs, we aim to foster trust and demonstrate our commitment to environmental stewardship. Recognizing the urgent need to combat climate change, we are implementing targeted actions to reduce our GHG emissions, thereby minimizing our ecological footprint. This initiative not only aligns with our sustainability goals but also contributes to a healthier planet for future generations, reinforcing our role as responsible stewards of the environment.

Expected Outcome: Toward carbon neutralized planet

Project Journey

- **2024/25** Verified Scope 1 & Scope Emissions
- **2025/26** Assessed & Reported Scope 3 Emissions
- **2026/27** Achieve Net Zero Operations
- **2027/28** Maintain Net Zore & Drive Continous Improvement

Year	Milestone	Status
2025	**GHG Verification Initiated** – Established a verified GHG inventory covering Scope 1 and Scope 2 emissions to strengthen transparency and environmental accountability.	Completed
2025 – 2026	**Scope 3 Assessment** – Expanded the GHG inventory to include Scope 3 emissions and enhanced emissions monitoring and reporting practices across operations and the value chain.	Completed
2027 (Planned)	**Net Zero Achievement** – Implement emission reduction initiatives, increase carbon sequestration efforts, and achieve the Company's Net Zero target.	Planned
End of 2027 (Target)	**Net Zero Maintenance & Continuous Improvement** – Strengthen climate action initiatives, maintain Net Zero status, and pursue further reductions across the value chain.	Target

Scholarship Program for higher education of the Employees' Children

At our company, we believe that sustainability extends beyond environmental stewardship; it encompasses the empowerment of future generations. Our Scholarship Program for the higher education of our employees' children embodies this commitment by investing in the potential of young minds who will shape a more sustainable world. By providing financial support for education, we aim to cultivate a sense of responsibility and innovation in the next generation, ensuring they are equipped to tackle the challenges of tomorrow. This initiative not only strengthens our workforce but also promotes a culture of sustainability that aligns with our core values and long-term vision for a better future.

Expected Outcome: Education for All

Braille Project of Annual Report

In 2024, we proudly launched our annual report Brailing initiative, a commitment to inclusivity that ensures all stakeholders, regardless of visual ability, can access and engage with our vital information. By integrating Braille into our annual reports, we not only enhance transparency but also promote sustainability. This project reflects our dedication to fostering an inclusive environment where everyone is empowered to participate fully, reinforcing our belief that accessibility is key to a sustainable future for all.

Expected Outcome: Ensuring Equality

Medical Camps and Health and wellbeing awareness programs

At our company, we believe that sustainability extends beyond environmental considerations to encompass the health and well-being of our communities. Our medical camps, including eye check-ups, dental camps, and nutrition awareness programs, are designed not only to provide essential health services but also to promote a holistic approach to wellness. By fostering awareness around preventive care and healthy lifestyles, we empower individuals to take control of their health, which in turn supports a more sustainable future. By prioritizing health and well-being, we create resilient communities capable of thriving in harmony with their environment.

Expected Outcome: Better Health for All

Construction of Child Development Centers

At our company, the construction of child development centers is not only a commitment to nurturing the well-being of children but also a significant step towards sustainability. By integrating eco-friendly building materials and energy-efficient designs, we ensure that these centers serve as safe, healthy environments for children while minimizing their carbon footprint. Additionally, our focus on fulfilling the nutritional and health needs of children emphasizes a holistic approach to development, supporting their growth in a sustainable manner. This project embodies our dedication to creating a brighter, healthier future for both the children we serve and the planet we inhabit.

Expected Outcome: Empowering Next Generation

Providing mobile service to Obtain National Identity Cards for estate workers

Implementing mobile services to facilitate the issuance of National Identity cards for estate workers not only streamlines access to essential identification but also embodies a commitment to sustainability. By leveraging mobile technology, the process reduces the need for workers to travel long distances, minimizing carbon emissions and promoting energy efficiency. Furthermore, ensuring that estate workers have proper identification enhances their access to social services and economic opportunities, fostering a more inclusive and equitable society. This initiative not only supports the workforce but also aligns with sustainable development goals, promoting social equity while protecting the environment.

Expected Outcome: Empowering Identity Recognition

House hold cash Management Programs

At our company , we recognize that effective household cash management is not just about budgeting and savings; it also plays a crucial role in promoting sustainability. By empowering our community to track their spending and make informed financial decisions, our cash management programs encourage more mindful consumption and reduce waste. When individuals understand their financial habits, they are more likely to prioritize eco-friendly products and services, supporting sustainable businesses and practices. Ultimately, our commitment to enhancing financial wellness aligns seamlessly with our goal of fostering a more sustainable future for our communities and the planet.

Expected Outcome: Toward Better Economic Growth

Sustainability Management

Housing Programs

At our company, we believe that sustainability goes beyond just environmental responsibility; it encompasses the well-being of our workers and their communities. Our housing program is a testament to this commitment, as we strive to provide safe, affordable homes for our employees. By constructing secured houses equipped with essential amenities, we not only ensure that our workers have a secure roof over their heads but also promote a healthier living environment. This initiative not only enhances the quality of life for our workforce but also aligns with our broader goal of fostering sustainable communities that thrive economically and socially.

Expected Outcome: Safe residence for all

Community involvement and Development Related Activities

At our company, we believe that sustainability goes hand in hand with community involvement and development. Our programs are designed not only to empower local communities but also to promote environmental stewardship. By engaging in initiatives such as community clean-up drives, educational workshops on sustainable practices, and coordinating cultural programs, we create a positive impact that fosters both social well-being and ecological balance. This holistic approach not only strengthens our ties with the community but also ensures that our growth contributes to a more sustainable future for all.

Expected Outcome: Enhanced Community Engagement

Environmental Sustainability Enhancement Initiatives

Our company is committed to fostering environmental sustainability through a comprehensive project that integrates various eco-friendly initiatives. We are actively engaged in replanting and new planting efforts to restore local ecosystems while promoting home gardening awareness programs that empower individuals to cultivate their own green spaces. Additionally, we prioritize the use of eco-friendly packaging materials in our operations, ensuring that our products are delivered with minimal environmental impact. Our commitment extends to implementing effective energy, water, waste, and forest management practices, striving to create a sustainable future for our communities. By combining these efforts, we aim to inspire a culture of environmental stewardship and resilience.

Expected Outcome: For a Greener future

Factory Automation Process

During the year, we commenced the implementation of factory automation initiatives aimed at enhancing efficiency, product quality, and operational consistency. The project focuses on integrating automated systems to reduce manual intervention, improve workplace safety, and optimize resource utilization. Upon completion, this initiative is expected to support our sustainability goals by lowering energy consumption and minimizing waste, contributing to more efficient and responsible manufacturing processes.

Expected Outcome: Operational Efficiency

As a forward-thinking plantation company, we are excited to announce several upcoming projects designed to enhance the livelihoods of our workers and contribute to sustainable development. One of our key initiatives is the establishment of bank accounts for estate workers, allowing them to conveniently receive their wages, thereby promoting financial inclusion and security.

Additionally, we are committed to expanding our network of child development centers, which play a crucial role in fostering the growth and education of children within our communities. These efforts align with our social responsibility objectives and are integral to our ongoing collaboration with our sustainability committee, ensuring that we prioritize the well-being of our employees and their families.
In line with our commitment to environmental sustainability, we are also planning to launch a solar power generation project, which will harness renewable energy to reduce our ecological footprint. Furthermore, we are working on automating our tea factories to enhance efficiency and minimize waste, further contributing to our sustainability goals.

By addressing both social and environmental aspects of sustainability, we aim to create a positive impact not only within our company but also in the broader community and the planet.

Our Upcoming Projects

Our Policy on Environmental, Social and Governance Sustainability

https://www.arpico.com/contents/pdf/financial_policies/rpc/8.-Policy-on-Enviormental,-Social-and-Governance-Sustainability.pdf

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INDEPENDENT ASSURANCE REPORT TO THE BOARD OF THE DIRECTORS OF NAMUNUKULA PLANTATIONS PLC ON THE INFORMATION PRESENTED WITH REFERENCE TO THE SLFRS S1 AND S2 STANDARDS IN THE INTERGRATED ANNUAL REPORT – 2025/26

Scope

We have been engaged by the management of Namunukula Plantations PLC ("the Company") to perform an independent limited assurance engagement, as defined by the Sri Lanka Standards on Assurance Engagements, on the information presented with reference to the, SLFRS S1 and S2 Standards ("Information") in its Integrated Annual Report for the year ended 31 March 2026 (the "Report").

Management's Responsibility

Management of the Company is responsible for preparation and presentation of the information with reference to the SLFRS S1 and S2 Standards. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the information that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. The firm applies Sri Lanka Standards on Quality Management and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

C S Manoharan FCA, T U Jayasinghe FCA, M D B Boyagoda FCA, H A C H Gunarathne FCA, M P M T Gunasekara FCA, N R Gunasekera FCA, M S J Henry FCA, M M R Hilmy FCA, H P V Lakdeva FCA, K M D R P Manatunga ACA, M M M Manzeer FCA, L A C Tillekeratne ACA,
D C A J Yapa ACA

Deloitte.

Our Responsibility

Our responsibility is to express a conclusion on the information presented in Report with reference to the SLFRS S1 and S2 Standards. We conducted our limited assurance engagement in accordance with the Sri Lanka Standard on Assurance Engagements 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information ("SLSAE 3000") issued by the Institute of Chartered Accountants of Sri Lanka. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the information is free from material misstatement.

A limited assurance engagement undertaken in accordance with SLSAE 3000 involves assessing the risks of material misstatement of the information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and were included,

- Comparing of the content of the Report against the SLFRS S1 and S2 Standards.
- Inquiring relevant organization's personnel to understand the process for collection, analysis, aggregation, and presentation of data.
- Cross checking the non-financial data /information presented in the Report with the supporting documents and schedules maintained by the Company.
- Checking the calculations performed by the organization on a sample basis through recalculation.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the information, as defined above, for the year ended 31 March 2026, is not presented, in all material respects, with reference to the SLFRS S1 and S2 Standards.

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Disclosures covered by our Limited Assurance engagement

The selected Sustainability Related Disclosures pertaining to sustainability standards (Notwithstanding the <IR> Framework) covered by our Limited assurance engagement are:

Sustainability Related Disclosures	Namunukula Plantations PLC's sections	Page Number
SLFRS S1. Paragraph 26 – 27	Governance	98 to 100
SLFRS S1. Paragraph 28 – 40	Strategy	100 to 106
SLFRS S1. Paragraph 43 – 44	Risk management	111 to 112
SLFRS S1. Paragraph 45 – 53	Metrics & Targets	112 to 116
SLFRS S2. Paragraph 05 – 06	Governance	98 to 100
SLFRS S2. Paragraph 08 – 21	Strategy	100 to 106
SLFRS S2. Paragraph 24 – 26	Risk management	111 to 112
SLFRS S2. Paragraph 27 – 37	Metrics & Targets	112 to 116

Other Matter

Our assurance is not extending to the prospective/comparative information or target validations, or any other information presented in the Report other than based on the SLFRS S1 and S2 Standards. Further, we do not provide any assurance on the assumptions and achievability of prospective information presented in the Report including forward-looking statements and growth-related projections.

Deloitte Partners Sri Lanka
Chartered Accountants
Colombo
25th August 2026

SLFRS S1 and S2 Sustainability Related Financial Disclosures

About the Report

Namunukula Plantations PLC has voluntarily adopted the full requirements of SLFRS S1 and SLFRS S2 for the financial year ending 31st March 2026, marking its second year of reporting following the initial adoption in 2024/25. Accordingly, this report encompasses disclosures on a wider spectrum of sustainability-related risks and opportunities, extending beyond Climate-related risks and opportunities which was identified during 2024/25.

Our Sustainability Reporting Process

We have been working to integrate sustainability across our business strategy for many years through our sustainability framework, using technology, innovation, learning, partnerships, and governance as key enablers of implementation.

It connects key environmental, social, and governance (ESG) risks and opportunities with the company's governance, strategy, risk management, and performance metrics and targets.

MODULE 1 : Prepare

What is the case for and purpose of sustainability reporting? How has the reporting landscape evolved?

MODULE 2 : Align

What do companies have to disclose to align with the global baseline in IFRS S1 and S2? How can additional disclosures be integrated to meet geographical, sectoral and regulatory requirements?

MODULE 3 : Implement

Identifying, evaluating, and integrating sustainability related risks and opportunities

MODULE 4 : Communicate

Considering location, efficiency and user confidence when disclosing in general-purpose financial reports

Flow of the Section

1) Basis of Preparation
2) Governance
3) Strategy
4) Risk Management
5) Metrics and Targets

Governance

- Describe the board's oversight of climate-related risks and opportunities (Page Number 98)
- Describe management's role in assessing and managing SRRO's and CRRO's (Page Number 99)

Risk Management

- The processes and related policies the entity uses to identify, assess, prioritize and monitor SRRO's (Page Number 111)
- Company's overall risk management process (Page Number 111 to 112)

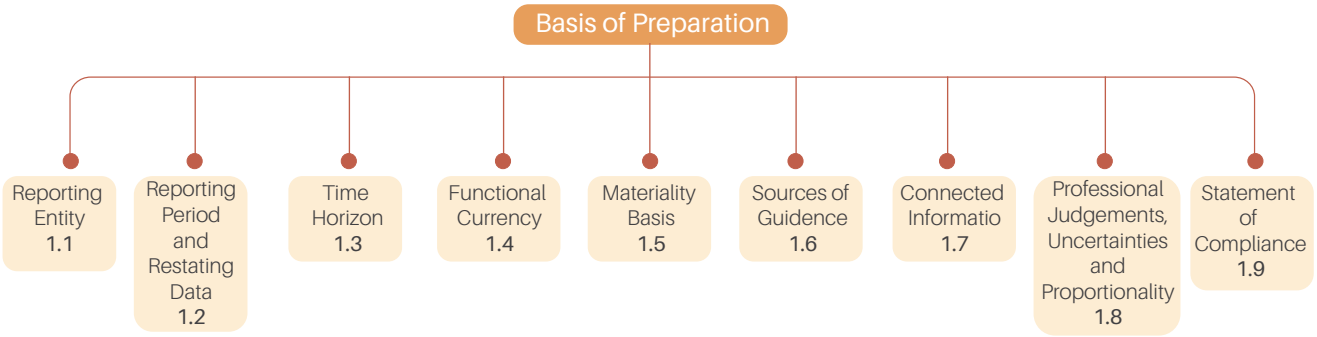
Strategy

- SRRO's that could reasonably be expected to affect NPPLC's prospects (Page Number 101)
- Current and anticipated effects of those SRRO's on NPPLC's business model and value chain (Page Number 102)
- Effect of SRRO's on the strategy and decision making (Page Number 102 to 103)
- Effect of SRRO's on the financial position, financial performance, and cash flows (Page Number 103)

Metrics and Targets

- Metrics the entity uses to measure and monitor SRRO's (Page Number 112)
- Progress towards targets (Page Number 116)

1. Basis of Preparation



1.1 Reporting entity

GRI 2-2

Namunukula Plantations PLC is a Public Limited Liability Company incorporated in Sri Lanka on 22nd June 1992 under the Companies Act No. 17 of 1982. It was established as one of the regional plantation companies during the privatization of the state-owned plantation sector.

The Company was re-registered on 15th August 2008 under the Companies Act No. 07 of 2007, subsequently adopting the name Namunukula Plantations PLC. As a quoted public company, its shares are listed on the Main Board of the Colombo Stock Exchange.

1.2 Reporting Period and Restating data

GRI 2-3, 4

This report overviewed the financial year from 1st April 2025 to 31st March 2026, consistent with the company's financial reporting period.

Each year the sustainable data we publish is provisional with the best available data at the time of publication. We restate previous year's data each following year after a full review of our data is complete to report and explain amendments made to previously reported information due to errors, changes to policies, methodologies, or organisational structure.

1.3 Time Horizon

NPPLC identifies and evaluates significant sustainability-related risks and opportunities (SRROs) across three distinct timeframes: short, medium, and long-term. Because environmental and social issues often develop gradually, this forward-looking approach is essential for accurate financial reporting.

Short term: 0-1 year
Medium term: 1-5 years
Long term: 5+ years

1.4 Functional Currency

The Financial Statements are presented in Sri Lankan Rupees (Rs.), which is the Company's functional and presentation currency. All financial information presented in Sri Lankan Rupees has been rounded to the nearest thousand (Rs. '000), except when otherwise indicated.

1.5 Materiality Basis

In accordance with SLFRS Sustainability Disclosure Standards and SASB framework, the company defines materiality based on the potential for information to influence the economic decisions of primary users. We disclose sustainability-related financial information where its omission, misstatement, or obscurity could reasonably impact the judgment of our investors and stakeholders.

	Impact on Financial Performance	Impact on Financial Position
Metric	Operating Profit Before Tax (PBT)	Total Assets
Materiality Limit	± 2.5% of Operating Profit Before Taxes	0.25% of Total Assets

Topics deemed non-material and that could not reasonably be expected affect the Company prospects have been excluded from disclosure, and a full internal record of evaluated topics is maintained for future reference.

1.6 Sources of Guidance

Namunukula Plantations has considered guidance from following frameworks and standards, in identifying and disclosing sustainability-related risks and opportunities:

- *SLFRS S1* - General Requirements for Disclosure of Sustainability-related Financial Information
- *SLFRS S2* - Climate-related Disclosures, issued by Institute of Chartered Accountants of Sri Lanka
- Sustainability Accounting Standards Board (SASB) - Food & Beverage Sector - Agricultural Products
- Global Reporting Initiative (GRI) Standards
- Climate Disclosure Standards Board (CDSB) Application Guidance
- Taskforce on Nature-related Financial Disclosures (TNFD)

SLFRS S1 and S2 Sustainability Related Financial Disclosures

- Sri Lanka Nationally Determined Contributions 3.0 (2026-2035)
- World Energy Outlook 2024 – Published by International Energy Agency

1.7 Connected Information

Cross referencing and the following navigation icons have been used across the Report to demonstrate links between,

Connections between the items to which the information relates

Connections within the sustainability related financial disclosures

1.8 Professional Judgments, Uncertainties and Proportionality

We leverage all credible information accessible at the reporting period's end, ensuring a balance between data depth and operational efficiency and all reasonable and supportable information available at the reporting date was considered without undue cost or effort. Furthermore, our quantification of these impacts is driven by the specific technical competencies and tools at our disposal. The following list outlines the critical domains where professional discretion and predictive uncertainty are most prevalent.

Key Areas;

i) Identification of CRROs and SRROs
Mapping physical climate threats based on national risk profiles, which change depending on the region and the climate scenario used. Additionally, we monitor international regulatory trends, such as EU policies, noting that their exact implementation dates may shift.

ii) Quantifying Financial Impact

It's challenging assess when it is not feasible to provide exact figures and instead using consistent descriptive analysis to show the scale and direction of potential effects. This ensures that any estimates or omitted data points are properly explained to avoid giving a false sense of precision.

iii) Value Chain Scope

This involves a comprehensive assessment of all entities and activities within the company's sphere of influence. We categorize these into upstream and downstream segments based on their vulnerability to climate risks, ensuring that our disclosures cover every area where NPPLC exercises control or faces significant financial exposure.

iv) Materiality

It involves in determining if specific climate-related risks and opportunities (CRROs) are likely to influence the company's liquidity, funding access, or capital costs across various timeframes. In cases where financial outcomes are vague or indirect, we rely on established qualitative standards to determine their significance.

v) GHG Emissions Conversion Factors and Estimation Uncertainty
The measurement of greenhouse gas (GHG) emissions requires the application of emission conversion factors obtained from internationally recognised sources. These factors are periodically updated to reflect improvements in scientific knowledge and calculation methodologies.

1.9 Statement of Compliance

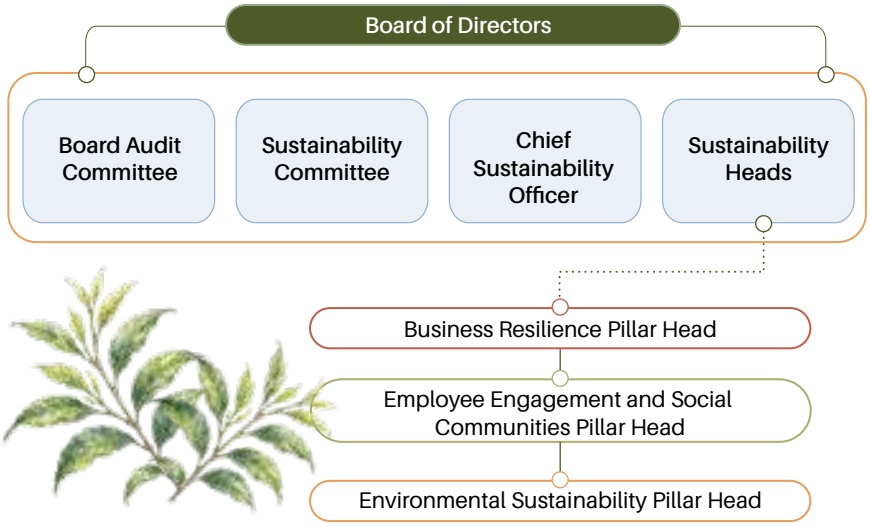
This report provides a complete set of sustainability-related financial disclosures for Namunukula Plantations PLC for the year ended 31st March 2026. These disclosures are prepared in accordance with SLFRS Sustainability Disclosure Standards issued by the Institute of Chartered Accountants of Sri Lanka, ensuring transparency regarding climate-related impacts on our operations.

2. Governance

GRI 2-9, 12, 13, 14, 17

Integrity is about the ethics of a good governance process and is part of NPPLC's core values. As such, governance is held to the highest of standards at NPPLC. Accordingly, we have in place a strong Sustainability Governance Framework to ensure the effective and successful implementation of our sustainability commitments in accordance with the relevant policies and guidelines.

2.1 Governance Structure



The Board exercises ultimate stewardship over the EESG framework, ensuring the corporate strategy proactively addresses material SRROs while monitoring results quarterly. This oversight is operationalized through the Sustainability Committee, which directs execution, and monitors risk exposure and sustainability compliance. Together, they provide a multi-dimensional review of sustainability impacts according to their specialized mandates. (Reference to sustainability management chapter page 83 to 92)

2.2 Roles and Responsibilities in Managing SRRO's

Board of Directors

Alignment with Corporate Strategy: Ensure that SRROs are integrated into the company's long-term business strategy and financial planning

Risk Appetite: Define the company's tolerance for sustainability-related risks

Policy Oversight: Approve foundational sustainability policies

Stakeholder Engagement: Oversee the process for identifying and addressing the concerns of investors and employees

Sustainability Committee

Cost- Benefit Evaluation : Analyze the financial implications of sustainable practices and recommend investments that yield long-term profitability

Resource Mobilization: Allocate technical expertise and financial resources to execute ESG programs across business units.

2.3 Management's role in the governance processes

The CEO – The Sector CEO serves as the Chair of the Sustainability Committee, providing strategic direction for the Company's sustainability agenda. The role includes overseeing the implementation of sustainability initiatives, monitoring performance against sustainability objectives and targets, guiding stakeholder engagement, reviewing sustainability-related risks and opportunities (SRROs), and ensuring that sustainability considerations are integrated into strategic decision-making.

Sector FC – The Sector Financial Controller serves as the Head of the Business Resilience Pillar of the Sustainability Committee. The role is responsible for assessing the financial implications and economic viability of sustainability initiatives, evaluating sustainability-related financial risks and opportunities (SRROs), supporting climate-related financial disclosures, and integrating sustainability considerations into financial planning, budgeting, and risk management processes.

Deputy General Manager (UVA Region) – The Deputy General Manager is responsible for overseeing estate and factory operations across the Uva Region. The role includes monitoring tea production, managing estate operations and workforce performance, controlling operational costs, ensuring productivity and quality targets are achieved, and implementing sustainability policies and operational practices across the regional estates.

Manager Plantations – The Manager Plantations is responsible for the overall coordination, planning, and administration of plantation operations across the Company's estates. Key responsibilities include plantation development, crop and field management, operational planning, implementation of sustainable agricultural practices, and maintaining plantation standards.
(Refer to the Risk Management Page 44)

Skills and Expertise of the Governance Body

Board Audit Committee

The Board Audit Committee of Namunukula Plantations PLC continues to enhance its expertise in sustainability reporting to effectively oversee the Company's sustainability governance, risk management, and disclosure practices. During the financial year, members of the Committee participated in the "Board's Role in Mandatory Sustainability Reporting" training programme organized by the Sri Lanka Institute of Directors (SLID). The programme provided valuable insights into the Board's governance responsibilities, the evolving regulatory landscape, and the practical application of the IFRS Sustainability Disclosure Standards (IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures).

Given the nature of the plantation sector, the Committee also provides oversight of sustainability matters relating to climate resilience, environmental stewardship, biodiversity conservation, responsible resource management, and the wellbeing of estate communities, ensuring that the Company's reporting reflects the principles and disclosure requirements of IFRS S1 and IFRS S2.

SLFRS S1 and S2 Sustainability Related Financial Disclosures

Sustainability Committee

Leader	Business Resilience Pillar Head	Employee Engagement & Social Communities Pillar Head	Environment Sustainability Pillar Head
A distinguished Leader of the Committee with over 40 years of extensive experience in the management of tea, rubber, and oil palm plantations. Professionally qualified through the National Institute of Plantation Management, with advanced international training in Japan on 5'S methodologies and high-performance team development. With the exceptional knowledge in people management and critical decision making, leader is demonstrating exceptional leadership in strategic governance, operational optimization, and sustainable agribusiness management.	A results-driven Business Resilience Pillar Head and Fellow Chartered Accountant (FCA) with a Bachelor's and Masters were combining strong financial expertise with strategic resilience leadership. Experienced in developing and implementing business continuity and risk management frameworks aligned with organizational goals. Actively contributed to RSPO certification processes, ensuring sustainability compliance and responsible sourcing practices. Skilled in analyzing Crude Palm Oil (CPO) prices and market trends, leveraging data-driven insights for forecasting and decision-making.	A seasoned Employee Engagement and Social Communities Pillar Head with over 30 years of service at Namunukula Plantations PLC. A Commissioned Captain in the Sri Lanka Army Volunteer Reserve, he brings strong leadership and discipline. Academically qualified with credentials from University of Colombo and National Institute of Business Management, he specializes in employee engagement, labour relations, and community development, with experience in sustainability initiatives including Rainforest Alliance certification.	With over 16 years of extensive experience across plantations sector, the leader brings valuable operational expertise and strategic insight to the Company's sustainability agenda. His strong academic and professional background, including dual award MBA specializing in strategic management and organizational growth, together with specialized training in tea manufacturing, and oil palm cultivation, enhances his ability to align sustainable agricultural practices with sound corporate governance principles. His forward-thinking approach continues to strengthen the Company's environmental stewardship initiatives, support sustainable cultivation practices, and create long-term value for stakeholders.

3. Strategy

Our strategy is focused on building a business model that harmonizes environmental restoration with financial resilience. By identifying material sustainability-related risks—from acute physical threats like monsoons to transition risks—we proactively safeguard our operations. By embedding these SRRO's into our core decision-making, we analyse their impact across our entire value chain, from nursery management to global export logistics.

We recognize that these factors directly influence our financial position through asset valuations, insurance premiums, and yield stability. Consequently, our financial planning integrates short-term mitigation costs with long-term capital investments in climate-adaptive infrastructure.

Through rigorous scenario analysis, we continuously assess the resilience of our strategy, ensuring that our business model can withstand diverse climate pathways while delivering consistent cash flows and shareholder value in an evolving regulatory landscape.

3.1 Disclosure on SRRO's

Icon	Risk/ Opportunity	Description	Time Horizons
SRRO 1	Labour Shortages	Generational migration and alternative employment are shrinking our labour pool.	Short to medium term
SRRO 2	Renewable Energy Integration	Planning to invest in solar panels and wind turbines to power plantation operations.	Medium to Long term
CRRO 1	Acute risk : Extreme weather events	Extreme weather events disrupt harvests and damage infrastructure.	Short term
CRRO 2	Chronic risk : Rainfall patterns	Erratic rainfall and droughts disrupt growth cycles and yield stability.	Short to Medium term
CRRO 3	Transition risk : Regulatory Changes	Evolving SLFRS S1 & S2 mandates and global carbon taxes require rigorous financial-grade disclosures.	Short to long term

3.2 Financial Effects Mapping

As part of our SLFRS S1 & S2 adoption, we have initiated the quantification of financial effects for three priority climate related risks and opportunities (CRROs) and two sustainability related risks and opportunities (SRROs). While global methodologies and national data sets are still maturing, we have utilized a targeted criteria-based approach to assess our most material impacts.

Our process was as follows:

How SRROs affect NPPLC's PROSPECTS?
- Description
- Time horizons

How SRROs impact the NPPLC's business model and value chain over time?
- Current effect
- Anticipated effects

How SRROs affect the strategy and decision making?
- lans and response
- Resource allocation
- Progress

How SRROs affect financial planning and financial statements over time?
- Current financial effects
- Next year impact to assets and liabilities

How resilience is the strategy and business model to risks?
- Resilience assessment
- Scenario analysis

SRRO 1: Labour Shortages

Labour shortages are a systemic sustainability risk where human capital depletion triggers worker burnout, safety hazards, and operational instability, ultimately stalling the company's long-term EESG goals and Net Zero progress.

Major Impacted Areas

In tea plantations, a labour shortage is a high-stakes sustainability risk because it disrupts the delicate, time-sensitive balance of agricultural production. It transforms a manageable operational issue into a threat against the entire supply chain.

In rubber plantations, a labour shortage is particularly destructive because natural rubber is a "biological factory" that requires precise, daily human intervention. Unlike field crops that can wait a few days, the rubber tree follows a strict physiological rhythm.

In oil palm plantations, a labour shortage is a catastrophic sustainability risk because the crop is highly perishable. Unlike rubber or tea, which can sometimes tolerate minor delays, oil palm Fresh Fruit Bunches (FFB) have a rigid "ripeness window" that dictates the oil's final quality.

SLFRS S1 and S2 Sustainability Related Financial Disclosures

- **Sources of Information**
  - Government labour statistics and employment data
  - Trade union feedback and labour market trends

- **Impact on Business Model**

  A business model explains how a company creates, delivers, and captures value. Labour shortage affects several key components of the business model. We have mapped the impact on business model through main three categories such production category, cost structure, and revenue generation.

Production Capacity	Cost Structure	Revenue Generation
Plantation activities such as tea plucking, rubber tapping, pruning, and field maintenance require manual labour. When there are not enough workers: • Production levels decrease • Harvesting cycles may be delayed • Crop quality may decline This reduces the company's ability to produce and sell its products. **Anticipated Effects :** If labour shortages persist or worsen, the Company may experience prolonged declines in production capacity, reduced land productivity, delayed replanting and field maintenance activities, and increased vulnerability to climate-related impacts due to inadequate estate upkeep.	Labour shortages can increase operational costs because companies may need to: • Pay higher wages or incentives • Use overtime payments • Recruit temporary or contract workers • Invest in mechanization or technology As a result, the cost of production increases, affecting profitability. **Anticipated Effects :** Over the medium to long term, sustained labour shortages are expected to increase capital expenditure on mechanisation, digitalisation, and workforce development programmes.	Lower production leads to: • Reduced output of tea or rubber • Inability to meet customer or export demand • Potential loss of long-term buyers This directly affects the company's revenue streams. **Anticipated Effects :** Continued labour shortages may reduce the Company's capacity to fulfil customer and export market demand consistently, potentially leading to lower market share, reduced customer retention, and slower revenue growth.

- **Impact on Value Chain**

Value Chain Stage	Key Activities	Impact of Labour Shortage
Upstream	Planting, fertilizing, field maintenance	Poor crop management and lower raw material availability
Middle	Harvesting, processing, packaging	Reduced productivity, higher costs, lower efficiency
Downstream	Distribution, logistics, exports	Reduced supply to markets and potential revenue loss

- **Current and Anticipated Financial Effects**
  - Current effects

Impact of Financial Position
- Asset Impairment & Underutilization
- Shifting Liability Profiles

Impact on Cash Flows
- Increased Operating Outflows
- Stifled Revenue Inflows

- **Anticipated Effect**

Financial Metric	Direction	Impact
Current Ratio	Decreasing	Over-reliance on short-term debt to cover daily wage spikes.
Operating Margin	Compressing	Wage inflation vs. stagnant commodity prices.
Asset Turnover	Lower	Lower yields per hectare because crops are left in the field.

- **Strategy and Decision-making**
  - Shifting from a labour-intensive to a capital-intensive model
  - Reducing Time-to-Fill and Cost of Turnover

- **Metrics and Targets**
  - Metric: Total employee turnover for the year 2025/26 is 13%.
  - Target: Reduce voluntary turnover more than 50% by 2035.

SRRO 2: Renewable Energy Integration

Renewable Energy Integration represents a transformative sustainability-related opportunity under IFRS S1 by converting biological and geographical assets into strategic financial advantages. This integration directly enhances operational resilience by insulating the company from the volatility of global fossil fuel prices and grid instability in remote agricultural regions.

- **Sources of Information**
  - Sri Lanka Sustainable Energy Authority (SLSEA)
  - CBSL Sustainable Finance Roadmap 2.0

- **Impact on Business Model**
  - The business model evolves from a traditional commodity extraction profile to a circular, energy-resilient enterprise
  - Moving energy from an OpEx-heavy line item (vulnerable to diesel and petrol price hikes) to a fixed-capital asset.
  - The Company anticipates that continued investment in renewable energy and energy-efficient technologies will progressively transform its business model from a traditional commodity-based plantation operation into a more circular, resource-efficient, and energy-resilient enterprise. Over the medium to long term, a greater proportion of energy expenditure is expected to shift from recurring operating costs that are exposed to diesel and electricity price volatility to long-term capital investments in low-carbon asset.

- **Impact on Value Chain**

  Renewable integration redefines the total value created at every stage of the company's operations, affecting both current and anticipated financial performance.

Value Chain Stage	S1/S2 Financial Connectivity
Upstream (Sourcing)	Reduced Operating Costs: Lower spend on diesel and grid electricity.
Midstream (Processing)	Capital Expenditure (CapEx): Investments in high-efficiency boilers and machines are disclosed as "Climate Opportunity" spending.
Downstream (Sales)	Market Access: Retention of premium ESG-conscious buyers.

- **Current and Anticipated Financial Effects**
  - Anticipated Financial Effects:
  - Following the 2023–2025 electricity reforms, industrial tariffs in Sri Lanka now more closely reflect cost. Companies with rooftop solar or micro-hydro, NPPLC can report reduced "Utility Expense" on the Income Statement, acting as a hedge against the Ceylon Electricity Board (CEB) quarterly price revisions.

Horizon	Financial Position	Financial Performance
Short Term (1 yr)	Recognition of Green Assets: Increased PPE value from new solar/biomass plants.	Interest Savings: Access to concessional finance from the Asian Development Bank (ADB) or local green banking windows.
(Medium Term 2-5 yrs)	Enhanced Credit Rating: Improved leverage ratios and A-grade ESG ratings, making the company a lower-risk borrower in the SL market.	New Revenue Streams: Selling excess energy to the grid under net accounting or net plus schemes and monetizing Sri Lanka Carbon Credits (SLCCs).
Long Term (5+ yrs)	Climate Resilience: Elimination of Stranded Asset Risk as the country moves toward its 70% renewable target by 2030.	Export Premium: Protection of Ceylon tea/rubber market share in the EU and UK by meeting the strict Net Zero demands of global retailers.

- **Strategy and Decision-making**
  - Upgrading estate factories (e.g., Cannavarella) to High-Efficiency Biomass Gasifies.
  - Installing solar PV on the expansive roofs of NPPLC's factories and warehouses. (At discussion stage)

- **Metrics and Targets**
  - No material financial effect for the year.
  - Target: Achieve 40% renewable energy in all processing operations by 2040. Progress towards the target of achieving 40% renewable energy in all processing operations is measured as the percentage of total energy consumed in processing operations that is sourced from renewable energy.

SLFRS S1 and S2 Sustainability Related Financial Disclosures

CRRO 1: Extreme Weather Events

The company identifies extreme weather - specifically high-intensity rainfall events - as a critical acute physical risk. While such events can lead to immediate biological asset impairment, our strategy of 'Biological Hardening' (slope stabilization) and improved drainage infrastructure serves to mitigate these losses.

- **Sources of Information**
  - Disaster Management Centre (DMC) Sri Lanka
  - Central Bank of Sri Lanka (CBSL)
  - IPCC Interactive Atlas

- **Impact on Business Model**
  - Extreme weather forces a shift from a Growth-Oriented Model to a Resilience-Led Model.
  - Forces the business model to include Climate Adaptation as a core operational cost rather than a peripheral one.

- **Anticipated Impacts**
  - Higher operating and capital expenditure for climate adaptation measures
  - Reduced production volumes and revenue during periods of adverse weather
  - Increased volatility in operating costs and cash flows due to climate-related disruptions

- **Metrics and Targets**

- Current:

Damage of Ditwah Cyclone

Estate	Damage Tea bushes	Hectare
Gonakalle	15,000.00	1.20
Canaravella	55,165.75	4.41
Kandahena	490.00	0.04
Total	70,655.75	5.65

Expected Yield (Kgs.)	1,000.00
Lease Balance Period (Years)	19
Company Damage Quantity (Kgs.)	19,000.00
Revenue Contribution (Rs.)	321.15

Annual Damage (Rs.)	**1,815,296.57**
Total Lease Period Damage (Rs.)	**92,868,921.28**

- **Impact on Value Chain**

Value Chain Stage	Impact of Extreme Weather
Upstream (Inputs)	Disruptions to the supply of fertilizers, agrochemicals, fuel and packaging materials due to extreme weather affecting supplier operations and transport networks.
Processing (Mill)	Grid failure and flood damage to machinery (e.g., drying beds, rollers).
Logistics (Outbound)	Flooding and landslides disrupt transportation services, delaying the movement of inputs to estates and finished tea to customers.
Downstream (Market)	Reduced tea production and quality may limit the ability to meet customer demand and delivery schedules, affecting customer relationships.

- **Current and Anticipated Financial Effects**

Current Effects:

The immediate repair and maintenance costs and the write-down of biological assets (lost bushes/trees) in the current P&L

Anticipated Effects:

The projected increase in Insurance Premiums and the requirement for higher Working Capital to manage supply chain shocks.

- **Strategy and Decision-making**
  - Investments in Nature-Based Solutions like planting deep-rooted cover crops or stone-bonding on steep tea slopes to prevent landslides during extreme rain.
  - Upgrading factory structures to withstand higher wind speeds and improving drainage capacity to handle flash flood volumes.

Note - Total damage is discounted by 10% from 2025 to 2045 (Remain lease period)

- Target: Improve drainage and soil conservation systems in all vulnerable estates by 2030.

  Progress is measured as the percentage of identified vulnerable estates that have completed planned drainage and soil conservation improvements.

CRRO 2: Rainfall Patterns

NPPLC recognizes that climate change - specifically the increasing volatility of rainfall patterns, is no longer merely an environmental concern but a material financial risk. Changes in the timing, intensity, and frequency of monsoonal rains directly influence our biological asset valuations, operational costs, and long-term revenue stability.

- **Sources of Information**
  - Historical estate level information
  - Department of Meteorology (Sri Lanka)
  - WRI Aqueduct Water Risk Atlas

- **Impact on Business Model**
  - Soil Degradation and Fertilizer Intensity
  - Implications for Crop Quality, Yield, and Quantity
  - Strategic shift in Crop Mix to resilient varieties

Anticipated effects on business model:

Changes in rainfall patterns are expected to increase production costs through higher expenditure on fertilizer, soil conservation, irrigation, and estate maintenance. These changes may also adversely affect crop quality, yield, and harvesting efficiency, leading to fluctuations in production and revenue.

Targets:
Implement hyper local AI model system that predicts microclimates changes at the estate level by 2030.

- **Impact on Value Chain**

Value Chain Stage	Impact of Rainfall Patterns
Upstream (Inputs)	Excessive rain washes away fertilizers, requiring higher chemical inputs.
Midstream (Operations)	Landslides block estate roads, delaying crop transport to factories.
Downstream (Sales)	Weather-driven shortages may breach volume commitments with global buyers.

- **Current and Anticipated Financial Effects**
  - *Current Effects:*

Financial Area	Specific Financial Impact
Revenue	Decrease: Loss of rubber tapping days and washouts reducing immediate cash inflow from the rubber segment.
Revenue	Volatility: Lower quality of made tea due to high water content in green leaf, leading to lower Net Sales Averages (NSA)
Operating Costs	Increase: Higher costs for moisture conservation, mulching, and manual irrigation for sensitive young Oil Palm plants.
Cost of Sales	Increase: Nutrient leaching requires re-application of fertilizers, raising the cost of materials per hectare

  - *Anticipated Effects:*
    - A significant write-down in the fair value of biological assets (Tea and Rubber) if lands become sub-optimal for current clones.
    - High costs to implement large-scale irrigation for Oil Palm (our most profitable crop) to prevent yield collapse during dry spells.

- **Strategy and Decision-making**
  - Heavy investment in drainage systems and rain guards for rubber to maintain harvesting windows.
  - Geographical diversification of operations.

- **Metrics and Targets**
  - *Current:*
    (It is difficult to directly determine the impact of rainfall on other crops in our plantations, other than the rubber harvest, and we will only present the impact on the rubber harvest.)

Description	Unit	Value
Expected Avarage Daily Crop	Kgs.	1,863
Total Wet Days	Days	205
Rainfall	mm	4,837
Crop Loss (As per Company Calculation)	Kgs.	268,484
Revenue Contribution	Rs.	294.20
Annual Company Loss	**Rs.**	**78,988,748**

The Company is enhancing its reporting processes and internal controls to enable greater alignment between sustainability-related financial information and the Financial Statements, with the objective of presenting a more interconnected report in the next reporting period.)

SLFRS S1 and S2 Sustainability Related Financial Disclosures

CRRO 3: Regulatory Changes

Transition risks are the financial risks that arise as we move toward a lower-carbon economy. Regulatory changes represent the legal and policy guardrails that governments put in place to force this transition, often impacting a company's business model, costs, and asset values.

- **Sources of Information**
  - Central Environmental Authority
  - IFRS Foundation Knowledge Hub
  - World Economic Forum's global risks threshold

- **Impact on Business Model**

  Key impact drivers;
  - Regulations related to GHG emissions
  - Reporting Requirements
  - Enhanced Efficiency Standards

Anticipated effects

The Company anticipates that evolving regulations relating to greenhouse gas (GHG) emissions, mandatory sustainability reporting requirements, and enhanced energy and resource efficiency standards will progressively influence its business model. Compliance with these regulatory developments is expected to require increased investment in emissions monitoring systems, data management processes, energy-efficient technologies, and governance frameworks.

- **Impact on Value Chain**

Value Chain Stage	Potential Financial Impact
Upstream	Increased cost of certified Green raw materials
Operations	Higher compliance and audit costs
Downstream	Reduced demand for high-carbon products by consumers.

- **Current and Anticipated Financial Effects**
  - *Current Effects:*
    - Compliance & audit costs including hiring consultants
    - Oil palm cultivation ban
    - Government grants for tea initiatives
  - *Anticipated:*
    - Future savings from planned solar integration (OpEx reduction)
    - Anticipated regulations regarding water extraction charges for plantation irrigation like oil palm

- **Strategy and Decision-making**
  - In response to the current ban on oil palm expansion, a strategic diversification plan into ancillary crops such as cinnamon and coconut to protect long-term revenue streams.
  - Upgrade factory machinery to meet anticipated energy efficiency standards, avoiding potential future penalties.
  - Accelerate Regenerative Agriculture program to gain 'Low-Carbon' certification and maintain market access.

- **Metrics and Targets**
  - *Metrics:*

    (5 April 2021 – The Government issued Gazette Extraordinary No. 2222/13, which formally prohibited oil palm cultivation throughout Sri Lanka. Accordingly, the institution was suffering huge losses every year.)

Extent

More Than 25 Years Palm Trees are	Hectare	474.63
Uprooted Area	Hectare	50.05
Total Land	Hectare	524.68

Avarage Yield Loss

More Than 25 Years Palm Trees are	Kgs.	5,000
Uprooted Area	Kgs.	11,000

Avarage Crop Loss

More Than 25 Years Palm Trees are	Kgs.	2,373,150
Uprooted Area	Kgs.	550,550
Total Crop Loss	**Kgs.**	**2,923,700**

Revenue Contribution	Rs	90.71

Annual Company Loss	**265,199,523.31**

(The company is enhancing its reporting processes and internal controls to enable greater alignment between sustainability-related financial information and the Financial Statements, with the objective of presenting a more interconnected report in the next reporting period.)

Targets: Minimize exposure to regulatory penalties and reputational risks associated with climate-related compliance requirement.

"Government or private sector commitments to net-zero cannot be a mere public relations exercise."
ANTÓNIO GUTERRES, United Nations Secretary-General, 8 November 2022

BUSINESS RESILIENCE

As a premier plantation entity in Sri Lanka, NPL operates at the intersection of environmental dependency and global market volatility. Our approach to business resilience centres on our capacity to anticipate, prepare for, and adapt to the uncertainties arising from both physical climate changes and the global transition to a low-carbon economy.

- **Scope of Disclosure**

This section provides a qualitative and quantitative assessment of how NPL's business model is positioned to thrive under various sustainability-related scenarios. It outlines our methodology for identifying vulnerabilities, our chosen time horizons (short, medium, and long-term), and the specific financial levers we pull to adjust our strategy in the face of an evolving global landscape.

- **The Resilience Mandate**

Our resilience strategy is built upon two core pillars designed to protect our stakeholders' interests:

- Strategic Adaptability: Leveraging our unique 'Quad-Crop' model (Tea, Rubber, Oil Palm, and Cinnamon) to hedge against commodity-specific risks and biological threats.

- Climate Preparedness: Integrating scientific scenario analysis into our agricultural practices to ensure our estates remain productive despite shifting monsoon patterns and rising mean temperatures.

- **Climate Resilience**

To ensure its business strategy remains robust in a changing world, the company conducts climate-related scenario analysis to evaluate how different environmental and regulatory futures might impact its operations. Following the SLFRS S2 guidelines, NPPLC utilizes a qualitative approach, drawing on all available and credible data to stress-test its long-term value creation. By examining these various 'what-if' outcomes, the company can better understand its vulnerabilities and strengthen its resilience, ensuring its strategic goals remain achievable regardless of how the global climate landscape evolves.

- **Scenario Development Approach and Methodology**

- **IPCC AR 6 Scenarios**

In the IPCC's Sixth Assessment Report (AR6), the world's leading climate scientists moved away from just looking at carbon levels to a more holistic approach called Shared Socioeconomic Pathways (SSPs).

These scenarios combine greenhouse gas trajectories with societal stories. Key assumptions made under each scenario are summarized below:

Scenario	Description	Best Estimate by 2100
SSP1 – 2.6	The "Green Road" Scenario, where rapid shift toward renewable energy and low-material growth. Focus on human well-being and reduced inequality.	1.8^{0}C
SSP2 – 4.5	The "Middle of the Road" scenario, where emissions stay near current levels before declining mid-century, but not reaching net-zero by 2100.	2.7^{0}C
SSP3 – 7.0	This scenario is particularly important for corporate risk managers because it combines significant physical climate change with a world that is socially and politically fragmented, making it the most difficult scenario for global supply chains to navigate.	3.6^{0}C

- **Emissions Gap Report 2025: Off target**

The UNEP Emissions Gap Report 2025 is the 16th edition of the UN's annual 'climate report card'. Its primary purpose is to measure the gap between where global greenhouse gas emissions are headed and where they must be to avoid the worst effects of climate change.

- **Sri Lanka Climate Prosperity Plan**

Climate prosperity plans seek to maximize socio-economic outcomes for countries on the frontline of the climate emergency. We have a better chance at maximizing socio-economic outcomes if we leverage the maximum of domestic renewable energy resources and nature-based solutions.

SLFRS S1 and S2 Sustainability Related Financial Disclosures

There are three climate prosperity plans scenarios considered:

Business As Usual (BAU):

This scenario represents the national development pathways that would automatically prevail as the case, and is a scenario absent any specific climate-related interventions of any kind.

Nationally Determined Contribution (NDC):

This scenario is a version of the BAU scenario that is modified by the commitments presented in Sri Lanka's NDC. It represents how the country would develop if the Paris Agreement NDC targets are met.

Climate Prosperity Plan (CPP):

This scenario simulates the macro socio-economic outcomes based on the strategic aims (goals, objectives and targets), key measures and investments and fiscal strategies defined in this preliminary CPP report.

- **Network for Greening the Financial System (NGFS)**

As of the Phase V update (November 2024) and the 2025 short-term scenarios, the NGFS categorize its pathways into four quadrants based on how orderly or chaotic the transition is:

Category	Typical Scenario	Description
Orderly	Net Zero 2050	Climate policies are introduced early and become gradually more stringent. Transition risk is managed, and physical risk is minimized.
Hot House World	Current Policies	Only currently implemented policies are followed. Global warming exceeds 30C leading to catastrophic physical risks.
Too Little, Too Late	High Emission scenario	(New in Phase V) Low international cooperation leads to uncoordinated policies. High physical risk and high economic friction.

Our Scenarios

NPPLC identifies and evaluates scenarios across three distinct timeframes: short, medium, and long-term.

The scenario analysis was conducted across all operational estates (18) of Namunukula Plantations PLC, which represent the company's primary operational units. The assessment covered tea and rubber cultivation activities, tea factories, rubber processing operations, estate infrastructure, and supporting operational functions at each estate. The analysis also considered the Head Office's sustainability and operational management functions responsible for climate-related governance, regulatory compliance, and strategic decision-making.

Scenario	Description	Referred Global / Local scenarios
Net Zero Pathway	- This scenario showcases the benefits of an immediate and ambitious transition to ensure long-term socioeconomic stability and significantly reduce climate damages. - It envisions limiting global warming to 1.5 °C by 2100 through the timely implementation of stringent climate policies and technological advancements, achieving global net-zero CO2 emissions by mid-century. - The scenario assumes limited yet sustainable reliance on carbon sequestration technologies, providing at least a 50% probability of staying below 1.5 °C, with a temporary overshoot of up to 0.2 °C around 2050. - Physical risks are relatively low, while transition risks range from medium to high. The Net Zero 2050 scenario represents a transition that is as orderly as still possible.	-SSP 1-2.6 -NGFS -CPP
Current Policies Scenario	This scenario illustrates the consequences of the limited ambition inherent in currently implemented policies to mitigate climate change, highlighting the resulting macroeconomic risks and instability. - It assumes that no additional policies are introduced, leading to persistently high CO2 emissions and approximately 3 °C of global warming by the end of the century.	-SSP 2-4.5 -NDC
High Emissions Scenario	- This scenario emphasizes the systemic inefficiencies and inequities stemming from delayed and regionally divergent climate actions. - The scenario assumes uneven climate policy ambition across countries: Jurisdictions with net-zero targets achieve only about 80% of their goals, while others maintain their current policies. As a result, both physical and transition risks remain elevated.	SSP 3-7.0 -BAU -NGFS

Resilience Testing

In 2025/2026 year, NPPLC conducted qualitative scenario analysis on the 3 material CRROs relevant to the group, namely extreme weather events, rainfall patterns and regulatory changes, the results of which are summarized below.

1. Rainfall patterns

Sri Lanka's dry and intermediate zones face a dual threat: an increased frequency of droughts alongside heightened rainfall volatility. Climate projections indicate a significant escalation in the intensity of sub-daily extreme weather events and a higher cumulative water volume during five to seven days heavy rainfall periods, necessitating robust water management strategies.

The analysis is subject to uncertainty regarding future rainfall distribution, including the timing, duration and intensity of droughts and heavy rainfall events across the company's operational estates. Climate models differ in projecting changes in seasonal rainfall patterns, making it uncertain how water availability, soil moisture and crop productivity may evolve over the medium to long term. The effectiveness of adaptation measures such as rain guards, water storage infrastructure and precision weather forecasting may also vary depending on future climatic conditions.

Capital expenditure priorities may be adjusted according to estate-specific climate exposure while continuing crop diversification and climate-smart plantation practices to improve long-term operational resilience.

Existing irrigation systems, drainage infrastructure and factory operations can be progressively upgraded to improve water-use efficiency and resilience to changing rainfall patterns. Where rainfall variability significantly affects long-term productivity, selected cultivation areas may be repurposed through crop diversification or ecosystem restoration. No material asset decommissioning is currently anticipated under the assessed scenarios.

Scenario	NPPLC's Response
Net Zero Pathway	The company is expected to investment in precision agriculture, water-efficient irrigation, digital weather monitoring and sustainable farming practices supports compliance and improves resilience.
Current Policies Scenario	NPPLC expects to expand existing water conservation, drainage improvements, crop diversification and rain guards provide adequate resilience while monitoring weather forecasts supports operational planning.
High Emissions Scenario	The company is expected to expanded water storage, improved drainage systems, wider deployment of rain guards, drought-tolerant planting material and advanced climate forecasting become essential to maintain productivity.

- **Resilience of strategy:**

Strategic resilience in the plantation sector is driven by a multi-layered adaptation framework. Beyond diversifying crop portfolios to spread climatic risk, the sector is increasingly leveraging high-resolution meteorological data to enhance predictive monitoring. A vital localized intervention includes the deployment of rain guards, which act as a safeguard for latex extraction.

- **Operational Pivot Capability:**

The company currently in a position to adapt its business model through suggested strategies. Further investments may be required over the medium-to-long in suitably leveraging technology for precision agriculture techniques and minimizing the impact of weather variability.

2. Extreme weather events

In the context of Sri Lanka's dry and intermediate zones, the risk is defined by volatility. Climate change doesn't just make it 'drier' or 'wetter'—it pushes the pendulum further in both directions.

There is significant uncertainty regarding the future frequency, severity and geographical distribution of floods, landslides, prolonged droughts, heat stress and storms affecting the Group's estates. These uncertainties may influence crop yields, infrastructure damage, labour productivity and operational continuity, particularly under higher-emission climate pathways.

NPPLC'S diversified plantation portfolio provides operational flexibility by reducing dependence on a single crop or estate. Future investment strategies will prioritise resilient estate infrastructure, slope stabilisation, flood mitigation measures, digital early-warning systems and emergency response capabilities.

Estate roads, bridges, drainage systems, worker facilities and processing infrastructure can be upgraded to withstand more frequent extreme weather events. Operational resources and labour can be redeployed across estates where necessary to minimise disruptions.

Scenario	NPPLC's Response
Net Zero Pathway	Continued investment in resilient infrastructure, climate-informed estate planning and digital early-warning systems strengthens long-term resilience.
Current Policies Scenario	Expect to Diversify crop portfolio, emergency preparedness and weather monitoring help minimize operational disruptions.
High Emissions Scenario	Additional investments in resilient infrastructure, disaster preparedness, slope stabilization, drainage improvements and flexible workforce deployment become critical.

- **Resilience Strategy:**

Company's strategy integrating crops with different climatic thresholds ensures that if one crop fails due to a specific weather event, other remains productive and use of high-resolution data allows management to deploy labour more efficiently.

- **Operational Pivot Capability:**

Similar to strategy against increasing variability in rainfall in the company is currently position to adapt its business through suggested operational strategies.

3. Regulatory Changes

Under Sri Lanka Nationally Determined Contributions 3.0 and Sri Lanka Climate Prosperity Plan which aims to transition domestic energy supply through renewables, sustainable transport, and climate protection against key risks, there is a push to achieve Net Zero operations. Sri Lanka's updated climate commitments are increasingly aggressive, viewing the plantation sector as a critical engine for both carbon sequestration and "Climate-Smart" export growth.

The timing, scope and stringency of future climate-related regulations remain uncertain. This includes developments relating to Sri Lanka's Nationally Determined Contributions (NDCs), carbon pricing mechanisms, renewable energy requirements, sustainability reporting obligations and international regulations such as the EU Deforestation Regulation (EUDR). These evolving regulatory requirements may influence future investment priorities and operating costs.

The Group continuously monitors regulatory developments and incorporates emerging requirements into its strategic planning and capital allocation processes. Financial flexibility is maintained through phased investment in renewable energy, greenhouse gas reduction initiatives, traceability systems, digital data management and sustainability governance.

Investment priorities will continue to evolve to support compliance with future Net Zero commitments while maintaining long-term competitiveness in export markets.

Existing manufacturing and processing facilities can be upgraded to improve energy efficiency, reduce greenhouse gas emissions and integrate renewable energy technologies. The company does

not currently anticipate the need to decommission material assets as a result of climate-related regulations but will continue to evaluate asset performance and investment needs as regulatory requirements evolve.

Scenario	NPPLC's Response
Net Zero Pathway	Significant investment is required in renewable energy, GHG reduction initiatives, traceability systems, climate data management and operational efficiency to remain competitive and achieve net-zero ambitions.
Current Policies Scenario	NPPLC remains compliant through continuous monitoring of regulations, sustainability reporting and gradual improvements in environmental performance.
High Emissions Scenario	NPPLC continues strengthening compliance systems while preparing for future regulatory tightening through emissions management, sustainability governance and supply chain transparency.

- **Resilience Strategy:**

NPPLC is continuously monitoring sustainability-related policy and regulations, including impacts of EU Deforestation Regulation (EUDR) and EU Greener Taxes in the short-term to medium-term. In Scenarios B and C, the Group is on track to comply with major regulations; a Net Zero pathway will require significant investments in processes, resources, technology and capabilities in the medium-to-long term to comply with emerging developments.

- **Operational Pivot Capability:**

In these versions of the future (scenario B & C), the group does just enough to meet the law. We are on track to pass audits and keep selling your products. It's a "safety-first" approach that focuses on avoiding fines and market bans and the company is currently position to adapt its business through suggested operational strategies.

4. Risk Management

This section outlines how the Bank identifies, assesses, prioritises and monitors SRROs and CRROs and integration to the overall risk management framework.

It is essential to maintain a risk management process as it enables the Company to manage risk effectively and efficiently. In response to this, a multi-step Risk Management Process is in operation, where potential threats or risks, whether internal or external to the business, are identified and evaluated. The Diagram below shows the above steps of risk management in overall context of Namunukula Plantations PLC.

The Company has integrated sustainability-related risks and opportunities into its overall Enterprise Risk Management (ERM) framework to ensure they are identified, assessed, monitored, and managed alongside other strategic, operational, financial, and compliance risks. Sustainability considerations, including climate-related, environmental, social, and governance (ESG) risks, are incorporated into the Company's risk identification and assessment processes, enabling informed decision-making and effective allocation of resources.

The Board of Directors, supported by the management team, provides oversight of sustainability-related risks through the established governance and risk management structure. Material sustainability risks are evaluated based on their likelihood and potential impact on the Company's strategic objectives, financial performance, operational resilience, and long-term value creation. These risks are regularly reviewed as part of the Company's ERM process, with appropriate mitigation strategies, performance indicators, and monitoring mechanisms

Climate risks may manifest through physical risks (arising from extreme weather events or long-term climate shifts) and transition risks (stemming from policy, regulatory, technological, or market changes in the shift to a low-carbon economy), while climate-related opportunities may emerge through green finance and sustainable investment solutions.

The risk management process has several steps; (Refer Risk Management chapter on 43 to 65 page)

4.1. Identification, Assessment, Prioritisation and Monitoring Process of Identified SRROs and CRROs

1. Identification

Reference sources referred to identify physical risks:

Refer to SRRO 1 on page 101
Refer to SRRO 2 on page 103
Refer to CRRO 1 on page 104
Refer to CRRO 2 on page 105
Refer to CRRO 3 on page 106

The company conducted several brainstorming sessions with the participation of team members from specific departments including Finance and Human Resource to define time horizons and materiality of identified Sustainability Related Risks and Opportunities. And the company uses climate-related scenario analysis to identify SRROs and CRROs.

2. Assessment

The Assessment phase is the technical engine of their risk management framework. It is the process where the company moves from simply knowing a risk exists (Identification) to understanding its specific weight on their financial statements and operational viability.

SLFRS S1 and S2 Sustainability Related Financial Disclosures

Assess the materiality of identified risks based on their likelihood of occurrence.

Risk / Opportunity	Assessment Methods
SRROs	Scenario modelling / Yield projections
CRROs	Historical turnover analysis

- Probability Scale

Description	Probability
Very Likely	81% - 100%
Likely	61% - 80%
Possible	41% - 60%
Unlikely	21% - 40%
Very Unlikely	0% - 20%

3. Prioritisation

Once risks are assessed, the company prioritises them so that the most important risks are addressed first.

Risks are ranked based on:

- Financial Exposure
- Impact level (High / Medium / Low)
- Probability of occurrence

Only the most material risks are included in strategic planning and these risks are integrated into business strategy, sustainability initiatives, and risk management plans. Prioritisation ensures that management focuses resources on the most critical SRROs and CRROs affecting the company.

4. Monitoring

The Environmental and Social Risk Management System enhances ESG risk oversights by providing a framework to promptly review and monitor unexpected incidents, which are reported directly to the Board of Directors, ESG sustainability committee, and audit committee.

ESG and operational data are collected regularly from all estates. Performance indicators are tracked through internal reporting systems and risk performance is monitored through sustainability audits, and operational reports.

5. Changes in the Process

Any changes in the processes in the company compared with the previous reporting period. Following changes were made.

- Digitalisation has been integrated into the ESG risk management process, with the system designed to include all relevant annexures and forms required for effective ESG risk oversight.
- The company is currently in the process of aligning with the SLFRS sustainability related financial disclosure standards (S1 & S2) and the identified SRROs and CRROs are consistent with these disclosure requirements.

NPPLC has undertaken the following internal research initiative:

- To combine quantitative system to measure impact of SRROs and CRROs
- To embed ESG considerations within NPPLC's broader risk management framework.

6. Influence on the Overall Risk Management Framework

NPPLC currently manages its EESG risk in four main pillars. (Refer Risk Management chapter on page 75)

The Environmental, Social, and Governance (ESG) Sustainability Policy outlines ESG risk factors including climate-related risks related to NPPLC's own operational activities. The Operational Risk Management Policy addresses certain operational risk elements and addressed above identified climate-related risks in Integrated Risk Management by considering ESG risk impacts on company through Integrated Risk Management Policy.

5. Metrics and Targets

The company uses a structured framework to identify, assess, and monitor sustainability related metrics and targets that are directly linked to sustainability-related risks and opportunities disclosed above.

This section outlines how the company performs in relation to its SRROs and CRROs, including progress towards any climate-related targets it has set and any targets it is required to meet by law or regulations.

SRRO / CRRO	Metric	Measurement scope	Time Horizon
SRRO 1	Voluntary turnover	Living-wage benchmark	Short- Medium term
SRRO 2	Total energy investment	TNFD	Medium- Long term
CRRO 1	Yield loss (Rs. Mn)	SLFRS 2	Short term
CRRO 2	Yield loss (Rs. Mn)	SLFRS 2	Short-Medium term
CRRO 3	Financial Cost (tCO2e)	Scopes 1 - 3	Short-Long term

Scope	Category	Fuel / Activity Type	Emission Factor	Unit	Source
Stationary Combustion in the Residential and Agriculture/ Forestry/ Fishing/ Fishing Farms Categories					
Scope 1	Standby Generator	Gas/ Diesel Oil-Auto Diesel	0.02693	tCO_2e/L	2006 IPCC Guidelines for National GHG i
	Scope 1	Stationary Combustion	Firewood combustion	GRN, Stock book	2006 IPCC AR5 V2_2_CH2 Statonary_ Combustion
	Scope 1	Stationary Combustion	LPG combustion	GRN, Stock book	2006 IPCC AR5 V2_2_CH2 Statonary_ Combustion
	Scope 1	Mobile Combustion	Company-owned diesel vehicles	GRN, Stock book, System fuel issue summary	2006 IPCC AR5 V2_3_CH3 Mobile_ Combustion
	Scope 1	Mobile Combustion	Company-owned petrol vehicles	GRN, Stock book, System fuel issue summary	2006 IPCC AR5 V2_3_CH3 Mobile_ Combustion
	Scope 1	Mobile Combustion	Agricultural machinery (petrol)	GRN, Stock book, System fuel issue summary	2006 IPCC AR5 V2_3_CH3 Mobile_ Combustion
	Scope 1	Fugitive Emissions	Urea application (CO_2)	GRN, Stock book, System fuel fertilizer summary	2006 IPCC AR5 V4_11_CH11_ N2o&CO2
	Scope 1	Fugitive Emissions	Dolomite application (CO_2)	GRN, Stock book, System fuel fertilizer summary	2007 IPCC AR5 V4_11_CH11_ N2o&CO2
	Scope 1	Fugitive Emissions	Nitrogenous fertilizer use (N_2O)	GRN, Stock book, System fuel fertilizer summary	2008 IPCC AR5 V4_11_CH11_ N2o&CO2
	Scope 1	Fugitive Emissions	Wastewater generation	Estate-level wastewater logs	2009 IPCC AR5 V5_6_CH6_ Wastewater
	Scope 1	Fugitive Emissions	CO_2 fire extinguishers	GRN, invoice	N/A
Scope 2	Scope 2	Purchased Electricity	Grid electricity from CEB	Monthly CEB bills	SLSEA Energy Balance 2021
Scope 3	Scope 3	Transportation	Leaf transport (raw material)	Yield Book	2006 IPCC AR5 V2_3_CH3 Mobile_ Combustion
	Scope 3	Transportation	Employee commuting	Staff surveys	2006 IPCC AR5 V2_3_CH3 Mobile_ Combustion
	Scope 3	Waste	Packaging waste	Bstock	DEFRA 2024
	Scope 3	Other Indirect Emissions	Transmission & distribution losses from grid electricity	CEB grid loss factor	CEB-Annual Report 2022

SLFRS S1 and S2 Sustainability Related Financial Disclosures

5.1. Cross Industry Metrics

Greenhouse Gas Emissions

The company measures and discloses its GHG emissions using the GHG Protocol, in accordance with SLFRS S2 requirement. It applies the financial control approach to define its organizational boundary, thereby accounting for 100% of emissions from all entities and operations over which it has full financial authority and control.

Summary of GHG Emissions

Scope	2025/26 (tCO2e)	2024/25 (tCO2e)
Scope 1	2,821.85	3283
Scope 2	531.52	580
Scope 3	416.9	376
Total	3769.45	4239

Scope 3 Measurement Approach

Scope 3 Emission Category	Description	Emission Factors Used
Category 4	Emissions generated from transporting purchased raw materials, semi-processed materials, and finished goods to the company. This includes transportation by air, sea, and road for both imported and locally sourced materials. For imported items, emissions are calculated from the port of entry to the company's facilities.	- DEFRA emission factors - India GHG emission factors
Category 5	Emissions associated with the treatment and disposal of waste produced during operational activities. This includes waste management processes such as landfill disposal, recycling, and other treatment methods.	IPCC emission factors
Category 6	Emissions produced from work-related travel by employees using transportation modes that are not owned or operated by the company, such as commercial flights, taxis, or public transport used for official purposes.	IPCC emission factors
Category 7	Emissions resulting from employees travelling between their homes and workplaces. This excludes employees who receive a fuel allowance, as those emissions are reported under scope 1. Data is gathered through employee commuting surveys conducted every year, covering the entire workforce.	India GHG emission factors
Category 9	Emissions generated during the transport and delivery of finished products to customers, both within the country and internationally. For exports, emissions are calculated up to the port of departure.	DEFRA emission factors

Emission Summary 2025/2026

Emission Source	Total (tCO2e)	CO2 (tCO2e)	CH4 (tCO2e)	N2O (tCO2e)	HFC (tCO2e)	PFC (tCO2e)	SF6 (tCO2e)	NF3 (tCO2e)
Total Direct GHG emissions	2,821.85							
Category 1: Direct GHG Emissions and Removals	2,821.85	1,235.07	7.44	1,579.34	N/A	N/A	N/A	N/A
1.1 Direct Emission from Stationary Combustion	34.64	28.08	5.77	0.79	N/A	N/A	N/A	N/A
Stand by Generator	8.69	8.63	0.03	0.02	N/A	N/A	N/A	N/A
LPG Combustion	19.50	19.44	0.05	0.01	N/A	N/A	N/A	N/A
Boiler	6.46	-	5.69	0.77	N/A	N/A	N/A	N/A
1.2. Direct Emission from Mobile Combustion	615.13	595.52	1.66	17.94	N/A	N/A	N/A	N/A
Company owned vehicles	228.19	224.52	0.46	3.21	N/A	N/A	N/A	N/A
Manager Vehicles	178.83	175.93	0.39	2.51	N/A	N/A	N/A	N/A
Hired Vehicles (Fuel paid by the company)	86.17	84.69	0.28	1.20	N/A	N/A	N/A	N/A
Off-road Transportation & Machineries	121.94	110.39	0.53	11.02	N/A	N/A	N/A	N/A
1.4. Direct Emissions from Fugitive Emissions	2,172.07	611.47	N/A	1,560.60	N/A	N/A	N/A	N/A
Leakages from CO2 fire extinguishers	0.27	0.27	N/A	N/A	N/A	N/A	N/A	N/A
Refrigerant Leakages/Refilling	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Direct emission from Fertilizer	2,171.81	611.21	N/A	1,560.60	N/A	N/A	N/A	N/A
Total Indirect GHG Emissions	947.61							
Category 2: Indirect GHG Emissions from import energy	531.52							
Category 2.1: Indirect Emissions from import electricity	531.52							
Category 3: Indirect GHG Emission from transportation	360.29							
3.1. Emissions from upstream transportation and distribution for good	22.92							
Raw Material Transportation - Land	22.92							
3.2. Emissions from downstream transportation and distribution for good	301.21							
Finished Goods Transportation - Land	301.21							
3.3. Emissions from Employee commuting	36.16							
3.4. Emissions from Business Air Travel	N/A							
3.5. Emissions from Food Waste Transportation	N/A							
Category 4: Indirect GHG emissions from products and services used by the organization	-							
4.1. Emissions from Purchase Goods and services	N/A							
4.2. Emissions from Capital Goods	N/A							
4.3. Emissions from disposal of solid and liquid waste	N/A							
Category 5: Indirect GHG emissions from other sources	55.79							
Electricity T&D Loss	55.79							
Emissions from Municipal water supply	N/A							
Total GHG Emission	**3,769.45**							

SLFRS S1 and S2 Sustainability Related Financial Disclosures

Sri Lanka Climate Fund (Pvt) Ltd verified the GHG quantification under methodology of Namunukula Plantations PLC.

GREENHOUSE GAS VERIFICATION OPINION

Sri Lanka Climate Fund (Pvt) Ltd
Ministry of Environment

Organization Level GHG statement developed by
Namunukula Plantations PLC
No.310, High Level Road, Nawinna, Maharagama, Sri Lanka

complying with the requirements of ISO 14064-1:2018 has been verified in accordance with the specification of ISO 14064-3:2019 with reasonable level of assurance*

Opinion No : SLCF/CFP/0585
Date of Issue : 16.06.2026
Period of Assessment : 01.04.2025 – 31.03.2026
Selected Boundary : Operationally controlled business operations of Namunukula Plantations PLC (Including 18 Estates)

Direct GHG Emissions : 2,822 tonnes of CO_2 equivalent
Indirect GHG Emissions : 948 tonnes of CO_2 equivalent
Total GHG Emissions : 3,770 tonnes of CO_2 equivalent

****Scope 1** Direct GHG Emissions : 2,822 tonnes of CO_2 equivalent
Scope 2 Electricity Indirect GHG Emissions : 532 tonnes of CO_2 equivalent
Scope 3 Other Indirect GHG Emissions : 416 tonnes of CO_2 equivalent

ISO 14065
GHG 001-01

Chairman
Sri Lanka Climate Fund (Pvt) Ltd

Chief Executive Officer
Sri Lanka Climate Fund (Pvt) Ltd

Period of Validity: 16.06.2026 – 30.06.2027
Exclusions: GHG Emissions from Land use change, purchased goods & Capital goods and End-of-Life Treatment
*Materiality threshold is below 5%, **GHG emissions have been reported in accordance with GHG Protocol

5.1.1 Other Cross - Industry Metrics

The following disclosures present key climate-related metrics relating to the Group's exposure to physical and transition risks, alignment with climate-related opportunities, capital deployed towards climate initiatives and the consideration of climate-related performance within executive remuneration arrangements.

Vulnerability of Assets or Business Operations to Climate-related Transition Risks

Metric	Disclosure
Business activities exposed	Oil Palm manufacturing, Tea/ Rubber processing
Assets exposed to transition risks *	100% of total operational assets

* Based on the carrying value of operational assets subject to climate-related regulatory and market risks.

Vulnerability of Assets or Business Operations to Climate-related Physical Risks

Metric	Disclosure
Operational estates exposed	100%
Agricultural land exposed	100%

(Since plantation operations are entirely dependent on climatic conditions, substantially all agricultural operations are considered exposed to physical climate risks.)

Climate-related Opportunities

Metric	Disclosure
Renewable energy pilot project	2 out of 18 estates
Sustainable agriculture initiatives	All estates
Biodiversity conservation areas	277.5 hectares

Capital Deployment

Metric	FY 2025/26 (Rs.'Mn)
Water supply management	2.51
New planting	16.2

During FY2025/26 the company continued investing in climate adaptation initiatives including drainage improvements, biodiversity conservation and renewable energy. Climate-related capital expenditure will be separately quantified in future reporting periods as internal climate investment tracking processes mature.

Remuneration Linkage

Climate-related considerations are currently incorporated into executive oversight through sustainability governance and strategic decision-making. However, executive remuneration is not directly linked to climate-related performance indicators during FY2025/26.

5.2. Climate-related Targets

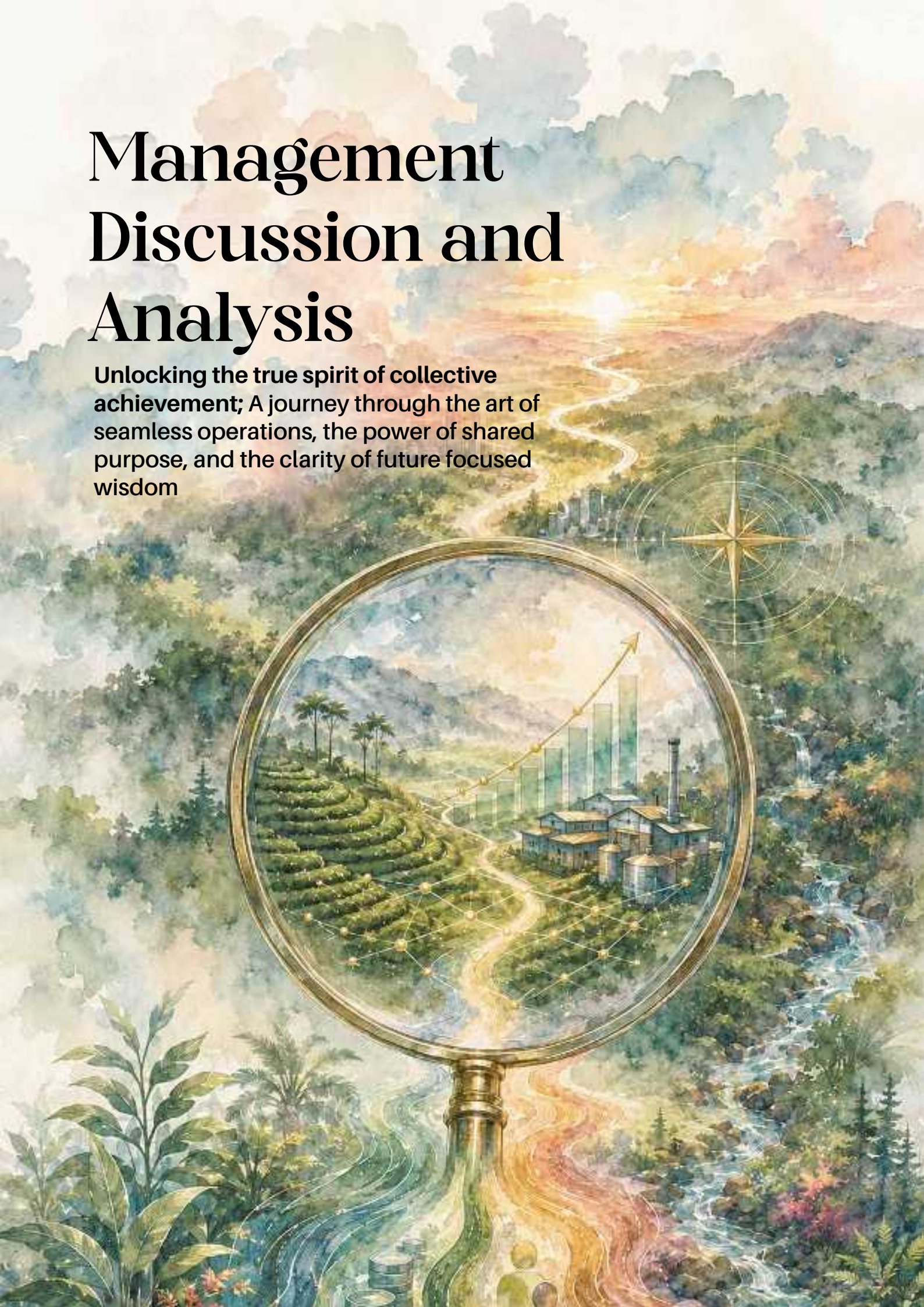
Emission targets are measurable goals set by organisations to reduce greenhouse gas emissions over a specific period.

During the reporting period, Namunukula Plantations PLC disclosed its Scope 1 (direct emissions from estate operations and company-owned vehicles) and Scope 2 (indirect emissions from purchased electricity) greenhouse gas emissions. The Company disclosed Scope 3 emissions while establishing appropriate governance, data collection systems and engagement mechanisms with suppliers and other value chain partners.

Scope	2030 Target	Annual Milestone (KPI)	Current Performance
Scope 1	80% reduction by 2030	20% reduction per year	Actual reduction achieved against 2025 baseline
Scope 2	80% reduction by 2030	20% reduction per year	Actual reduction achieved against 2025 baseline
Scope 3	80% reduction by 2030	20% reduction per year	Actual reduction achieved against 2025 baseline

Management Discussion and Analysis

Unlocking the true spirit of collective achievement; A journey through the art of seamless operations, the power of shared purpose, and the clarity of future focused wisdom



Review of Operations

The Financial Year 2025/26 marked another significant milestone for Namunukula Plantations PLC, with the Company delivering an exceptional operational and financial performance despite continuing global economic uncertainties, climate-related challenges, and rising operational costs within the plantation sector.

The Sri Lankan plantation industry continued to experience pressure arising from fluctuating commodity prices, unpredictable weather conditions, increasing labour costs, and global market volatility. However, through prudent financial management, strategic diversification, enhanced productivity initiatives, and strong operational discipline, Namunukula Plantations PLC successfully strengthened its position as one of the leading plantation companies in Sri Lanka.

The Company recorded a substantial improvement in profitability during the financial year under review, surpassing the performance achieved in FY 2024/25. The PBT in the FY 2025/26 at Rs 2.592Bn is an increase of 23% that of last year. This outstanding achievement was primarily driven by improved crop productivity, better sale averages across key commodities, enhanced field management practices, operational cost optimization, and sustained contribution from diversified business sectors including Oilpalm, Tea, Rubber, Coconut, and Cinnamon.

The operational excellence demonstrated during the year reflects the Company's long-term strategic focus on sustainable growth, productivity enhancement, diversification, and value creation for all stakeholders.

The positive market confidence in the Company continued throughout the year, with Namunukula Plantations PLC maintaining a strong presence at the Colombo Stock Exchange. The Company's consistent financial performance, sustainable growth strategy, and strong governance framework further enhanced shareholder confidence and corporate reputation within the plantation industry.

NPPLC Estates Categorized by Region

Kalutara		UVA		Galle		Matara	
Estate	33%	Estate	33%	Estate	17	Estate	17%
Extent	33%	Extent	36%	Extent	13%	Extent	18%

Rainfall Details

UVA

2025/26 **2,807** mm

2024/25 **3,272** mm

Low-Grown

2025/26 **4,837** mm

2024/25 **4,229** mm

Wet Days

UVA

2025/26 **131** days

2024/25 **135** days

Low-Grown

2025/26 **205** days

2024/25 **246** days

Capital Investment

Rs. **214** mn 2025/26
(Rs. 391 Mn 2024/25)

Gross Profit

Rs. **2,329** mn 2025/26
(Rs. 1,800 Mn 2024/25)

Total Extent Under Production (H.a.)

5,226 (Ha) 2025/26
(Rs. 5,184 (Ha) 2024/25)

Staff Cost (Workers & Staff)

Rs. **1,536** mn 2025/26
(Rs. 1,301 mn 2024/25)

Other Income

Rs. **132** mn 2025/26
(Rs. 206 mn 2024/25)

Total Workforce

(Workers & Staff)
2,646 2025/26
(2,977 2024/25)

Man Days (Workers)

629,531 2025/26
(728,508 2024/25)

TEA

Extent Ha.

1843.78
(2025/26)

1851.82
(2024/25)

COP

Rs. **875.61**
(2025/26)

Rs. **821.51**
(2024/25)

Production "000"

1,345 Kg
(2025/26)

1,459 Kg
(2024/25)

Revenue "000"

Rs. **1,387,112**
(2025/26)

Rs. **1,443,547**
(2024/25)

Review of Operations

LOW GROWN TEA SECTOR - ESTATE LEAF OPERATIONS

The Sri Lankan tea industry demonstrated encouraging recovery trends during FY 2025/26, supported by improved global demand, favorable market conditions, and stronger auction prices for quality teas. The low grown tea sector continued to remain the largest contributor to national tea production, maintaining its importance within the overall tea industry.

Against this backdrop, Namunukula Plantations PLC achieved a commendable improvement in estate tea production during the year under review. Improved agronomic practices, timely fertilizer application, better field supervision, improved worker productivity, and favorable weather conditions during key harvesting periods contributed positively towards increased crop intake and higher yields.

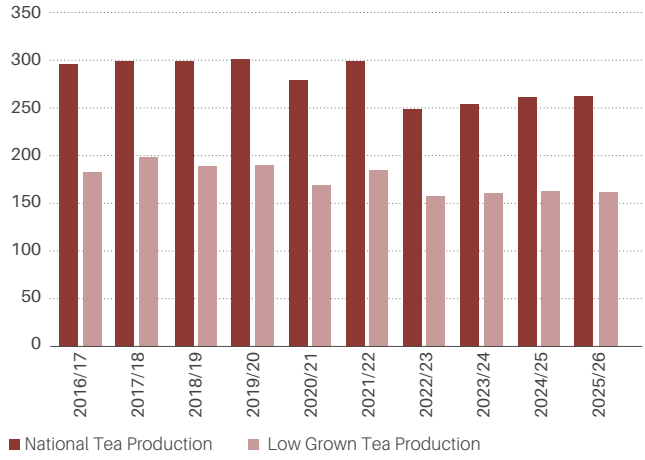
The Company's low grown tea sector recorded a notable increase in production compared to the previous financial year, while maintaining high quality standards in manufactured tea. The improved production volumes, coupled with stronger tea sale averages achieved through careful manufacturing and marketing strategies, significantly contributed towards increased revenue generation.

The Company also continued to focus on sustainable field management practices, pruning cycles, infilling programs, soil conservation measures, and labour productivity enhancement initiatives to ensure long-term sustainability and productivity improvement in the tea sector.

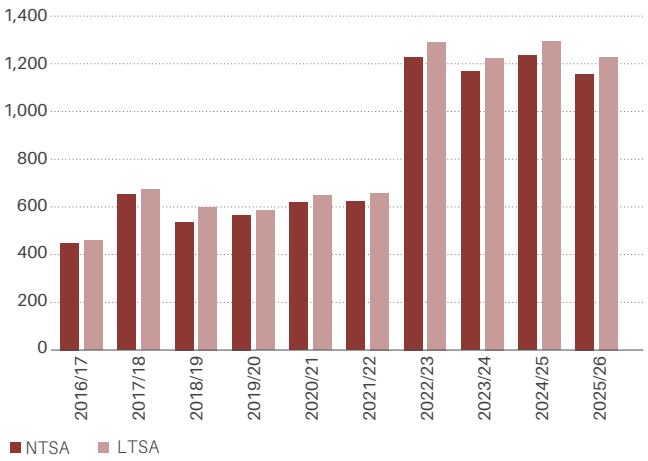
The tea sale averages achieved by the Company remained competitive and continued to perform favorably against the Colombo auction elevation averages. The consistent emphasis on quality manufacturing and selective marketing strategies enabled the Company to secure attractive prices for its teas during the year.

The following graphical presentations illustrate the National Tea Production, Low Grown sector tea production and the Tea sale averages at the Colombo Auctions over a period of 10years.

National Tea Production vs. Low Grown Tea Production (kg)



National Tea Sale Average vs Low Grown Tea Sale Average (Mn/Kg)



BOUGHT LEAF OPERATIONS

The Bought Leaf operation of Namunukula Plantations PLC continued to operate under a carefully managed and quality-focused business model during FY 2025/26.

The Company maintained its strategic approach of prioritizing high-quality green leaf intake while carefully monitoring factory operational efficiency and market conditions. This approach enabled the Company to improve manufactured tea quality and sustain favorable sale averages despite intense competition prevailing within the low grown tea manufacturing sector. Despite our efforts to maintain relationships with smallholder suppliers, strengthened field extension support, the volume of green supplied to the factory is in a declining trend.

We are confident that the continued emphasis on quality improvement, operational efficiency, and selective expansion of bought leaf intake will further strengthen the long-term sustainability and profitability of this sector.

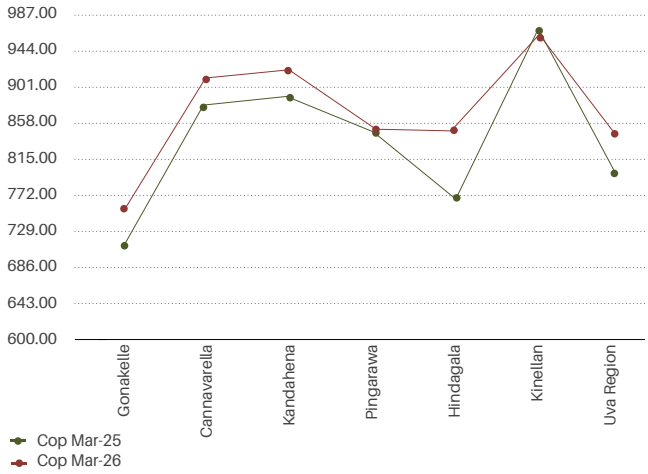
UVA REGION TEA SECTOR- ESTATE LEAF OPERATIONS

NPPLC continues to manage 06 tea estates in the Uva region of which 03 estates falling into the agro climatic region of Uva high whereas the remaining 03 estates under Uva Medium category. The Uva region collectively has an extent of 1730 ha in production of which only 35% VP and the balance extent being seedling tea.

During the year under review, the Uva region estates recorded a total tea production of 1.18 Mn kg which also includes 0.71 Mn kg from small holder leaf suppliers. Despite having a larger extent of seedling tea in production, this segment achieved a combined yield of 662 kg/ha which is -83 kg or -11% , that of the previous year.

The 06 estates in the Uva region have contributed with a profit of Rs 224.43 Mn in the current FY reflecting a negative variance that of the previous year. The decline in profits was mainly due to the sale average of Uva high and medium averages remained significantly below that of the previous year as illustrated below.

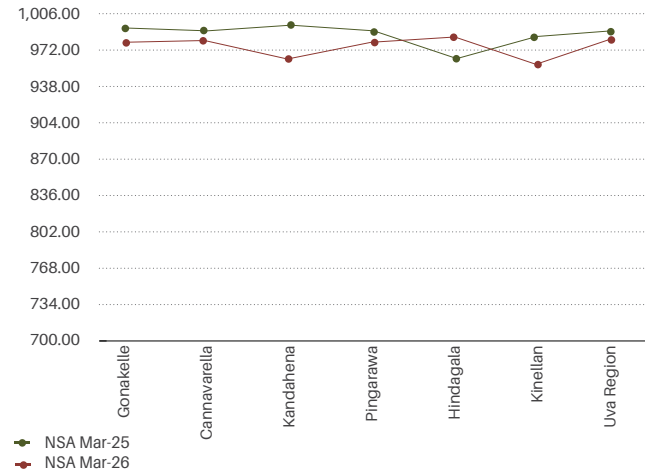
COP (Estate) - End March, (This Year/Last Year)



Sales & Marketing

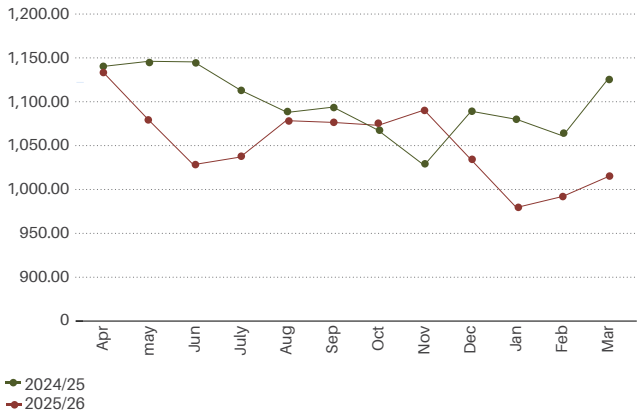
Our factories achieved "TOP" prices for their respective elevation categories, with continuous quality maintained throughout the year.

NSA (Estate) - End March (This Year / Last Year)



Although, elevation was down by 12% during the season against last year, NSA was down only by 1%, which is a great achievement.

Uva Medium Elevation Average (Rs)



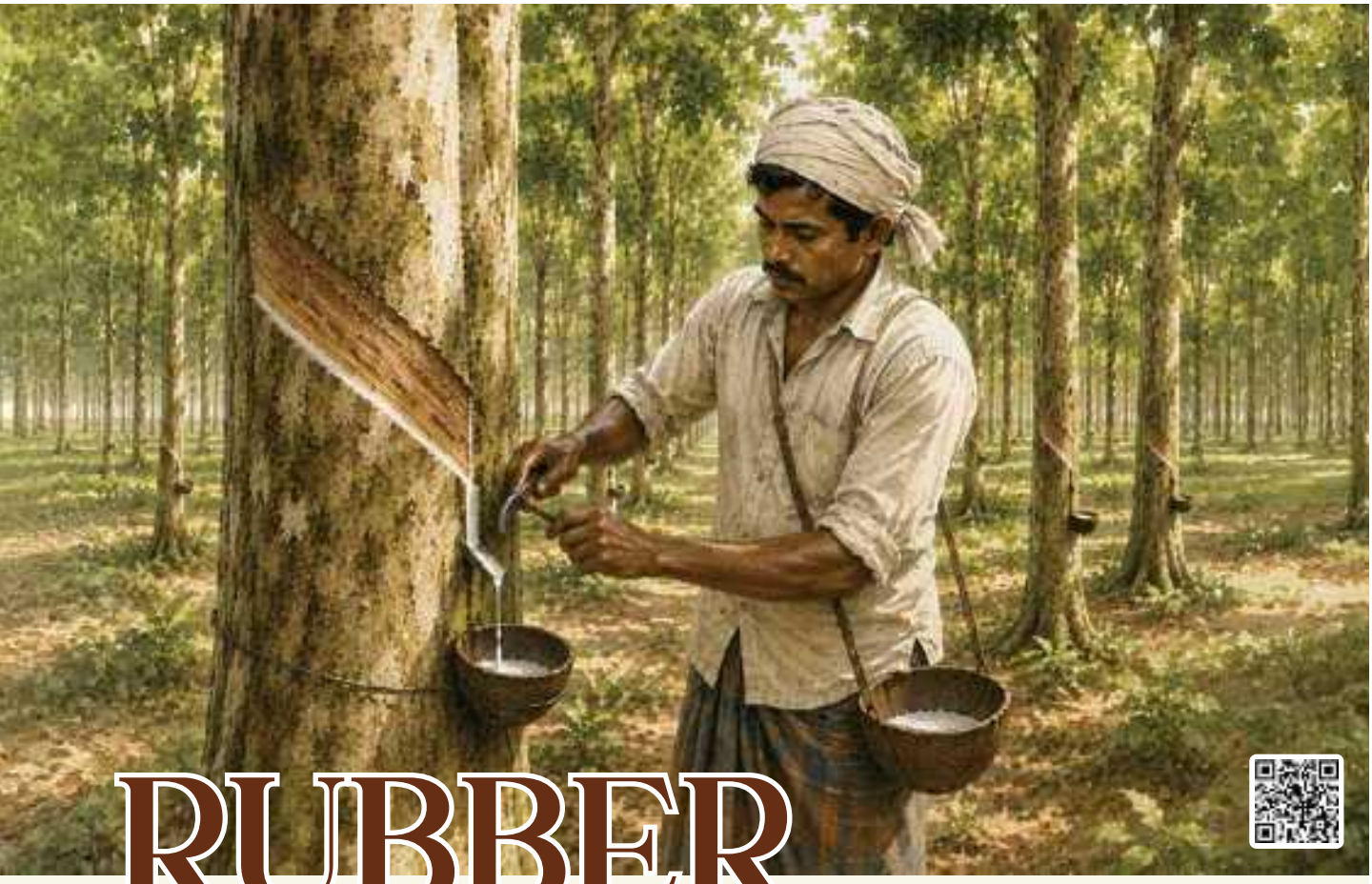
However, with the guidance of the management and the continued efforts and commitment of the plantation executives, the estates managed their cost of production well below that of the budget thereby mitigating the negative impact on the declining sale average to a greater extent. The other contributory factors for the well managed operational costs are increase in worker productivity, factory operational outputs, significantly increased made tea outturn and reduction of waste.
Though, overall increase in fuel and power costs, and other material cost along with the wage hike recorded over 25%, we were able to manage our expenditure to maintain the cost of production, to above 06% compared to previous year.

The following Key indicators have shown a significant improvement during the year under review.

Key Performance Indicators	2025/26	2024/25
Intake per Plucker - Kgs	**24.00**	23.00
Revenue Labour Output - Kgs	**4.01**	3.64
Firewood out-put	**195**	170
Made tea out-turn	**24.19**	23.44
Factory labour out-put	**38.00**	37.21
R'tea %	**13.12%**	16%

- **Performance:** The sector saw a notable increase in production and revenue, with sale averages remaining competitive against Colombo auction elevation averages. However, Bought Leaf operations are currently facing a declining trend in green leaf volumes.
- **Drivers:** Improved agronomic practices, timely fertilizer application, and favorable weather during key harvesting periods supported growth. Strategic focus on high-quality manufacturing and selective marketing secured attractive prices.
- **Challenges:** The sector faces intense competition within the low grown manufacturing market. Despite extension support, maintaining relationships with smallholder suppliers has not yet reversed the decline in green leaf supply.
- **Management Response:** Prioritizing factory operational efficiency and strict quality-focused intake for bought leaf. Implementation of pruning cycles, infilling programs, and labor productivity initiatives to ensure long-term sustainability.
- **2026/27 Priorities:** Selective expansion of bought leaf intake and further quality improvements to strengthen profitability.

Review of Operations



RUBBER

Extent Ha.

610.87
(2025/26)

658.32
(2024/25)

COP

Rs. **625.82**
(2025/26)

Rs. **477.66**
(2024/25)

Production "000"

305 Kg
(2025/26)

295 Kg
(2024/25)

Revenue "000"

Rs. **209,416**
(2025/26)

Rs. **193,811**
(2024/25)

The Rubber sector demonstrated a significant recovery during FY 2025/26 following the operational challenges experienced in the previous financial year.

Improved weather conditions, increased tapping days, better field supervision, enhanced worker attendance, and improved latex prices positively contributed towards higher production and revenue generation from this sector.

The Company recorded improved rubber production volumes compared to the previous year, while also achieving higher yields per hectare through better field management practices and improved tapping efficiency.

The strategic focus on optimizing mature rubber extents, improving tapping productivity, and enhancing operational efficiencies enabled the Company to improve the overall financial contribution from the Rubber sector.

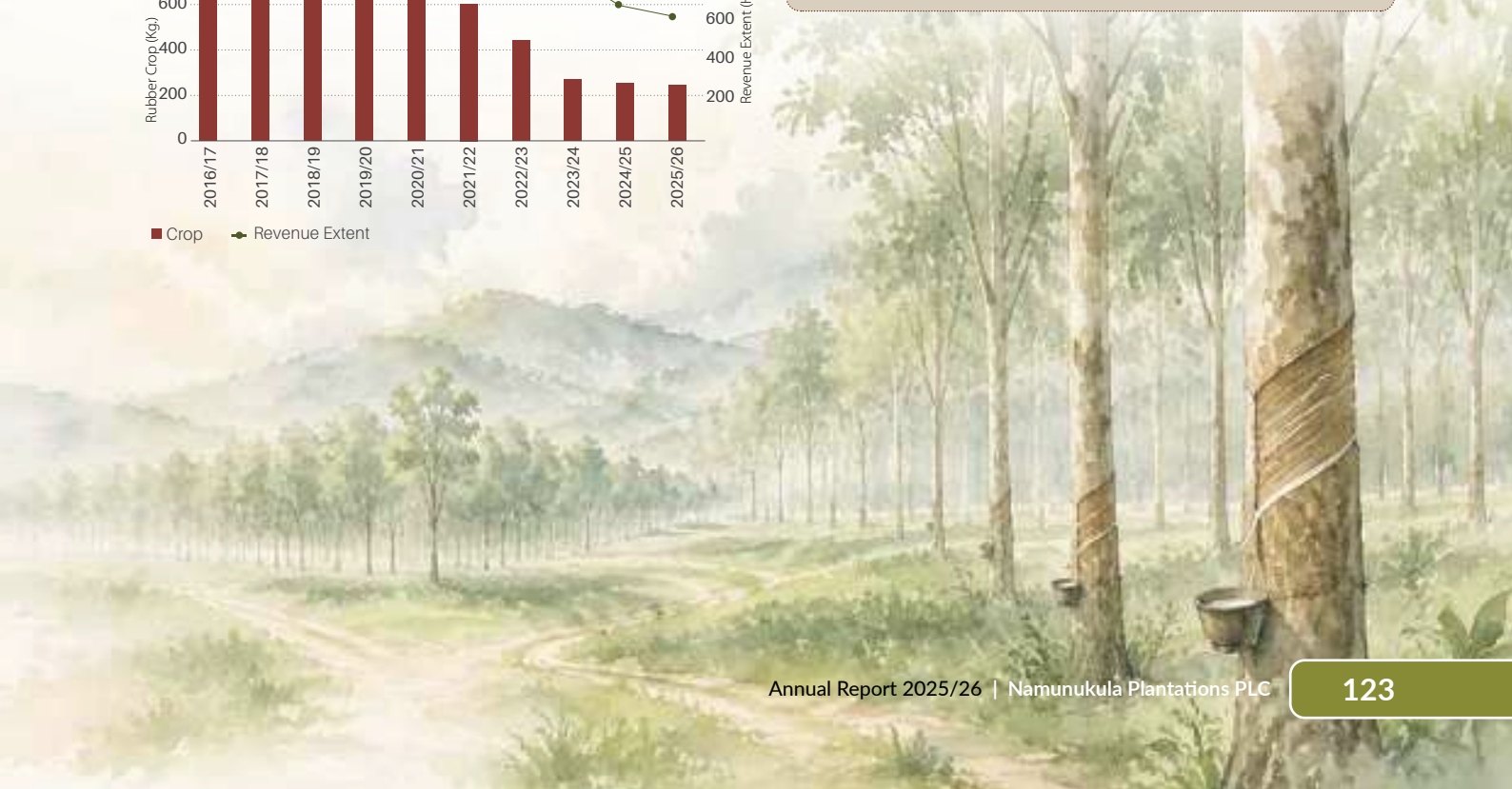
The conversion of a portion of field latex into value-added latex crepe products continued during the year, contributing towards improved margins and better market realization.

We remain optimistic that the Rubber sector will continue to contribute positively towards overall Company profitability in the coming years, supported by improved global market conditions and ongoing operational improvements.

Rubber Extent vs Rubber Production

Annual Rainfall District wise (mm)

- **Performance:** Demonstrated a significant recovery from the operational challenges of the previous year, recording improved production volumes and higher yields per hectare.
- **Drivers:** Better field supervision, increased tapping days due to improved weather, and favorable global latex prices.
- **Challenges:** Historically, the sector has struggled with operational volatility and fluctuates based on global commodity price pressure.
- **Management Response:** Strategically converting a portion of field latex into value-added latex crepe products to capture better margins and market realization.
- **2026/27 Priorities:** Ongoing operational improvements and optimizing mature rubber extents to enhance financial contribution.



OIL PALM

Extent Ha.

2,479.66
(2025/26)

2,359.82
(2024/25)

COP

Rs. **21.33**
(2025/26)

Rs. **20.12**
(2024/25)

Production "000"

32,019.2 Kg
(2025/26)

29,034 Kg
(2024/25)

Revenue "000"

Rs. **3,308,528**
(2025/26)

Rs. **2,490,253**
(2024/25)

The Oil Palm sector once again remained the single largest contributor to the profitability of Namunukula Plantations PLC during FY 2025/26.

Despite continued weather-related challenges in certain plantation districts, the Company achieved a strong Fresh Fruit Bunches (FFB) crop through improved field management practices, better harvesting efficiency, enhanced fertilizer programs, and close monitoring of crop conditions.

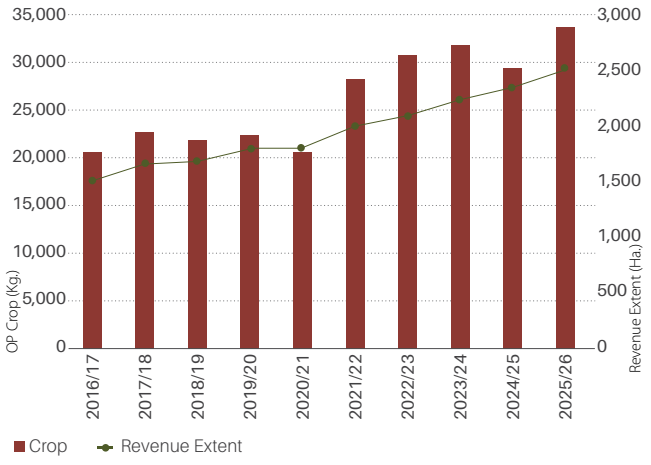
The Company recorded a further improvement in crop productivity and operational profitability compared to FY 2024/25. The favorable purchase prices received for FFB supplies, coupled with efficient harvesting operations and improved crop quality, significantly enhanced the profitability of this sector.

The Company continued to focus on maintaining strict harvesting standards with close executive supervision to ensure only properly ripened bunches were harvested and dispatched. These quality-focused practices enabled the Company to maintain strong relationships with processing partners while achieving attractive purchase prices.

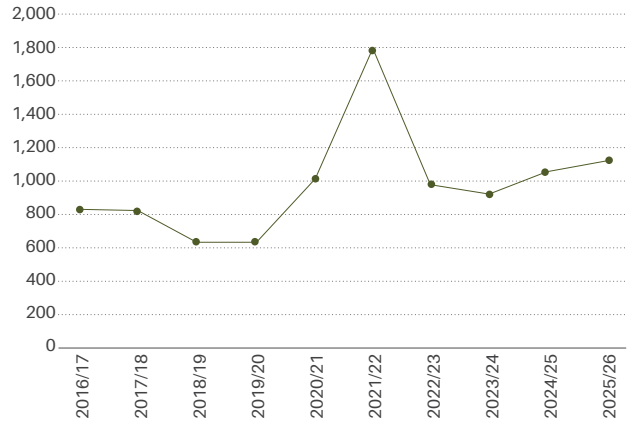
The long-term strategic decision undertaken by the Company to diversify uneconomical land extents into Oil Palm cultivation continues to generate substantial benefits to the Company and its stakeholders.

We are very much confident that the Oil Palm sector will continue to play a pivotal role in driving future growth, profitability, and long-term sustainability of the Company.

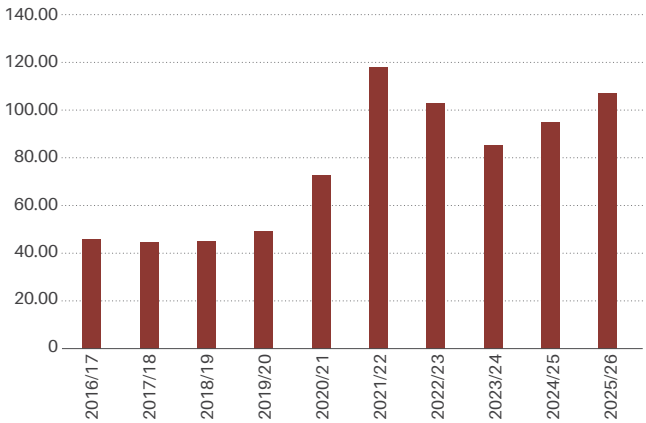
Annual Oil Palm Production & Revenue Extent



Global CPO Price (USD)



FFB Purchase Price (Rs.)



- **Performance:** Oil Palm continued to be the single largest contributor to the Company's profitability, recording further improvements in crop productivity and operational profitability compared with the previous year. The business continues to provide significant potential for further value creation through productivity enhancement and improved utilization of existing land resources.
- **Drivers:** Improved FFB harvesting efficiency, closer field supervision and favourable market conditions supported the year's performance. Greater attention to harvesting standards and timely crop evacuation also helped improve crop recovery and operational efficiency.
- **Challenges:** Weather variability across plantation districts, variations in Site Yield Potential (SYP), ageing palms and field-level productivity constraints continue to limit the full realization of the crop's biological potential. Maintaining harvesting discipline, labor productivity and consistent agronomic practices across diverse field conditions remains critical.
- **Management Response:** Management is implementing a structured yield-improvement program focused on closing the gap between actual yield and Site Yield Potential. This includes strengthening site-specific agronomic practices, soil and leaf-based nutrient management, pruning and weed management, moisture and soil conservation, and improved field supervision. Harvesting practices are also being strengthened through better control of harvesting intervals, ripeness standards, loose-fruit collection and harvester productivity. Block-level yield analysis will increasingly be used to identify constraints and prioritize interventions.

Review of Operations

COCONUT

Extent Ha.

236.1
(2025/26)

235.12
(2024/25)

COP

Rs. **54.46**
(2025/26)

Rs. **31.68**
(2024/25)

Production "000"

562 nuts
(2025/26)

564 nuts
(2024/25)

Revenue "000"

Rs. **64,559**
(2025/26)

Rs. **52,641**
(2024/25)

The Coconut sector recorded a very encouraging performance during FY 2025/26 with improvements observed in both turnover and profitability.

Favorable market prices for green nuts, improved crop management practices, and enhanced field supervision contributed towards higher revenue generation from this sector. The Company continued its strategic expansion and development initiatives in coconut cultivation, which are expected to contribute positively towards future production growth and long-term profitability.

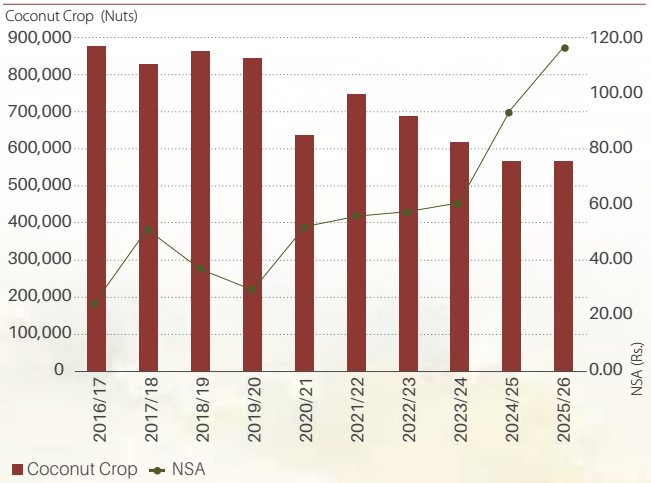
The Coconut sector generated one of its strongest financial performances during the year under review, supported by attractive market prices and continued operational cost management.

The Company also continued to focus on fertilizer application programs, moisture conservation practices, infilling initiatives, and field maintenance activities to improve long-term productivity and sustainability.

The company remains optimistic regarding the future prospects of the Coconut sector given the increasing market demand and favorable pricing trends will prevail in the next couple of years.

- **Performance:** Achieved one of its strongest financial performances to date, with significant improvements in both turnover and profitability.
- **Drivers:** High market prices for green nuts and enhanced field supervision.
- **Challenges:** Must navigate long-term climate-related risks that necessitate continuous investment in moisture conservation.
- **Management Response:** Focus on moisture conservation practices, fertilizer application, and infilling initiatives to stabilize long-term yields.
- **2026/27 Priorities:** Strategic expansion and development of new cultivation extents to capitalize on increasing market demand.

Coconut Production vs NSA



CINNAMON

Extent Ha.

55.26 (2025/26)	**79.38** (2024/25)

Production "000"

2 Kg (2025/26)	**3** Kg (2024/25)

Revenue "000"

Rs. **8,282** (2025/26)	Rs. **10,059** (2024/25)

COP

Rs. **1956.69** (2025/26)

Rs. **2,105.27** (2024/25)

The Cinnamon sector recorded an improved operational performance during FY 2025/26 mainly focusing on achieving and sustaining improved market prices contributing positively towards profitability.

The improved weather conditions experienced during the year supported harvesting operations and enabled better worker participation in peeling activities. Enhanced field supervision and improved quality management practices further contributed towards improved product quality and higher sale realizations.
The Company continued to focus on producing high-quality cinnamon products while maintaining timely marketing and sales strategies to maximize revenue generation.

Although the Cinnamon sector remains comparatively smaller in scale relative to other business sectors, management remains confident that this sector possesses long-term growth potential through quality improvement, productivity enhancement, and niche market development.

- **Performance:** Recorded improved operational performance and higher sale realizations, though it remains a smaller-scale sector compared to the primary crops.
- **Drivers:** Improved weather facilitated better peeling activities and worker participation.
- **Challenges:** Limited scale and the need for niche market development to maximize the potential of the sector.
- **Management Response:** Focus on high-quality product manufacturing and timely marketing strategies.
- **2026/27 Priorities:** Enhancing productivity and developing niche markets to realize long-term growth potential.

HUMAN RESOURCES

Human Resources continued to remain one of the most valuable assets of Namunukula Plantations PLC during FY 2025/26.

The Company strongly believes that the commitment, dedication, and skills of its workforce are fundamental to achieving sustainable operational success and long-term growth.

During the year under review, the Company continued to invest in employee welfare, training and development programs, workplace safety initiatives, productivity improvement measures, and community development activities across all estates.

Special emphasis was placed on improving worker engagement, strengthening industrial relations, enhancing employee welfare facilities, and promoting a safe and healthy working environment.

The Company also continued various sustainability and social responsibility initiatives aimed at improving the living standards of estate communities while promoting environmentally responsible plantation practices.

CAPITAL INVESTMENTS

Namunukula Plantations PLC continued its long-term investment strategy during FY 2025/26 with focused investments directed towards improving land productivity, operational efficiency, sustainability, and infrastructure development.

Capital expenditure during the year was primarily focused on field development activities, factory improvements, mechanization initiatives, replanting programs, worker welfare infrastructure, and sustainability-related projects.
The Company continued to carefully prioritize capital allocation towards projects capable of generating long-term operational and financial benefits while maintaining prudent financial discipline.
NPPLC remain committed to investing in productivity enhancement, technological advancement, and sustainable agricultural practices to strengthen future growth and operational resilience.

FUTURE STRATEGIES & GOALS

As a well-diversified plantation company, Namunukula Plantations PLC remains focused on achieving sustainable long-term growth through operational excellence, diversification, innovation, and value addition.

The Company's future strategic priorities include:

- Further improving productivity across all plantation sectors through enhanced agronomic practices and technological adoption.
- Expanding value-added product opportunities to improve margins and market positioning.
- Strengthening sustainability and climate resilience initiatives across all operations.
- Continuing cost optimization and operational efficiency improvement programs.
- Enhancing employee welfare, training, and productivity development initiatives.
- Exploring new market opportunities both locally and internationally.
- Increasing stakeholder value through consistent financial performance and sustainable growth.

The Company remains confident that the successful implementation of these strategic initiatives will further strengthen its position as one of Sri Lanka's leading plantation companies while ensuring sustainable value creation for shareholders and all stakeholders.

With a strong operational foundation, diversified income streams, committed workforce, and disciplined management approach, Namunukula Plantations PLC is well positioned to achieve continued growth and enhanced profitability in the years ahead.

Economic & Industry Overview

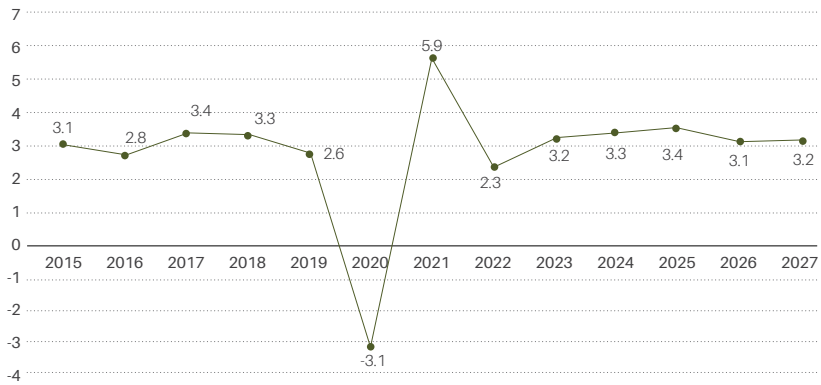
World Economic Outlook

The global economy in 2025/2026 continues to operate in an environment of heightened uncertainty, shaped not only by evolving trade dynamics but also by the persistence and escalation of geopolitical conflicts. Ongoing wars, particularly in Eastern Europe and the Middle East, have emerged as significant factors influencing global economic stability.

The prolonged conflict in Ukraine, alongside continued instability in Gaza and broader Middle Eastern tensions, has disrupted supply chains, elevated energy prices, and intensified global risk sentiment. More recently, escalating hostilities involving Iran have further strained global energy markets, particularly due to disruptions in key oil transit routes, contributing to renewed inflationary pressures and slower global growth.

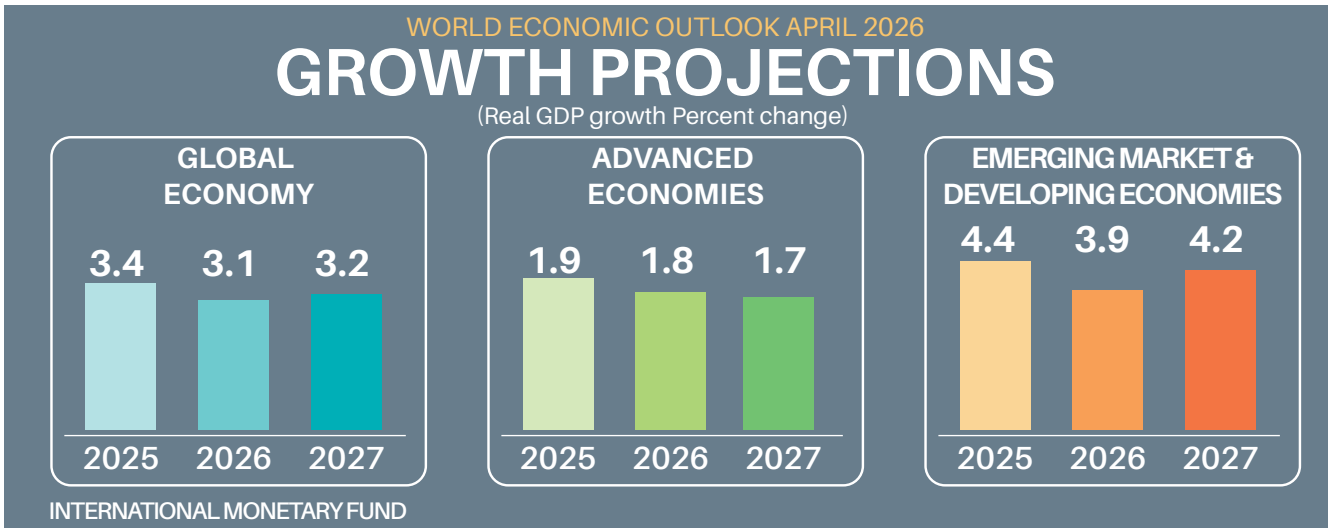
In light of these developments, the IMF presents a reference forecast rather than the traditional baseline. Under this scenario, global growth is projected to decline to 3.1 % in 2026 and recover slightly to 3.2 % in 2027, down from prior projections of 3.4 % for both years, and well below the global economy is projected to expand at an average annual pace of 3.1 % in 2028–31, a persistently lackluster performance compared with the prepandemic (2000–19) historical average of 3.7 %.Growth in advanced economies is projected at 1.8% in 2026 and 1.7% in 2027. The conflict in the Middle East is expected to have a limited overall impact, reducing growth by 0.2 percentage points in 2026 compared to pre-conflict forecasts. While the United States and Japan are supported by favorable trade effects and government measures, net energy-importing economies such as the euro area and the United Kingdom are expected to face more significant negative impacts. In the euro area, growth is expected to decline from 1.4% in 2025 to 1.1% in 2026 and to 1.2% in 2027. Growth in emerging market and developing economies is projected to decline to 3.9% in 2026 before recovering to 4.2% in 2027. The impact of the Middle East conflict varies across countries, depending on factors such as geographic proximity, financial linkages, remittance flows, and energy dependence.

World Economic Growth Rate %



Additionally, Global inflation is projected to pause its decline, with headline inflation increasing from 4.1 percent in 2025 to 4.4 percent in 2026 before falling back to 3.7 percent in 2027.

The global economy faced renewed uncertainty in 2026 following the outbreak of conflict in the Middle East, disrupting commodity markets, inflation expectations, and



financial conditions. Despite support from technology investment and policy measures, rising geopolitical tensions created significant risks to global growth. The World Economic Outlook projects limited disruption under its reference forecast, while highlighting potential downside risks if the conflict intensifies or persists.

Under the 2026 reference forecast, global growth is expected to moderate to 3.1% in 2026 and 3.2% in 2027, remaining below historical averages amid geopolitical uncertainty and inflationary pressures. The Middle East conflict significantly affected economic projections, contributing to downward growth revisions and higher inflation forecasts, despite support from resilient economic data and easing trade-related pressures.

Although global growth and inflation revisions appear moderate overall, the economic impact varies significantly across countries. Emerging market and developing economies, particularly commodity-importing nations with existing vulnerabilities, face greater challenges from the Middle East conflict. Growth forecasts for these economies were revised downward by 0.3 percentage points for 2026, while advanced economies are expected to remain comparatively stable.

Under adverse global scenarios, prolonged increases in energy prices and damage to energy infrastructure could significantly weaken the world economy. Global growth may decline to 2.5% in 2026, with inflation rising to 5.4%, while a more severe escalation could reduce growth to nearly 2% and push inflation above 6% by 2027. Emerging market and developing economies are expected to face the greatest impact, experiencing economic pressures nearly twice as severe as those affecting advanced economies. Global economic risks remain heavily tilted to the downside as geopolitical tensions continue to escalate. A deeper conflict could trigger the most severe energy crisis in modern history, while political instability and trade disputes may further disrupt global markets. Rising competition over critical resources, particularly rare earth elements essential to global supply chains, adds to the uncertainty surrounding future economic stability.

Global economic risks in 2026 remain strongly tilted toward the downside, driven by escalating geopolitical tensions and growing uncertainty in international markets. A further intensification of conflicts could trigger the largest energy crisis in modern history, disrupting global supply chains, increasing inflationary pressures, and weakening economic growth. At the same time, domestic political instability and shifting international trade policies may amplify financial and economic vulnerabilities across countries. Trade disputes could also intensify independently of geopolitical events, particularly around the supply of rare earth elements, which are increasingly critical to technology, energy, and manufacturing industries, making them a major source of global economic friction.

Navigating today's shifting geopolitical and economic landscape requires resilient and adaptable policy frameworks. While increased defense spending may provide short-term economic stimulus amid rising tensions, it can also fuel inflation, strain fiscal and external balances, and reduce funding for social priorities, increasing the risk of social unrest. Where conflicts occur, economies face severe and long-lasting scarring and difficult macroeconomic trade-offs.

A comprehensive policy response to today's uncertain global environment requires both national actions and coordinated international cooperation to strengthen resilience and adaptability. Priorities include maintaining price and financial stability, ensuring fiscal sustainability, and accelerating structural reforms. Central banks must remain vigilant, respond decisively within their mandates, and prevent prolonged supply shocks from destabilizing inflation expectations, while carefully calibrating responses to temporary disturbances when conditions allow. Clear communication and strong institutional independence are essential for credibility. In cases of disorderly market conditions, temporary exchange rate interventions and capital flow measures may be appropriate when aligned with sound macroeconomic policies.

Strengthening financial resilience requires proactive supervision through robust prudential oversight, scenario analysis, and adequate capital, liquidity, and reserve buffers. When fiscal support is necessary, it should be targeted, timely, temporary, and financed within existing budgets through spending reprioritization, with a clear path to restoring fiscal balance if needed.

Economic & Industry Overview

Governments must rebuild fiscal buffers by improving revenue mobilization, enhancing spending efficiency, and managing windfalls prudently. At the same time, addressing domestic economic imbalances through coordinated fiscal, structural, and industrial reforms can help reduce external imbalances while boosting global productivity and long-term growth, reinforcing overall economic stability and resilience against future shocks.

In conclusion, the global economy in 2026 stands at a fragile juncture shaped by geopolitical conflict, persistent inflation pressures, and heightened uncertainty. While baseline growth remains moderate, significant downside risks from energy shocks, financial instability, and policy fragmentation dominate the outlook.

At the same time, opportunities from technological advancement, particularly artificial intelligence, and structural reforms offer pathways to stronger and more sustainable growth. Navigating this environment requires coordinated international cooperation and disciplined domestic policies focused on stability, resilience, and fiscal prudence. Ultimately, strengthening institutions, maintaining policy credibility, and fostering open trade will be essential to sustaining long-term global economic stability.

Source:
IMF Report April 2026 (Executive Summary)

https://www.imf.org/-/media/files/publications/weo/2026/april/english/text.pdf

Sri Lankan Economy at a Glance

In **2025,**
the Sri Lankan economy continued to
BUILD ON THE RECOVERY
achieved in previous years,
amid **HEADWINDS**
from *rising trade tariffs,*
geoplitical tensions, and
the impact of Ceylone Ditwah

The Sri Lankan economy continued on its recovery path in 2025, Sri Lanka's economy demonstrated resilience and continued recovery amid a challenging global environment marked by geopolitical tensions, trade uncertainties, and adverse weather-related disruptions. Sustained macroeconomic stabilisation, alongside ongoing policy and structural reforms, strengthened economic fundamentals and reinforced investor confidence. Consistent policy implementation supported domestic economic activity, enabling the country to maintain growth momentum despite external and climate-related pressures. Improved financial stability and stronger economic management also enhanced Sri Lanka's capacity to build buffers against future shocks. These developments positioned the economy on a more stable and sustainable growth path, fostering greater confidence in long-term economic recovery and resilience.

Sri Lanka's economy maintained strong momentum in 2025, recording an estimated real GDP growth of 5% and marking the second consecutive year of economic expansion. Improved labour market conditions, easing monetary policy, and lower interest rates supported increased private sector credit growth and stronger domestic demand. Inflation returned to positive territory after a period of deflation, mainly driven by rising food prices and stabilising energy costs. The relaxation of vehicle import restrictions further stimulated imports and credit activity. Meanwhile, the external sector strengthened significantly, with robust workers' remittances and improved services exports helping the country achieve a current account surplus for the third consecutive year.

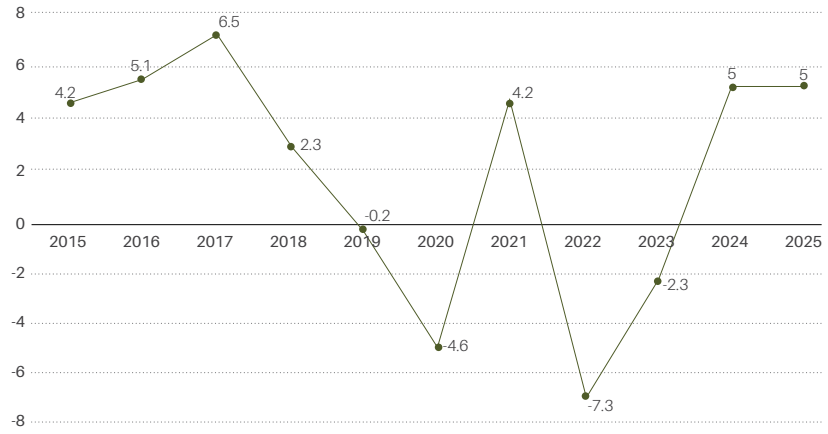
Sri Lanka's economic recovery gained further momentum in 2025, driven by stronger foreign exchange inflows, resilient fiscal management, and a steadily improving financial sector. Despite external debt obligations and moderate currency depreciation, reserves continued to strengthen under a flexible exchange rate framework. Sustained primary surpluses, enhanced banking profitability, healthier asset quality, and robust credit growth reflected renewed confidence in the economy, while strong liquidity and capital positions reinforced the stability and resilience of Sri Lanka's financial system.

In 2025, the Central Bank of Sri Lanka strengthened economic stability through accommodative monetary policies, resilient financial sector reforms, and forward-looking regulatory initiatives. Low inflation and supportive interest rate conditions encouraged credit growth, while strategic foreign reserve accumulation enhanced external sector resilience. Gradual relaxation of capital flow measures and the lifting of vehicle import restrictions reflected renewed economic confidence. The financial system advanced through stronger supervision, macroprudential safeguards, crisis preparedness mechanisms, and modernised deposit insurance frameworks. Simultaneously, digital payment expansion, cybersecurity enhancements, and anti-money laundering reforms accelerated financial sector modernisation, while the successful transition of debt management functions marked a significant institutional milestone.

Sri Lanka continued to strengthen its macroeconomic stability in 2025 through disciplined policy reforms, improved fiscal management, and resilience-focused economic strategies. Despite heightened global uncertainties driven by geopolitical tensions, trade disruptions, and climate-related risks, the economy maintained steady progress. Inflation is expected to gradually return to target levels under a forward-looking, data-driven monetary policy framework that supports price stability and investor confidence. Credit expansion is projected to continue at a sustainable pace, while the external sector remains manageable amid global pressures. Revenue-based fiscal consolidation will remain central to safeguarding debt sustainability and ensuring long-term economic resilience and inclusive national growth.

According to the IMF Report (2026), Significant progress under the IMF-EFF programme and debt restructuring, together with political stability, has reinforced Sri Lanka's position as an economy with renewed potential.Overall, the progress made in restoring macroeconomic stability, together with continuedpolicy consistency and reforms, is expected to support sustainable and inclusive growth, goingforward. Nonetheless, in an environment of heightened global uncertainty and unabated consequences of climate change, sustaining policy buffers, accelerating structural reformsand remaining steadfast in implementation will be vital to strengthening resilience and safeguarding macroeconomic and financial stability.

Growth Rate %



Source: CBSL Annual report (exe summary)
Annual Economic Review 2025 | Central Bank of Sri Lanka

GDP,GDP per Capita

As a new year begins, Sri Lanka steps forward with renewed strength and optimism. In 2025, the nation's economy grew by an impressive 5.0%, proving its resilience even in the face of challenges like Cyclone Ditwah. Every quarter of the year reflected positive momentum, driven by the energy of industries, the innovation of manufacturers, the rise of construction, and the steady expansion of services such as finance and transport. Agriculture too flourished, growing stronger than the year before and nourishing the country's progress.

Sri Lanka welcomed 2025 with strong economic momentum and renewed national confidence. GDP at current market prices climbed to Rs. 32,750.8 billion, while national income and global economic value also showed remarkable progress. In USD terms, the economy expanded to USD 108.8 billion, reflecting growing resilience and opportunity. With steady growth, controlled inflation, and rising national strength, the country steps into the New Year with hope, ambition, and determination building a brighter future for businesses, communities, and every Sri Lankan citizen.

Sri Lanka recorded notable economic progress in 2025, with GDP per capita increasing to Rs. 1,505,371 from Rs. 1,373,235 in 2024, driven by nominal GDP growth and demographic changes. GNI per capita also rose to Rs. 1,477,395, compared to Rs. 1,337,426 the previous year. In USD terms, GDP per capita climbed to USD 5,003 from USD 4,546, while GNI per capita increased to USD 4,910 from USD 4,428. These achievements reflect improving living standards, economic resilience, and renewed national confidence.

Inflation

Inflation in Sri Lanka followed ,After experiencing eleven consecutive months of deflation, headline inflation turned positive in August 2025 and continued to gradually increase during the remainder of the year. The deflationary trend, which commenced in September 2024, intensified in early 2025 due to reduced electricity tariffs introduced in January 2025 and base effects stemming from VAT-related price increases and elevated food inflation recorded in early 2024. However, from March 2025 onwards, deflationary pressures eased, supported by rising food prices, particularly vegetables and fish, the upward revision of electricity tariffs in June 2025, and favorable statistical base effects.

Inflation trends in 2025 reflected a gradual transition from deflation to moderate price growth, supported by easing pressures in the energy and transport sectors, rising food prices, and improving demand conditions. Headline inflation turned positive in August 2025 and remained stable despite temporary food price increases caused by Cyclone Ditwah and seasonal demand in December. CCPI-based year-on-year inflation increased to 2.1% by end-2025 from -1.7% in 2024, while NCPI-based inflation rose to 2.9% from -2.0%. In early 2026, CCPI inflation reached 2.3% in January, eased to 1.6% in February due to lower vegetable prices, and rose again to 2.2% in March, driven mainly by transport costs. Meanwhile, NCPI-based inflation stood at 1.6% in February 2026, indicating continued price stability amid gradual economic recovery.

Core inflation in 2025 remained at low positive levels, reflecting moderate underlying demand conditions in the economy. During the early part of the year, core inflation stayed subdued due to statistical base effects linked to VAT-related

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price increases in non-food categories recorded in early 2024. However, a gradual increase was observed throughout the year, driven by rising prices in both food and selected non-food items within the core inflation basket. Despite this upward trend, core inflation remained below the headline inflation target, indicating contained demand-side pressures. The relatively low level of core inflation, despite strong private sector credit growth and rising imports, suggests that consumer purchasing power remained subdued and businesses largely maintained prices established during the crisis period rather than implementing significant additional increases.

Accordingly, core inflation in 2025 remained contained at low positive levels, reflecting subdued underlying demand conditions. The CCPI-based year-on-year core inflation stood at 2.7% at the end of 2025, unchanged from 2024, while the annual average eased to 1.6% from 3.3% in the previous year. Meanwhile, NCPI-based year-on-year core inflation increased to 2.6% from 1.3%, whereas the annual average declined to 0.9% from 2.5% in 2024. Early indicators from 2026 suggest that core inflation has continued to remain low and stable, pointing to a more gradual-than-expected recovery in domestic demand conditions.

Exchange Rate Movement

After two consecutive years of appreciation, the Sri Lankan rupee experienced a moderate adjustment in 2025, depreciating by 5.6% against the US dollar from Rs. 292.58 at end-2024 to Rs. 309.99 by end-2025. This movement was largely driven by increased merchandise imports, particularly a surge in vehicle imports following the full relaxation of import restrictions. However, the exchange rate remained supported by steady inflows from tourism, workers' remittances, export earnings, and financial account inflows, which helped maintain overall foreign exchange stability and liquidity throughout the year. In this context, the Central Bank was able to purchase around USD 2.0 bn (on value date basis) from the domestic forex market on a net basis, thereby strengthening GOR.

Throughout 2024, the Sri Lanka rupee depreciated against all major currencies in 2025, while major currencies exhibited mixed movements against the US dollar. Accordingly, the Sri Lanka rupee depreciated against the Euro (16.3%), the Pound sterling (12.0%),the Japanese yen (5.6%), the Chinese yuan (9.6%), the Indian rupee (1.0%) and the Australian dollar (12.2%) during 2025. With the combined effect of the depreciation of the Sri Lanka rupee against major currencies, it also depreciated against the Special Drawing Rights (SDR) by 10.1% during the year. The 5-currency and 24-currency Nominal Effective Exchange Rate (NEER) indices, Sri Lanka's exchange rate indices reflected notable adjustments in 2025, with both NEER and REER showing a downward movement. The 5-currency and 24-currency NEER indices declined by 9.00% and 8.33%, respectively, while REER indices fell by 8.98% and 7.99%. Despite these declines, REER levels remained below the 2017 base, indicating improved external competitiveness. These movements highlight the impact of rupee depreciation and global currency dynamics, while reinforcing Sri Lanka's strengthened position in international trade competitiveness and export potential.

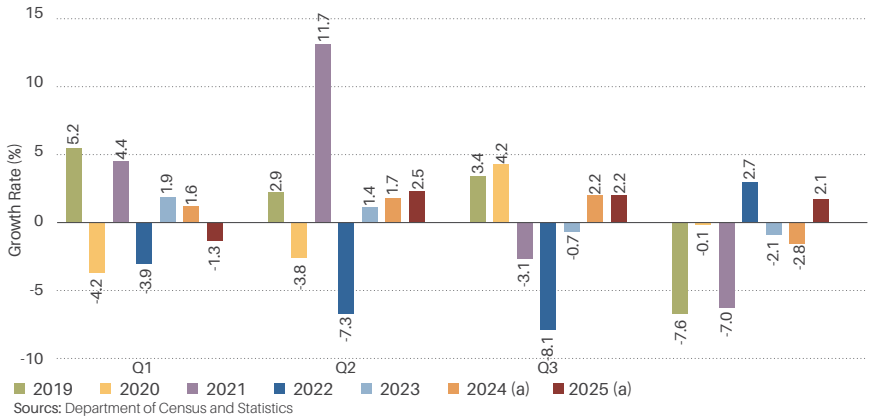
Agriculture Industry Overview

The agricultural sector continues to play a vital role in the economy of Sri Lanka despite its reduced share in Gross Domestic Product (GDP). Although the sector currently contributes around 8% to the national GDP, it remains a key source of employment and income generation, particularly in rural communities. Nearly one-fourth of the country's labour force is engaged in agricultural activities, making agriculture a primary livelihood for many households. The sector also has a significant influence on economic stability, social wellbeing, and rural development. Export-oriented crops such as tea, rubber, coconut, and other agricultural products continue to contribute substantially to foreign exchange earnings. In addition, the domestic food crop sector, especially paddy cultivation and other subsidiary crops, plays an important role in ensuring national food security and reducing dependence on imports.

Agriculture further supports the manufacturing and industrial sectors by supplying essential raw materials for production and value-added industries. The Sri Lankan agricultural sector continues to hold socio-economic importance, despite its declining share in GDP. now standing at around 8 %. It remains the primary livelihood source for rural households and employs nearly a quarter of the national labour force. The sector is intricately linked to national food security and the country's export earnings. Agricultural exports, including tea, rubber, coconut, and other products, account for approximately 20 per cent of total export revenue. The sector also plays a vital role in import substitution through the cultivation of staple crops such as rice and various subsidiary food crops for domestic consumption, in addition to serving as a key supplier of raw materials for the manufacturing and industrial sectors.

Sri Lanka's plantation agriculture sector continued to demonstrate resilience in 2025/26, supporting export earnings and rural livelihoods despite economic and climatic challenges. The tea industry maintained stable performance, with production reaching approximately 38.7 million kg during January–February 2026, reinforcing its position as a key export contributor. Rubber production recorded around 10.9 million kg during the same period, reflecting gradual sector recovery and improving market conditions. The coconut sector showed positive momentum, with production estimated at approximately 588 million nuts in January 2026 under revised bi-monthly estimates. Cinnamon continued to strengthen its contribution to export agriculture, with average prices exceeding Rs. 5,200 per kg by March 2026, indicating strong international demand. Meanwhile, oil palm remained an important plantation crop due to its higher land productivity and long-term commercial potential, supporting diversification and sustainable growth within the agricultural sector.

Sector GDP Growth - Agriculture



Sources: Department of Census and Statistics

Note: Data are based on the base year 2015 GDP estimates of the Department of Census and Statistics and updated with the latest GDP estimates made available on 17 march 2026

The agriculture sector demonstrated mixed performance during the period from 2019 to 2025, reflecting the impact of economic conditions, climate variations, and market uncertainties. In 2019, the sector recorded moderate positive growth in most quarters, while 2020 experienced notable contractions, particularly in Q1 and Q2, due to economic disruptions. A significant recovery was observed in 2021, with Q2 recording the highest growth rate of 11.7%, indicating improved agricultural activity and production. However, growth declined sharply in 2022, especially in Q2 and Q3, highlighting challenges such as adverse weather conditions and rising production costs. From 2023 onwards, the sector showed gradual stabilization, with mostly moderate positive growth rates. By 2025, agricultural GDP growth reflected improving resilience and recovery, supported by better production performance and sectoral adjustments. Overall, the graph indicates that the agriculture sector remains vulnerable to external shocks but continues to recover steadily over time.

Source 1 : CBSL Report
Source 2 : https://saea.lk/overview-of-agriculture-sector-in-sri-lanka/

Tea

From a Sri Lankan perspective, Sri Lanka's tea industry experienced a challenging start to 2026, with key performance indicators reflecting a period of contraction compared to the first quarter of 2025. National tea production declined by 2.55 million kilograms, while export volumes fell by 2.85 million kilograms, signaling softer market momentum and operational pressures across the sector.

At the same time, the Colombo Tea Auction recorded a reduction in the National Sale Average Price, which decreased by Rs. 26.07 per kilogram year-on-year. Despite these setbacks, Sri Lankan tea continued to demonstrate resilience in a competitive global marketplace, maintaining export volumes above total production levels and preserving its reputation for premium quality. The quarter highlighted the industry's need to navigate evolving global demand patterns, climatic challenges, and cost pressures while continuing to strengthen value addition, market diversification, and sustainability initiatives. As the sector moves forward, strategic focus on innovation, productivity enhancement, and premium market positioning will remain essential to sustaining long-term growth and global competitiveness.

During the first quarter of 2026, Iraq retained its position as the leading destination for Ceylon Tea exports, reaffirming the strength and continuity of long-standing trade relationships. Among the key highlights of the quarter was the remarkable growth in the Turkish market, where import volumes nearly doubled compared to the corresponding period of the previous year, reflecting expanding demand and emerging market opportunities.

In contrast, several traditionally significant markets including Russia, the United Arab Emirates, Libya, and Iran recorded declines in import volumes, underscoring the impact of shifting global economic conditions, geopolitical uncertainties, and evolving consumer demand patterns. From a pricing perspective, FOB values expressed in Sri Lankan Rupees recorded year-on-year gains across all three months of the quarter, supported largely by the depreciation of the local currency. However, when evaluated in US Dollar terms, FOB prices remained under moderate pressure, indicating continued challenges in maintaining international price competitiveness amid global market fluctuations.

Overall, the quarter highlighted both the resilience and adaptability of Sri Lanka's tea export sector, with emerging market growth helping to offset weaknesses in several traditional destinations while reinforcing the importance of strategic market diversification and value-driven export positioning.

Sri Lanka's tea industry experienced a challenging first quarter in 2026, with total production declining to 59.62 million kilograms from 62.16 million kilograms recorded in 2025. All elevations reported lower outputs, reflecting widespread production pressures across the sector. Low Grown teas, which contribute the largest share of national production, recorded the steepest decline, while Medium and High Grown categories also experienced reductions. The downturn highlights the operational and environmental challenges faced by the industry, emphasizing the need for productivity enhancement and sustainable sector resilience.

Sri Lanka's tea sale averages during 1Q 2026 reflected mixed market performance across elevations. High Grown teas showed resilience, with Rupee prices increasing from Rs. 1,118.77 to Rs. 1,151.02, although US Dollar values eased from USD 3.78 to USD 3.71. Medium Grown teas recorded the sharpest decline, with prices falling to Rs. 985.34 from Rs. 1,040.44 and from USD 3.51 to USD 3.18. Low Grown teas also weakened, declining to Rs. 1,198.51 from Rs. 1,239.35 and to USD 3.86 from USD 4.18. Consequently, the national average decreased to Rs. 1,153.25 and USD 3.72 in 2026.

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Sri Lanka's tea exports during the first quarter of 2026 declined in volume to 60.36 million kilograms from 63.21 million kilograms recorded in 2025. Despite the lower export quantity, earnings remained relatively stable at Rs. 109.09 billion, supported by an improvement in the average FOB price, which increased to Rs. 1,807.27 per kilogram from Rs. 1,738.80. Bulk tea exports weakened in both quantity and value, while packeted and tea bag categories demonstrated improved pricing performance. Notably, instant tea and green tea achieved growth in volume, value, and FOB prices, highlighting the increasing contribution and resilience of value-added tea exports.

Source : https://www.dailymirror.lk/business-news/Tea-Industry-Overview-of-2026-First-Quarter/273-339088

Rubber

Sri Lanka prides itself on manufacturing several value-added rubber products by processing raw rubber. These range from extrusion products like rubber bands, beadings, latex products such as medical, industrial, and household gloves, industrial products like hoses, auto parts, industrial components, tyres, tubes, automotive tyres, and general rubber products like floor mats, carpets, sports goods, hot water bottles, and related components.

Sri Lanka's rubber industry continued to play an important role in the plantation agricultural sector during 2025/26, contributing to export earnings, industrial activity, and rural employment. According to available sector statistics, domestic rubber production during January–February 2026 amounted to approximately 10.9 million kg, compared with 13.1 million kg recorded during the corresponding period in 2025, reflecting a year-on-year decline of around 16.8%. The reduction in production was largely influenced by adverse weather conditions and supply-side challenges affecting cultivation and tapping activities. Meanwhile, natural rubber prices in international markets showed upward momentum during the period due to production constraints in major rubber-producing countries. The industry also continued to emphasize sustainable cultivation methods, productivity improvements, and value-added rubber products to strengthen competitiveness. Ongoing investments in research, modernization, and sector development initiatives are expected to support long-term resilience and enhance growth opportunities within Sri Lanka's rubber industry.

Furthermore domestic rubber production in Sri Lanka showed a continued year-on-year contraction in early 2026, according to provisional assessments from the Rubber Development Department, largely attributed to intermittent tapping disruptions, ageing smallholder plantations, and ongoing labour shortages in key producing districts. In contrast, natural rubber prices in international markets remained firm during the period, supported by tight global supply conditions and weather-related constraints in major producing countries. During the current reporting year, the industry continues to operate under similar structural and climatic pressures, while global price volatility persists. These combined dynamics are expected to shape production recovery and export earnings in 2026.

Source 1:
- CBSL Report
- Sri Lanka Rubber Development Department. (2024). Annual Report on Rubber Industry Developments.

Coconut

Sri Lanka's coconut industry continues to play a pivotal role in the national economy, supporting rural communities, generating employment, and contributing substantially to export earnings. Despite facing challenges including adverse weather conditions, aging plantations, and fluctuations in global market prices, the sector has demonstrated resilience and adaptability. Ongoing efforts by both the government and private sector to modernize cultivation practices, improve productivity, and promote sustainable agriculture are strengthening the industry's long-term potential. Increased focus on value-added coconut-based products and market diversification continues to enhance export opportunities, positioning the industry for sustainable growth and greater competitiveness in international markets.

The major portion of coconut holdings (plantations) in Sri Lanka (nearly 75%) belongs to the smallholders while the rest of it belongs to the estate sector where both private and government companies hold ownership. Even though the contribution of the smallholding sector to the total annual coconut production is 70%, this sector is not yet organised well and is thus managed way below the optimal levels.
Overall, the industry is poised for growth by leveraging technological advancements and expanding global demand for coconut-based products.

Source : Central Bank of Sri Lanka, 2025; https://www.srilankabusiness.com/coconut/about/industry-capability.html

Other Crops

The performance of Sri Lanka's other crop sector during 2025/2026 reflected continued diversification and adaptability amid evolving economic and environmental conditions. Crops including vegetables, fruits, spices, and other plantation-related cultivations continued to contribute meaningfully to domestic markets and export earnings, supporting income generation and agricultural sustainability. Increased focus on modern cultivation techniques, productivity enhancement, and sustainable farming practices strengthened the sector's resilience and competitiveness. However, the industry continued to navigate challenges arising from adverse weather patterns, rising production costs, labour constraints, and fluctuating international market conditions. Despite these pressures, the sector demonstrated steady progress, reinforcing its importance within Sri Lanka's broader agricultural economy.

Other agricultural subsectors in Sri Lanka recorded modest improvement during 2025/2026, according to provisional estimates from the Central Bank of Sri Lanka (CBSL) Agriculture and Food Security Report 2026. Paddy production increased by approximately 2.8%, supported by improved rainfall distribution and fertilizer availability. Coconut output rose by around 4.2%, driven by higher bearing yields and better farm management practices. Vegetable cultivation expanded by nearly 3.1%, while livestock production showed a marginal growth of about 1.5% amid higher feed costs. Despite these gains, productivity constraints, climate variability, and input cost pressures continued to limit stronger sector-wide expansion in the reporting period.

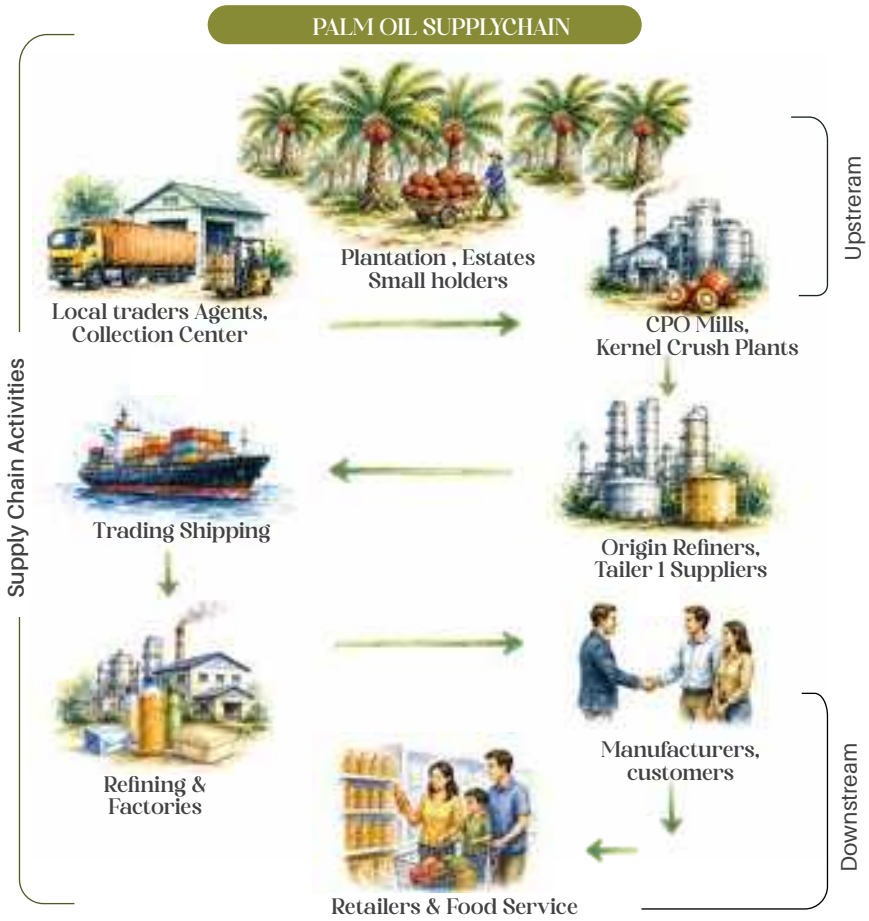
Overall, Sri Lanka's non-traditional crop sector continues to show promising

potential, supported by ongoing efforts to improve productivity, expand export markets, and promote value-added agricultural products. With increasing focus on innovation, sustainability, and market diversification, the sector is expected to contribute positively to the nation's agricultural growth and foreign exchange earnings in the years ahead.

Oil Palm

The oil palm sector in Sri Lanka is expected to maintain a steady growth trajectory during the 2025/2026 period, supported by improving agricultural practices, increasing emphasis on domestic edible oil production, and continued interest in sustainable plantation management. Although the industry remains at a developing stage compared with leading regional producers, ongoing investments in yield improvement, efficient processing methods, and responsible cultivation are anticipated to strengthen the sector's long-term viability. Favorable weather patterns and advancements in agronomic techniques are also likely to support higher productivity levels, while growing regional demand for vegetable oils may create additional opportunities for value enhancement and market expansion.

At the same time, the industry continues to operate within a challenging global and domestic environment. Sustainability expectations from regulators, consumers, and international markets are becoming increasingly significant, requiring producers to adopt environmentally responsible cultivation and land management practices. Volatility in global commodity prices, rising input costs, and competition from established palm oil exporting nations may place pressure on profitability and operational efficiency. In addition, factors such as policy direction, labor availability, and infrastructure development will remain important determinants of the sector's future progress. Despite these challenges, the outlook for Sri Lanka's oil palm industry remains cautiously positive, with prudent management strategies and sustainable growth initiatives expected to support the industry's contribution to the plantation economy.



Global Palm Market Overview and Palm Oil Prices

The crude palm oil (CPO) market is anticipated to witness a more moderate pricing environment in 2026 after the elevated trends observed in 2025. Industry projections estimate CPO prices to fluctuate between RM3,850 and RM4,250 per metric tonne (MT), compared to the estimated RM4,300/MT recorded in 2025. Improved weather conditions, recovering crop yields, and increasing global production are expected to ease earlier supply constraints and stabilize market conditions. Although stronger demand continued to support prices during 2025, higher-than-expected output from major producing countries, particularly Indonesia, contributed to moderating price levels. Overall, the market outlook remains stable, supported by improving supply fundamentals and sustained global demand.

The crude palm oil (CPO) market demonstrated resilience during 2025, supported by stronger biodiesel demand, higher prices of alternative vegetable oils, and the depreciation of the US dollar. A key market driver was Indonesia's decision to increase its biodiesel blending mandate from B35 to B40, a move estimated to increase annual palm oil consumption by more than 4 million metric tonnes (MT), representing nearly 5% of global production. These developments contributed to maintaining relatively firm average CPO prices throughout the year compared to 2024.

Despite stronger demand fundamentals, improved global supply conditions moderated upward price momentum. CPO prices reached a peak of RM4,875 per MT in 2025, remaining below the RM5,343 peak recorded in 2024. Recovery in production was largely driven by improved weather conditions following the 2023–2024 El Niño period. Indonesia recorded a significant 11.3% year-to-date increase in output by September 2025, while Malaysia reported a moderate 1.8% production growth as at October 2025.

Although global crude palm oil (CPO) production recorded notable growth in 2025, concerns over the sustainability of long-term supply expansion remain significant. In Malaysia, the industry continues to face challenges arising from ageing plantations, with annual replanting rates averaging only around 2% over

the past decade, substantially below the recommended 4% level required to sustain productivity. High replanting costs and extended gestation periods continue to discourage both smallholders and large estate operators from accelerating renewal programmes.

Similarly, Indonesia faces structural constraints despite stronger production growth. While large plantation groups under GAPKI maintain replanting rates of approximately 4%–5% annually, smallholder replanting achievements remain limited, reaching only slightly above 20% of the government's 2024 target. In addition, evolving global sustainability standards, including the European Union Deforestation Regulation (EUDR) expected to take effect in 2026, are likely to increase compliance requirements relating to traceability, reporting, and environmental accountability across the industry.

The global crude palm oil (CPO) market is expected to remain relatively stable in 2026, supported by steady demand growth and improving production conditions. According to international forecasts, global palm oil consumption is projected to continue expanding, driven largely by strong import demand from India and increased biofuel utilisation. The Food and Agriculture Organization (FAO) estimates global oils and fats consumption to rise by 2.1% in 2026, with the biofuel sector remaining a key contributor to demand growth.

At the same time, mixed production trends among competing vegetable oils such as soybean and rapeseed are expected to influence market dynamics. While Brazil is anticipated to record higher soybean output, lower harvest expectations in the United States and Argentina, together with weather-related concerns in Canada and Europe, may limit supply growth in substitute oils. Against this backdrop, CPO prices are projected to moderate within the range of RM3,850 to RM4,250 per metric tonne (MT) during 2026, reflecting improving supply conditions and a more balanced global market environment.

Source : https://sl1nk.com/ijzdej0

External Risk Outlook

Despite the improving economic environment, external uncertainties continue to pose challenges to the plantation sector and the broader Sri Lankan economy. Rising global protectionism and changes in U.S. tariff policies may place pressure on export-oriented industries, particularly tea and agricultural exports. In addition, a potential slowdown in the global economy could affect export demand, tourism, and foreign remittances, which remain important contributors to economic stability and recovery. Diverging global monetary policies, especially actions by the U.S. Federal Reserve, may also create volatility in exchange rates, interest rates, and capital flows, influencing business and investment conditions. Nevertheless, the projected decline in global oil prices may provide some relief by reducing import and operational costs, while supporting overall trade balance stability and easing inflationary pressures within the economy.

Agricultural Exports

Sri Lanka's export sector recorded a robust performance in January 2026, generating export earnings of US$ 1,532.6 million, representing a year-on-year growth of 13.71%. This encouraging start to the year reflects the strength, adaptability, and increasing global competitiveness of the country's export industries. The positive outcome was driven by improving demand in key international markets, enhanced production capabilities, and the continued success of export promotion and market development strategies. Looking ahead, sustained policy support, innovation, and ongoing efforts to diversify export destinations are expected to further strengthen export performance and support the achievement of national export targets for 2026.

Sri Lanka's merchandise exports demonstrated positive momentum in January 2026, increasing by 10.66% year-on-year to reach US$ 1,165.02 million, based on provisional data released by Sri Lanka Customs, including estimated values for gems and jewellery and petroleum products. The growth reflects the resilience of the export sector, supported by stronger demand across major export categories and improved performance within the industrial sector. This encouraging trend highlights the country's ability to capitalize on emerging market opportunities and reinforces confidence in the continued expansion of export-driven economic activity throughout the year.

Several export sectors delivered strong year-on-year growth in January 2026, reflecting the continued resilience of Sri Lanka's export industry. Tea exports, which contributed 12.8% of total merchandise export earnings, increased by 8.11% to US$ 121.84 million. This growth was largely supported by higher revenues from Bulk Tea and Tea Packets, which recorded increases of 9.72% and 2.3%, respectively. Export volumes also expanded by 6.9% compared with the corresponding period of the previous year. Performance in key international markets remained encouraging, with export earnings to Turkey, Russia, and Saudi Arabia rising significantly by 120.95%, 8.84%, and 11.24%, respectively. These results underscore the sustained global demand for Sri Lankan tea and the sector's important contribution to national export earnings.

The rubber and rubber-based products sector recorded positive growth in January 2026, with export earnings increasing by 3.88% year-on-year to US$ 77.97 million. This performance was primarily supported by the strong expansion of the Pneumatic and Retreaded Rubber Tyres and Tubes segment, which achieved a notable growth of 18.61% compared to the corresponding period of the previous year. The sector's steady growth reflects sustained international demand for value-added rubber products and highlights the continued contribution of Sri Lanka's rubber industry to the country's export earnings and industrial export performance.

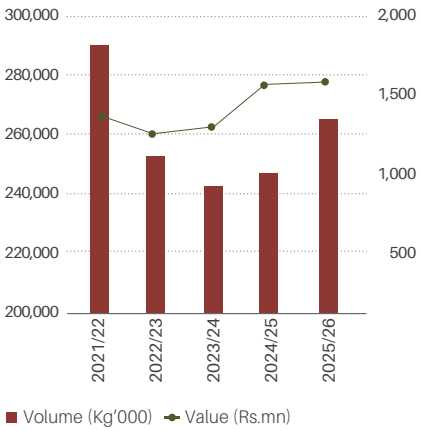
The coconut-based products sector delivered a strong performance in January 2026, with export earnings increasing by 30.69% compared to the corresponding period of the previous year. Growth was driven by robust international demand and increased value addition across the industry. Export earnings from Coconut Kernel Products rose by 43.32%, while Coconut Shell Products recorded an impressive growth of 46.87%.

Within the Coconut Kernel Products category, several key product segments achieved notable year-on-year gains. Export earnings from Coconut Oil increased by 76.2%, followed by Coconut Milk Powder (60.71%), Coconut Cream (47.94%), and Liquid Coconut Milk (23.09%). In the Coconut Shell Products segment, Activated Carbon continued to be a major contributor, with

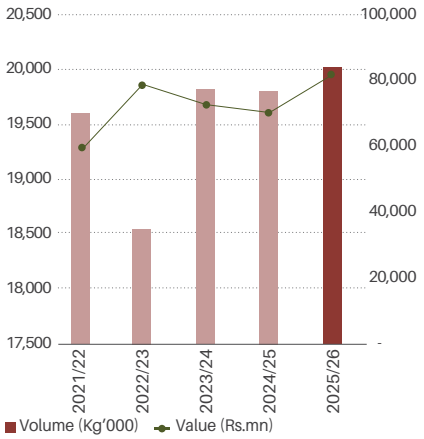
export earnings rising by 39.51% to US$ 20.34 million. These encouraging results highlight the sector's growing competitiveness in international markets and its increasing contribution to Sri Lanka's overall export performance.

In a Summery Sri Lanka's export sector recorded strong and broad-based growth in January 2026, reflecting improved global demand, enhanced industrial capacity, and continued export development efforts. Merchandise exports expanded significantly, with notable contributions from key sectors. Tea exports achieved steady growth in both value and volume, supported by strong performance in Bulk Tea and Tea Packets and increased demand from major markets such as Turkey, Russia, and Saudi Arabia. The coconut-based products sector delivered robust growth across both kernel and shell products, driven by strong international demand and value addition. Rubber and rubber-based products also recorded moderate growth, led by increased exports of tyres and tubes. Overall, the sector maintained positive momentum, strengthening Sri Lanka's export earnings outlook for 2026

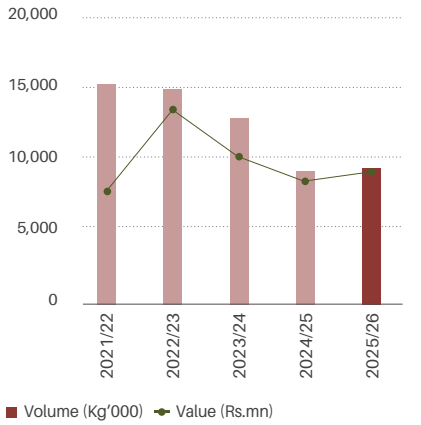
Tea Export



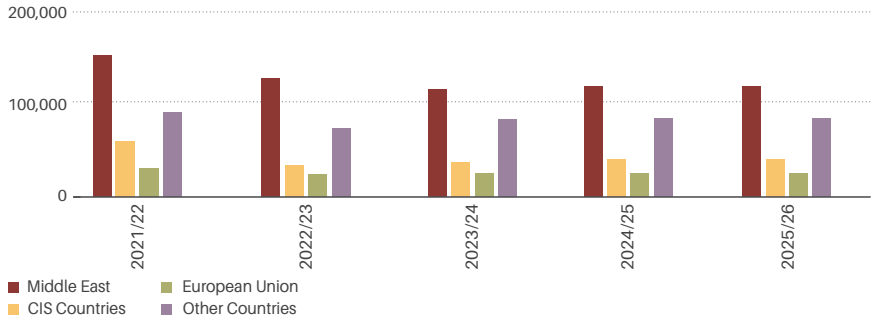
Cinnamon Export



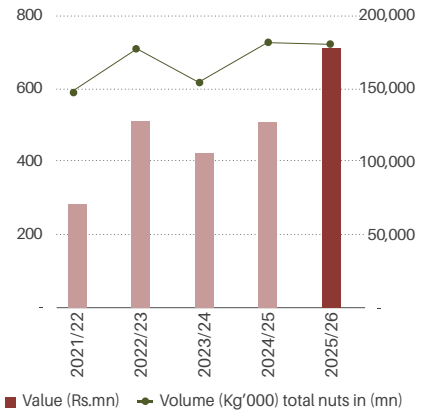
Rubber Export



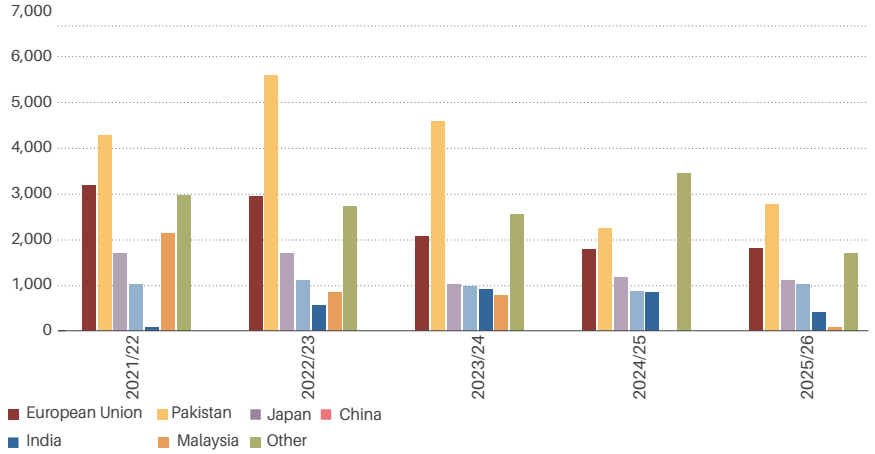
Country Classification of Tea Exports (Mn. / Kg)



Coconut Export



Major Rubber Export Destinations



Central Bank of Sri Lanka, 2025;

Economic & Industry Overview

National Production

The plantation sector recorded mixed performance in 2025. Tea production improved marginally, while rubber production continued its declining trend. Coconut production recovered strongly compared with 2024, and cinnamon production reached its highest level during the last decade. These trends reflect the resilience of Sri Lanka's plantation sector despite challenges arising from climate variability, labour shortages, and input cost pressures. Tea production increased to 264 million kg in 2025 from 262.7 million kg in 2024, while rubber production declined to 66 million kg from 69.2 million kg. Coconut production increased significantly to 2,794 million nuts compared with 2,561 million nuts in 2024, and cinnamon production reached 26,000 metric tons, surpassing all previous years in the period under review.

National tea production increased to 264.0 million kg in 2025, compared with 262.7 million kg in 2024, recording a growth of 0.5%. Medium-grown tea increased to 48 million kg from 47.4 million kg, while high-grown tea rose slightly to 56 million kg from 55.7 million kg. Despite the improvement over 2024, total production remained below the levels recorded during 2016–2021, when annual output consistently exceeded 279 million kg. The increase was primarily driven by improved medium- and high-grown sector performance.

Rubber production declined to 66.0 million kg in 2025, compared with 69.2 million kg in 2024, representing a decrease of 4.6%. Sheet rubber production decreased from 33.5 million kg to 33.0 million kg, while other rubber categories also recorded lower volumes. The 2025 production level is the lowest recorded during the last ten years and remains significantly below the 83.1 million kg achieved in 2017. This reflects ongoing challenges relating to productivity, replanting requirements, and adverse weather conditions.

The coconut sector demonstrated a strong recovery in 2025. Total coconut production increased to 2,794 million nuts, up from 2,561 million nuts in 2024, recording an increase of 9.1%. Desiccated coconut production rose to 308 million nuts, while coconut milk and powder production increased significantly to 922 million nuts from 777 million nuts in the previous year. Domestic consumption also increased to 1,496 million nuts. The improvement indicates stronger raw material availability and increased processing activity within the coconut industry.

Cinnamon production reached 26,000 metric tons in 2025, compared with 24,900 metric tons in 2024, reflecting a growth of 4.4%. This represents the highest production volume achieved during the period from 2016 to 2025. The sector has shown steady long-term growth, increasing from 18,945 metric tons in 2016 to 26,000 metric tons in 2025, reinforcing Sri Lanka's position as the world's leading producer of premium Ceylon Cinnamon.

Sri Lanka's plantation sector recorded mixed results in 2025. National tea production increased marginally to 264 million kg, supported by higher medium- and high-grown tea output, although production remained below historical levels. Rubber production declined to 66 million kg, continuing the downward trend observed in recent years and reflecting sectoral productivity challenges. In contrast, the coconut industry recorded a strong recovery, with total production increasing by 9.1% to 2,794 million nuts, driven by growth in desiccated coconut, coconut milk, and coconut powder production. The cinnamon sector continued its positive momentum, achieving a record 26,000 metric tons, the highest output during the past decade. Overall, while tea and coconut demonstrated resilience and cinnamon maintained steady expansion, the rubber industry remained under pressure. These developments highlight the importance of productivity enhancement, sustainable agricultural practices, and continued investment in plantation crops to strengthen Sri Lanka's agricultural export sector and support long-term industry growth.

National Production

Crop	Unit	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Tea											
Low Grown	Kg mn	**160**	159.6	155.1	155	183.2	169.9	189.9	192	197.4	183.6
Medium Grown	Kg mn	**48**	47.4	42.3	40.2	51	46.7	47.2	47	45.7	44.5
High Grown	Kg mn	**56**	55.7	58.6	56.3	65.3	62.2	63.1	64.8	64	64.4
Total	Kg mn	**264**	262.7	256.1	251.5	299.5	278.9	300.1	303.8	307.1	292.5
Rubber											
Sheet Rubber	Kg mn	**33**	33.5	32.2	34.8	38.4	39.1	37.4	41.3	41.5	39.8
Crepe Rubber	Kg mn	**11**	10.1	11.1	14.5	13.9	13	14.4	14.5	11.5	15
Other	Kg mn	**22**	25.6	21.1	21.7	24.5	26.1	22.9	26.8	30.1	24.3
Total	Kg mn	**66**	69.2	64.4	70.9	76.9	78.2	74.8	82.6	83.1	79.1
Coconut											
Desiccated Coconut	Nuts mn	**308**	297.3	287	314	298	226	387	222	266	399
Coconut oil	Nuts mn	**49**	53.9	209	445	211	48	252	63	67	348
Copra	Nuts mn	**4**	1.9	5	11	5	6	22	3	3	6
Fresh nut	Nuts mn	**14**	17.3	14	13	15	16	21	1	10	30
Powder and Milk	Nuts mn	**922**	777.0	596	544	544	462	420	366	274	246
Consumption	Nuts mn	**1496**	1414.0	1,850	1,848	1,833	1,826	1,807	1,794	1,656	1,787
Total	**Nuts mn**	**2794**	**2561.3**	**3,170**	**3,391**	**3,120**	**2,792**	**3,086**	**2,623**	**2,450**	**3,011**
Cinnamon	Mt	**26000**	24,900	24,475	24,094	22,872	20,866	20,352	20,398	22,341	18,945

Sri Lankan Economic Outlook

Sri Lanka's economic narrative over the past year is defined by an impressive, hard-earned turnaround following the severe macro-fiscal crisis of 2022. Guided by a stringent structural reform program, the economy successfully stabilized mid-2023 and expanded by a robust 5.0 percent in 2025. This broad-based resurgence was primarily championed by a stellar industrial rebound in textile and manufacturing sectors, a steady revival in services, and a booming construction sector fueled by relaxed vehicle import restrictions and high-frequency market demand.Despite this strong momentum, the island's economic resilience was put to the test in late 2025 when Cyclone Ditwah struck, flooding 20 percent of the landmass and inflicting an estimated US$3.3 billion in physical damages and economic losses. While the agricultural sector took a heavy blow and local infrastructure was severely disrupted, the broader macroeconomic framework proved resilient. Furthermore, ongoing geopolitical tensions in the Middle East have cast a shadow of downside risk over global supply chains, introducing trade uncertainties and potential fuel shortages that require vigilant demand-management strategies.

A standout achievement in Sri Lanka's recovery is the unprecedented strengthening of its fiscal and external balances. Driven by immense revenue overperformance and a lower domestic interest bill following successful debt restructuring, the country's primary surplus reached a historic high of 5.4 percent of GDP in 2025, far outperforming initial budget targets.

While the macroeconomic indicators paint a picture of steady triumph, the domestic welfare recovery remains highly fragile. Poverty is projected to decline to 20.1 percent in 2026, yet households remain deeply vulnerable to ongoing shocks as real wages and overall labor force participation have not fully bounced back to pre-crisis levels. Mitigating spatial inequities—particularly in hard-hit Northern, Eastern, and estate regions—remains a top priority, making the strategic expansion and accurate targeting of cash-transfer networks like the Aswesuma scheme critical to protecting vulnerable communities.

Looking ahead, Sri Lanka's economy is projected to grow at a more moderate but sustainable pace of 3.6 percent in 2026, catalyzed heavily by post-cyclone reconstruction activity. Unlocking the nation's true long-term potential now hinges on the rapid execution of landmark structural reforms, including a unified Investment & Trade Commission Act to accelerate FDI, a modernized Customs Law to slash trade costs, and a Rescue, Rehabilitation & Insolvency Act to restore credit to vital SMEs. For forward-thinking enterprises, the evolving landscape offers a fortified, well-buffered economy that is successfully learning to weather external storms and build a predictable foundation for future growth.

Source: CBSL Report Presentation 2025

Stakeholder Engagement

Defining Our Stakeholders

Stakeholders are the diverse individuals and groups affected by our business, ranging from those we interact with daily to those impacted indirectly by our long-term decisions. This relationship is mutual: just as our actions shape their environment, their choices and perceptions directly influence our ability to operate and succeed.

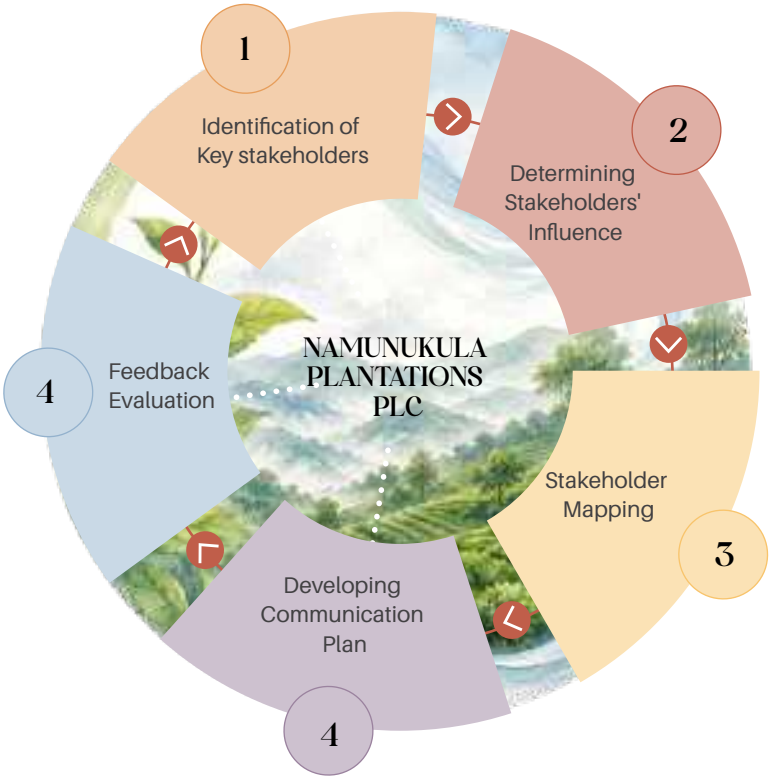
Building Sustainable Relationships through Meaningful Engagement

Stakeholder engagement remains fundamental to NPPLCs long-term value creation strategy and sustainability framework. As a plantation sector organization operating within a dynamic socio-economic and environmental landscape, our success depends on maintaining constructive and transparent relationships with those who influence, and are influenced by, our operations. Our stakeholder engagement framework is designed to ensure that stakeholder concerns, expectations and evolving priorities are systematically identified, evaluated and integrated into strategic decision-making. Through structured and continuous engagement, we obtain valuable insights that enable us to strengthen resilience, proactively manage risks, capture opportunities, and create shared value across our operating ecosystem.

The plantation sector is increasingly shaped by global sustainability expectations, regulatory developments, climate-related challenges, evolving labour dynamics, and changing market requirements for traceability and responsible sourcing. In this context, effective stakeholder engagement allows us to align operational priorities with broader environmental, social and governance (ESG) expectations.

During FY 2025/26, the Company continued to strengthen engagement mechanisms across all operational divisions to foster collaboration, improve responsiveness, and reinforce accountability.

Our StakeholdersManagement Process



Our Stakeholder Engagement Objectives

Our engagement approach is designed to:

- Identify stakeholder expectations and material concerns
- Enhance operational transparency and trust
- Strengthen risk anticipation and mitigation
- Support responsible decision-making
- Promote collaborative value creation
- Improve sustainability performance and ESG disclosures

Navigating a Shifting Landscape

The modern business environment is evolving at an unprecedented pace. To stay resilient, we have shifted toward proactive engagement, allowing us to:

Anticipate Trends

Respond to industry shifts before they become disruptions

Create Mutual Value

Ensure that our pursuit of sustainability benefits both our organization and the communities we serve

Mitigate Risk

Address stakeholder concerns early to maintain our "license to operate" in a volatile market

Stakeholder Engagement Overview

Stakeholders are identified and prioritised based on:

- Degree of operational influence
- Level of dependence on Company activities
- Regulatory relevance
- Frequency of interaction

Stakeholder Engagement Framework

We engage stakeholders through both formal and informal channels at corporate, regional and estate level.

Engagement Mechanism	Frequency
Annual General Meetings	Annually
Investor Briefings	Quarterly
Community Forums	Monthly / Quarterly
Employee Dialogue Sessions	Monthly
Union Consultations	As Required
Estate-Level Meetings	Regularly
Surveys & Feedback Registers	On-going
Regulatory Consultations	As Required
Buyer & Broker Discussions	Weekly / Monthly

Identification of Stakeholders

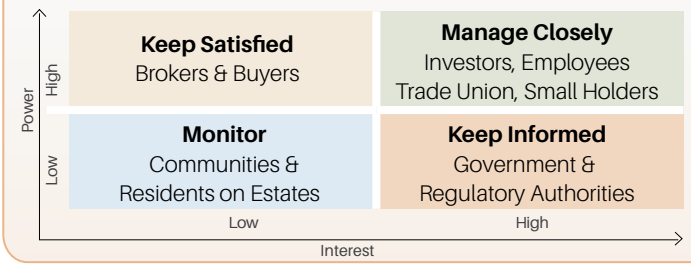
Our operations impact employees, residents, smallholders, and communities. We rely on customers, brokers, investors, and the government for growth. We recognize the interdependence of these relationships and take a long-term approach. Our social report outlines our engagement with stakeholders to identify needs, manage expectations, and build trust. Addressing their issues is crucial for the sustainability of the plantation industry.

Our Key Stakeholder Identification Indicators :

Stakeholder's influence in organizational performance. → Stakeholder's support in achieving our strategic goals. → Importance of the stakeholder for the Company as a whole.

Mapping Stakeholder Influence

In our stakeholder mapping, we prioritize shareholders as our main focus, given their high interest and significant power in influencing NPPLC's strategic direction. By actively engaging with them and addressing their concerns, we aim to foster a strong relationship that supports long-term growth and sustainability for the organization.



Methods of Engagement

Even though we engage stake holders needs and wants with a common considerable effort, there is an arrangement of prioritization to involve with them. It is reflected by power vs. interest relationship graph. Every day, at every level of the business, we engage with a large number of stakeholders, both formally and informally. We use various engagement platforms appropriate to the needs of each stakeholder group.

Their participation and interests over the organization are always welcome since we have the understanding that our future success is depend on the interest of stakeholders towards us. Hence, we encourage them to contact us through our telephone-line and email. We are always willing to respond them urgently for any issue relevant.

Feedback Analysis

Listening and understanding the views and feedback from stakeholders help to improve the overall performance of the company. Hence, we value feedback from stakeholders about their concerns and perceptions of value engaging with our stakeholders.

Feedback Collection → Organize Data and Feedback Analysis → Results Interpretation → Take Action and Communicate

Stakeholder Engagement

Stakeholder Concerns, Responses and Value Created

GRI 2-23/29/413-1/207-3

Comprehensive Stakeholder Engagement Matrix

INVESTORS & SHAREHOLDERS

Strategic Importance	**Investors and shareholders provide capital support, strategic oversight and governance accountability essential for long-term growth and financial sustainability**				
Influence Level	HIGH ★★★★	Engagement Priority	HIGH ★★★★	Frequency of Engagement	Quarterly / Annually / On-going
Key Expectations	• Sustainable financial performance • Timely financial disclosures • Effective risk management		• Transparent corporate governance • Strong ESG performance		
Engagement Methods	• Annual General Meetings • Investor briefings • Corporate disclosures		• Annual and interim financial reporting • Board communications		
Key Concerns Raised During FY 2025/26	• Earnings sustainability amid sector volatility • Climate-related operational risks		• Cost management strategies • Enhanced ESG disclosure expectations		
Company Response	The Company strengthened financial reporting transparency, enhanced governance disclosures, improved risk communication frameworks, and incorporated sustainability performance indicators into strategic reporting.				
Value Created	• Strengthened investor confidence • Enhanced governance trust		• Improved capital stability • Greater transparency in decision-making		
Future Focus Areas	• Expanded integrated reporting disclosures • Strengthened investor engagement platforms		• Enhanced climate-risk reporting		
SDG's					

BROKERS & BUYERS

Strategic Importance	**Brokers and buyers are critical to market access, product positioning and long-term commercial sustainability.**				
Influence Level	HIGH ★★★★	Engagement Priority	HIGH ★★★★	Frequency of Engagement	Weekly / Monthly
Key Expectations	• Product consistency • Traceability • Reliable supply continuity		• Quality assurance • Certification compliance		
Engagement Methods	• Buyer meetings • Product evaluations • Commercial performance reviews		• Quality audits • Estate visits		
Key Concerns Raised During FY 2025/26	• Strengthened traceability requirements • Sustainability certification expectations		• Demand for premium quality assurance		
Company Response	The Company enhanced quality control systems, strengthened compliance monitoring, and improved traceability processes throughout operational estates.				
Value Created	• Stronger market competitiveness • Premium market access		• Improved buyer confidence • Enhanced brand reputation		
Future Focus Areas	• Digital traceability integration • Market diversification initiatives		• Certification enhancement		
SDG's					

SMALLHOLDERS

Strategic Importance	Smallholders contribute significantly to supply continuity and support broader agricultural productivity within the plantation ecosystem.				
Influence Level	Medium–High ★★★★	Engagement Priority	HIGH ★★★★	Frequency of Engagement	Monthly / On-going
Key Expectations	• Fair pricing mechanisms • Technical support • Sustainable farming assistance		• Timely payments • Productivity improvement guidance		
Engagement Methods	• Field visits • Technical workshops • Payment consultations		• Advisory support • Knowledge-sharing sessions		
Key Concerns Raised During FY 2025/26	• Input cost pressures • Timely settlement processes		• Yield improvement support		
Company Response	Extension support services were strengthened, technical guidance programmes expanded, and payment systems improved to enhance efficiency.				
Value Created	• Improved supply continuity • Strengthened stakeholder trust		• Enhanced smallholder productivity • Greater operational collaboration		
Future Focus Areas	• Climate-smart agriculture training • Productivity enhancement programmes		• Technology-enabled advisory services		
SDG's					

EMPLOYEES

Strategic Importance	Employees are central to operational execution, estate productivity and long-term organizational performance.				
Influence Level	Medium–High ★★★★	Engagement Priority	HIGH ★★★★	Frequency of Engagement	Monthly / Continuous
Key Expectations	• Fair remuneration • Welfare and healthcare support • Transparent grievance resolution		• Safe working conditions • Career development		
Engagement Methods	• Employee dialogue sessions • Surveys and feedback channels • Grievance handling mechanisms		• Welfare committee meetings • Training programmes		
Key Concerns Raised During FY 2025/26	• Workplace safety improvements • Welfare infrastructure enhancement		• Skills development needs • Career progression opportunities		
Company Response	The Company expanded employee training programmes, strengthened occupational safety initiatives, and enhanced welfare support systems across estates.				
Value Created	• Improved workforce stability • Better operational efficiency		• Higher employee engagement • Enhanced employee wellbeing		
Future Focus Areas	• Leadership development programmes • Expanded employee wellness initiatives		• Digital capability enhancement		
SDG's					

Stakeholder Engagement

COMMUNITIES & ESTATE RESIDENTS

Strategic Importance	**Communities and estate residents are integral to maintaining social licence to operate and supporting sustainable regional development.**				
Influence Level	Medium-High ★★★☆☆	Engagement Priority	HIGH ★★★★	Frequency of Engagement	On-going
Key Expectations	• Community development support • Environmental stewardship • Social wellbeing initiatives		• Infrastructure improvements • Livelihood enhancement		
Engagement Methods	• Community forums • CSR initiatives • Stakeholder meetings		• Estate-level consultations • Social development programmes		
Key Concerns Raised During FY 2025/26	• Community infrastructure needs • Livelihood development opportunities		• Environmental management concerns		
Company Response	The Company implemented targeted community development initiatives focused on infrastructure improvement, education support, and environmental sustainability.				
Value Created	• Strengthened community trust • Enhanced stakeholder collaboration		• Improved social resilience • Positive regional development outcomes		
Future Focus Areas	• Sustainable livelihood projects • Expanded environmental education		• Community resilience initiatives		
SDG's					

TRADE UNIONS

Strategic Importance	**Trade unions play a critical role in maintaining labour stability and facilitating constructive industrial dialogue.**				
Influence Level	Medium-High ★★★☆☆	Engagement Priority	HIGH ★★★★	Frequency of Engagement	As Required / On-going
Key Expectations	• Fair labour practices • Collective consultation		• Transparent communication • Timely issue resolution		
Engagement Methods	• Union consultations • Labour relation meetings		• Negotiation forums • Structured dialogue sessions		
Key Concerns Raised During FY 2025/26	• Labour welfare standards • Workplace dispute resolution		• Collective agreement implementation		
Company Response	Constructive industrial relations mechanisms were maintained through regular dialogue and collaborative issue resolution.				
Value Created	• Labour stability • Strengthened mutual understanding		• Reduced disputes • Operational continuity		
Future Focus Areas	• Proactive labour engagement • Strengthened industrial harmony		• Collaborative policy development		
SDG's					

GOVERNMENT & REGULATORY AUTHORITIES

Strategic Importance	Regulatory authorities ensure compliance, policy alignment and operational legitimacy.				
Influence Level	HIGH ★★★★	Engagement Priority	HIGH ★★★★	Frequency of Engagement	As Required On-going
Key Expectations	• Full legal compliance • Environmental stewardship		• Tax transparency • Timely statutory reporting		
Engagement Methods	• Regulatory submissions • Consultative meetings		• Compliance inspections • Statutory reporting processes		
Key Concerns Raised During FY 2025/26	• Strengthening ESG reporting compliance • Tax transparency requirements		• Environmental performance expectations		
Company Response	The Company maintained full compliance through timely reporting, strengthened internal controls, and proactive regulatory engagement.				
Value Created	• Regulatory trust • Reduced compliance risk		• Operational continuity • Enhanced governance credibility		
Future Focus Areas	• Enhanced compliance automation • Proactive regulatory alignment		• Expanded ESG disclosures		
SDG's					

Emerging Plantation Sector Trends Considered

Our stakeholder engagement approach reflects broader plantation sector developments, including:

- Increased demand for certified sustainable produce
- Rising focus on ethical sourcing and traceability
- Climate-related agricultural risks
- Labour market transformation
- Strengthening ESG reporting expectations
- Greater emphasis on biodiversity conservation

GRI 2-29 /413-1

Material Issues in Stakeholder Relations and Our Strategic Responses

Material matters are fundamental in understanding NPPLC's ability to create value across the short, medium, and long-term. In our commitment to sustainable development and responsible plantation management, we recognize the importance of engaging with our diverse stakeholders, including local communities, employees, brokers and buyers, investors, unions, small holders and government regulatory bodies. This year, we have proactively addressed key stakeholder issues by enhancing our communication channels and promoting transparency in our operations.

Through regular assessments and feedback mechanisms, we have fostered trust and collaboration, ensuring that stakeholder concerns are integrated into our decision-making processes.

Looking ahead, we remain dedicated to strengthening these relationships and adapting our strategies to meet evolving expectations, ultimately supporting both our business objectives and the well-being of the communities we serve.

Stakeholder Engagement

Stakeholder	Material Issues	Our Strategic Response
Local Communities	• Environmental impact • Economic development Social equity • Health and safety	• Implement community engagement programs to understand concerns and collaborate on solutions. • Invest in local infrastructure and services (education, health care). • Develop sustainable practices to minimize environmental impact. • Create local job opportunities through hiring and training programs.
Employees	• Job security and stability • Employee well-being and mental health • Diversity, equity, and inclusion • Training and career development opportuniti	• Establish job protection policies and transparent communication regarding company performance. • Implement health and wellness programs, including mental health support. • Promote diversity and inclusion initiatives and create a culture of respect. • Offer continuous training and development programs to enhance skills and career progression.
Brokers and Buyers	• Transparency in pricing and sourcing • Product quality and safety • Ethical sourcing and sustainability • Supply chain reliability	• Foster open communication and provide detailed information about products and sourcing practices. • Implement quality control measures and ensure compliance with safety regulations. • Engage in sustainable sourcing practices and communicate these efforts. • Develop robust supply chain management practices to ensure reliability and minimize disruptions.
Investors	• Financial performance and return on investment • Corporate governance and accountability • Risk management • Transparency and reporting	• Provide regular updates on financial performance and strategic initiatives. • Strengthen corporate governance practices and ensure accountability at all levels. • Develop a comprehensive risk management framework that includes ESG (Environmental, Social, Governance) factors. • Enhance transparency through detailed reporting and stakeholder engagement.
Trade Unions	• Labor rights and fair wages • Working conditions and safety • Collective bargaining power • Employee representation in decision-making	• Engage in regular dialogues with unions to address labor concerns and negotiate fairly. • Ensure compliance with labor laws and prioritize safe working conditions. • Support collective bargaining processes and recognize the importance of unions in representing employees.
Small Holders	• Access to markets and fair pricing • Support for sustainable farming practices • Climate change impacts on agriculture	• Develop fair trade programs and direct market access initiatives for small holders. • Provide training and resources to support sustainable agricultural practices. • Engage in climate resilience programs to support small holders in adapting to changing conditions.
Government Regulatory Bodies	• Compliance with laws and regulations • Environmental protection and sustainability standards • Labor laws and worker rights • Economic contributions (Taxes, Job creation)	• Maintain proactive engagement with regulatory bodies to ensure compliance and transparency. • Implement sustainability initiatives that exceed regulatory requirements. • Adhere to labor laws and promote fair practices within the workforce. • Contribute to local economies through taxes and job creation, demonstrating corporate citizenship.

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

The role of stakeholder engagement in risk management and opportunity optimization

In the context of NPPLC effectively managing risks is crucial not only for safeguarding our operations but also for unlocking new opportunities that enhance stakeholder engagement. By proactively identifying and mitigating potential risks such as environmental challenges, market fluctuations, and regulatory changes we can create a more resilient strategy that promotes sustainable practices and fosters trust among our stakeholders.

This approach allows us to align our strategic objectives with the interests of our stakeholders, ensuring that we not only protect our assets and reputation but also capitalize on opportunities for innovation and collaboration. Ultimately, a balanced focus on risk management and opportunity recognition will strengthen our stakeholder relationships, drive long-term success, and contribute to the sustainable growth of our plantation operations. (Refer Risk Management chapter for further information)

Looking Ahead

In FY 2026/27, we aim to further enhance stakeholder engagement through:

Digital Transformation

- Implementation of digital stakeholder feedback platforms.

Enhanced Data Analytics

- Strengthening stakeholder sentiment analysis and reporting.

Structured Surveys

- Formalized annual stakeholder perception assessments.

ESG Integration

- Closer alignment between stakeholder insights and sustainability strategy.

Climate Collaboration

- Deeper engagement with smallholders and communities on climate resilience initiatives.

Our Commitment

We remain committed to fostering transparent, inclusive and mutually beneficial stakeholder relationships that support sustainable plantation management, strengthen resilience, and create enduring value for all stakeholders.

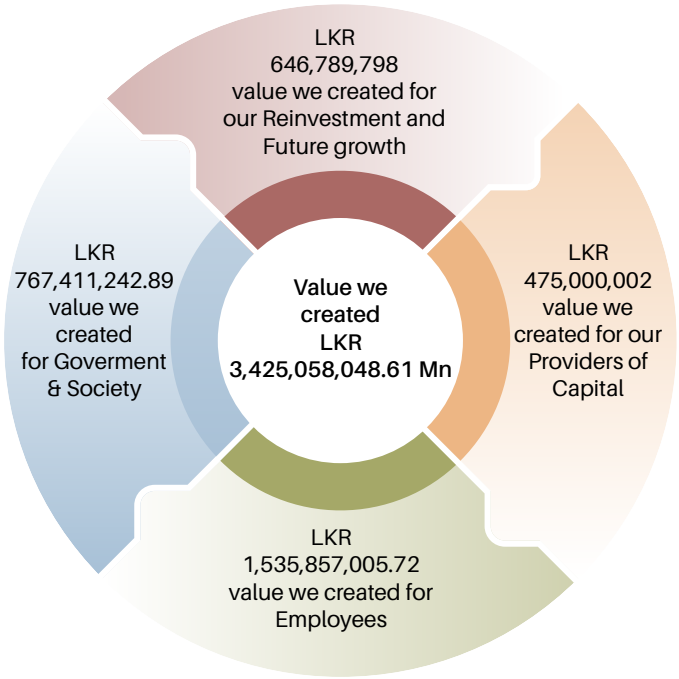
Stakeholder Engagement toward Sustainability Commitment

NPPLC's sustainability strategy is a collaborative effort shaped by diverse stakeholder interests. Employees and trade unions drive improvements in workplace safety, fair labour practices, and health protocols. Investors and brokers demand transparency, traceability, and rigorous certification standards to ensure ethical sourcing.

Smallholders are integrated through productivity support and financial aid, while local communities guide social responsibility and development initiatives. Finally, government regulations provide the essential legal framework for compliance.

Collectively, these inputs ensure that sustainability goals are not merely corporate targets but comprehensive actions addressing economic viability, social equity, and environmental stewardship.

Value Creation Dash Board



Materiality Assessment

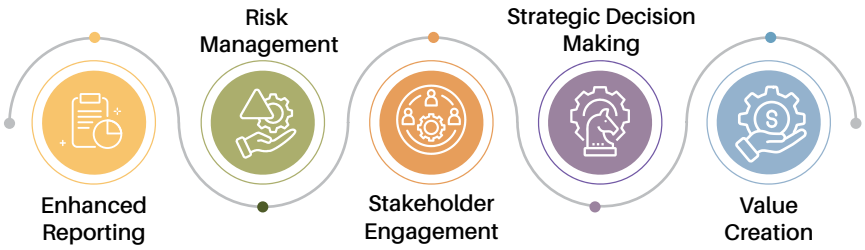
To help a company prioritize the EESG issues most integral to its business success, it is imperative that the relevant sustainability materiality matters are identified. Addressing these issues improves risk management, aligns corporate and business strategies with sustainability goals, strengthens stakeholder trust, and enhances long-term financial performance.

By focusing on matters most material to the company, resources can be allocated more effectively, more value created for shareholders and society, and risks associated with issues such as climate change, regulations, and evolving social expectations can be mitigated.

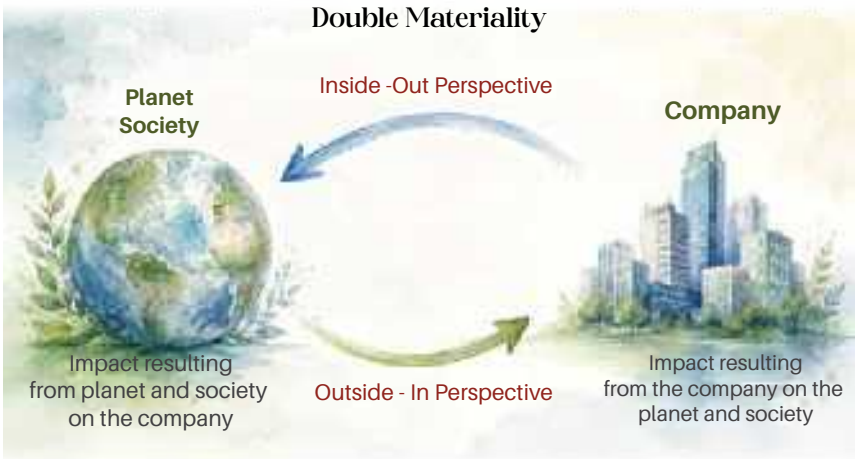
To effectively shape our integrated report, we embrace the materiality concept as a guiding principle. This report emerges from a thorough assessment grounded in the triple bottom line approach, allowing us to critically evaluate the key issues, opportunities, and challenges that have significantly influenced NPPLC's performance and its trajectory toward sustainable business practices this year.

Through this lens, we aim to provide a holistic view of our impact and commitment to sustainable development, ensuring that our stakeholders are well-informed about our progress and future potential. Also we utilize the International Integrated Reporting Council's (IIRC) six capitals model to comprehensively report on various factors that may influence our performance.

Why Materiality Assessments are the Compass for Sustainable Business Success?



At Namunukula Plantations PLC, we are committed to adhering to the principles of double materiality in our assessment of materiality, recognizing that our impact extends beyond financial performance to encompass social and environmental dimensions. As a company operating in the plantation sector, we understand that our operations can influence and be influenced by various stakeholders, including local communities and ecosystems.



By integrating both financial and sustainability considerations into our decision-making processes, we strive to create long-term value while safeguarding the environment and promoting social well-being. This holistic approach ensures that we remain accountable to our stakeholders and contribute positively to the communities in which we operate.

Moreover recent economic and financial crises in Sri Lanka have profoundly impacted the plantation sector, highlighting the importance of conducting a robust materiality assessment for companies operating in this industry. As plantation companies navigate the complexities of ongoing debt restructuring, rising inflation, and currency depreciation, it becomes crucial to identify and prioritize the most significant risks and opportunities that affect their operations and stakeholders.

The heightened market uncertainty and increased operational costs necessitate a strategic evaluation of material issues as financial stability, supply chain resilience, and consumer demand. Additionally, with limited access to external financing and a growing poverty rate constraining domestic consumption, companies must assess the materiality of their social and economic contributions.

We believe that by understanding these dynamics, NPPLC can develop targeted strategies to mitigate risks, enhance our adaptability, and position us for sustainable growth amidst the challenging landscape. Identifying potential material matters is a crucial responsibility that necessitates active collaboration across all business units and establishments. This process involves a thorough evaluation of the risks and opportunities present in our operational landscape, as well as gathering insights and feedback from our stakeholders.

The material matters we identify play a pivotal role in shaping our long-term business strategies, setting targets, and guiding our short-to-medium term plans. Prioritizing these issues based on their significance and potential impact is a collective endeavor that enhances our decision-making.

Furthermore, we continuously reassess these matters to ensure our strategies remain effective and relevant amidst dynamic changes in our operating environment.

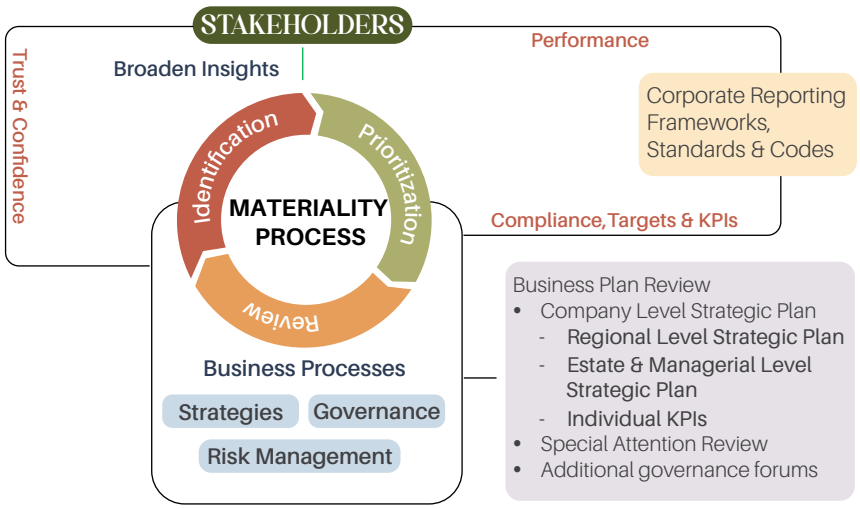
Our Materiality Assessment Process

GRI 3-1

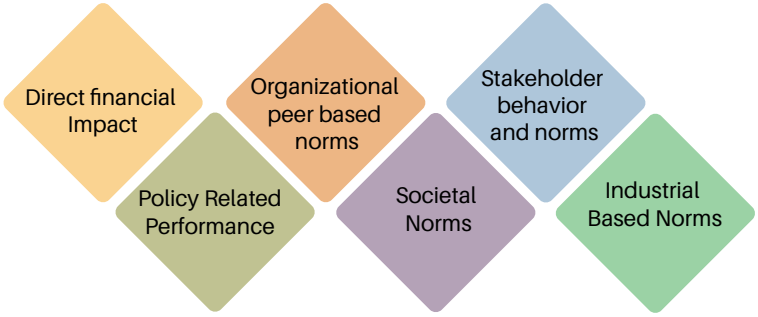
Namunukula Plantations PLC conducts materiality assessment process to identify and prioritize the economic, environmental, and social issues that are most significant to its stakeholders and the company itself.

This process typically involves engaging with various stakeholders, to gather insights and feedback on the issues that matter most to them. And final outcome of the materiality assessment help inform the company's reporting, decision-making, and overall business strategy, promoting transparency and accountability in its operations.

Our material issues were meticulously identified through comprehensive desk-based research, which included a thorough peer review, an extensive media scan, and an analysis of sustainability thought leadership from industry experts and recognized associations.



This process involved a careful consideration of key impact areas and prevailing norms, ensuring that we captured a holistic view of the current landscape and best practices in sustainability. By synthesizing insights from diverse sources, we aimed to align our understanding with the most pressing challenges and opportunities in our sector.



Materiality Assessment

Information Sources

Following internal and external information sources were used during materiality assessment.

Our material matters are reflected in our key risks and opportunities and represent the issues that have the most impact on our ability to create sustainable value for our stakeholders and influence our business model. While these issues change over time as new trends and developments shape the macro environment and our stakeholders' needs evolve, the broad themes have remained consistent over the past few years.

Our material matters are prioritized to following six areas.

Material Issue	Corresponding GRI Standards Number	SASB Index
Natural Environment	101, 301,302,303,305,306,307	FB-AG-110a,130a, 140a, 440a
Work Environment	401,402,403,404,405,406,407,408	FB-AG-320a
Local Development	413,203	-
Supplier Management	308,414	FB-AG-440a
Product Responsibility	417,416	FB-AG-250a
Creating Value for Stakeholders & Profitability	201,202,204,205,207,415	FB-AG-000A,000B ,000C,000D,440a

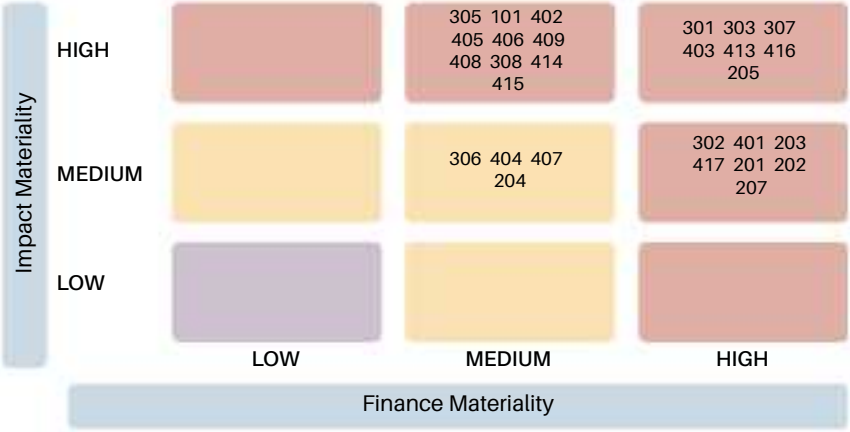
Materiality Assessment Matrix

Our most recent materiality analysis is reflected in the matrix on follows:

GRI/ SASB Index	Material Issue	Topic Boundary	Financial Materiality	Impact Materiality	Related Capital	SDG's
GRI 301	Materials	Internal/ External				
GRI 302	Energy	Internal				
GRI 303 FB-AG-140a FB-AG-440a	Water and Effluents	Internal/ External				
GRI 101	Biodiversity	External				
GRI 305 FB-AG-110a	Emissions	Internal/ External				
GRI 306	Waste	Internal/ External				
GRI 307	Environment Compliance	Internal/ External				
GRI 308 FB-AG-440a	Supplier Environment Assessment	External				
GRI 201 FB-AG-000A FB-AG-000B FB-AG-000C FB-AG-000D FB-AG-440a	Economic Performance	Internal				
GRI 202	Market Presence	Internal				
GRI 203	Indirect Economic Impacts	External				
GRI 204	Procurement Process	Internal/ External				
GRI 205	Anti-corruption	Internal/ External				
GRI 207	Tax	Internal				
GRI 401	Employment	Internal				
GRI 402	Labor/ Management Relations	Internal				

Materiality Assessment

GRI/ SASB Index	Material Issue	Topic Boundary	Financial Materiality	Impact Materiality	Related Capital	SDG's
GRI 403 FB-AG-320a	Occupational Health and Safety	Internal				
GRI 404	Training and Education	Internal				
GRI 405	Diversity & Equal Opportunity	Internal				
GRI 406	Non-discrimination	Internal				
GRI 407	Freedom of Association	Internal/ External				
GRI 408	Child Labor	Internal/ External				
GRI 409	Forced or Compulsory Labor	Internal/ External				
GRI 413	Local Communities	External				
GRI 414	Supplier Social Assessment	External				
GRI 415	Public Policy	External				
GRI 416 FB-AG-250a	Customer Health & Safety	External				
GRI 417	Marketing & Labeling	Internal/ External				



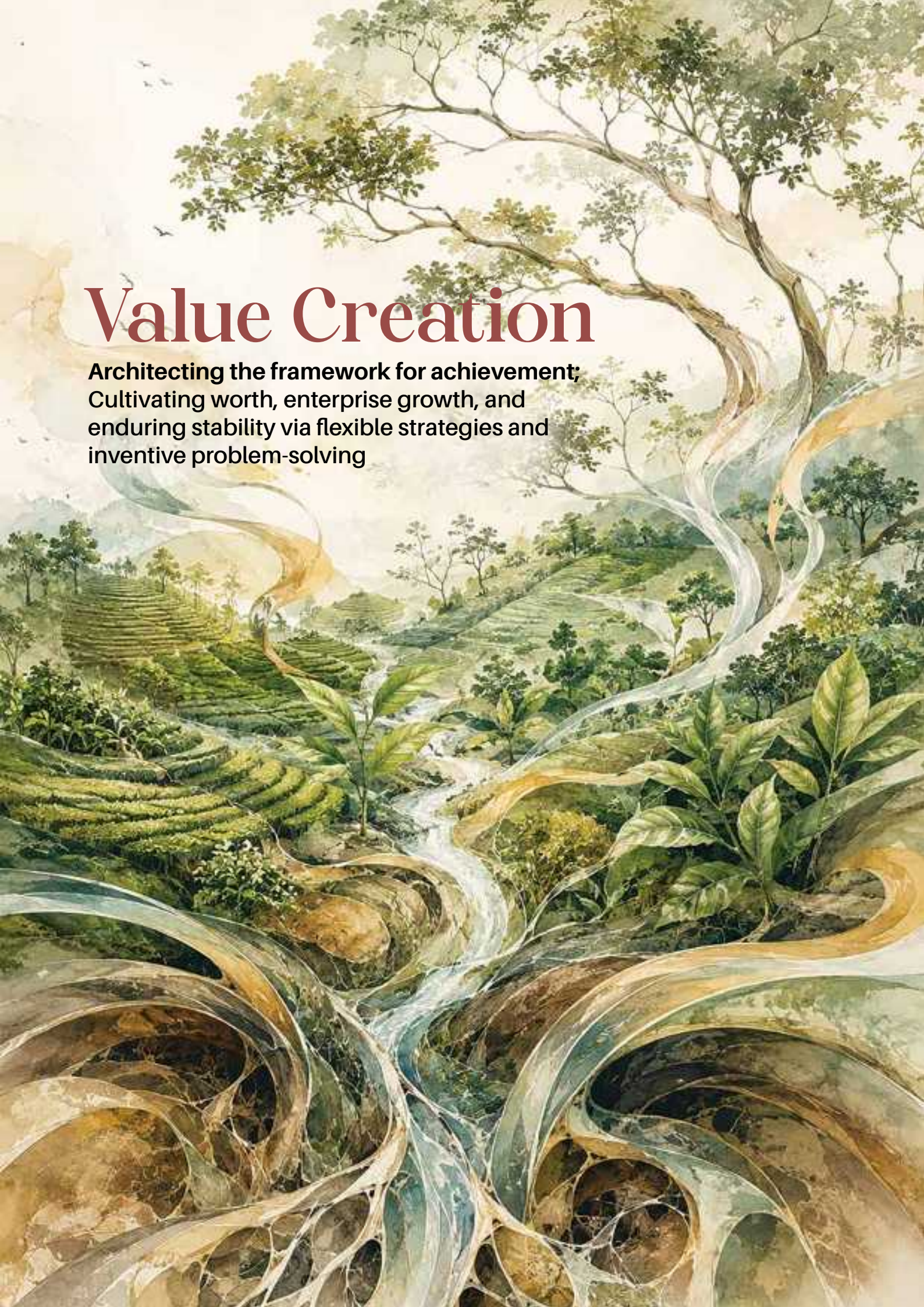
GRI 3-2 / 3-3

The following table shows the material topics and our management approach for those material topics.

GRI	Why the topic is material	Management approach	Evaluation of the management approach
101	As a plantation-based entity NPPLC is closely linked with the biodiversity of the land owned and leased by us. Hence this is material topic.	Company attempts to protect biodiversity by educating society and ensure the sustainable use of the land.	While hunting and felling trees is illegal, the Company also conducts regular community awareness programs to protect bio assets.
301	Controlling and managing of material usage is important to minimize the waste and to promote sustainability of the operation.	Our policy is to increase the use of reusable, eco- friendly materials while educating the employees and implement internal control on material usage.	Quality, quantity and the standard of the materials are monitored and ensure the adherence to the policies.
302	Efficient utilization of energy is not only the Company need but also a global need and it enables to reduce the energy cost.	We focus on promoting renewable energy sources and invest on energy efficient machineries and consumables.	Close monitoring of energy usage is an ongoing process of the Company.
303	This topic is material since water is crucial for the plantation process and water usage decides the level of sustainability of the Company.	Company policy is to reduce the waste while ensuring zero harm to water sources and optimum utilization of water into operation.	Tracking the usage of water and monitoring the agro chemical usage.
306	This topic is material to NPPLC as this shows our corporate encumbrance.	Our policy is to Reduce, Reuse, purification, composting and systematic disposal.	Frequently monitoring and guiding the waste disposal process and compliances to stipulated emission standards.
305	This topic is deemed material as it portrays the organization's environmental impact, particularly in terms of its efforts to effectively manage emissions."	We focus on reducing the carbon footprint generated by our operations and manufacturing processes.	
307	Non- compliance with the environmental regulations and laws would create legal costs and damage the reputation of the Company.	NPPLC comply with all environmental laws and regulations.	Monitoring the environment practices to ensure the compliance with environmental laws & regulations.
401 402 403 404 405	These topics are material as they are directly connected with the operations and impact to the growth of the Company.	We strive to create a great and safe place to work.	Monitoring through targets, performance evaluation, internal audits, grievance mechanism and provide training and development.
406 409	This topic is material as it reflects an organization's commitment to upholding fundamental human rights, promoting equality, and fostering an inclusive and diverse workplace.		
407 408	These topics are material as these are related with legal, ethical and social context of the Company.	We comply with the regulation on freedom of association and child labor.	Supplier audits are conducted. Review and revise the collective agreement periodically.
413	Sound community engagement is important as a plantation Company since they are directly and indirectly involved to the success of the Company.	Company attempt to enhance the living standard of the local community & social development.	Internal and external audits are conducted to review the accountability of these projects.

Materiality Assessment

GRI	Why the topic is material	Management approach	Evaluation of the management approach
203	As a regional plantation Company our indirect economic impact also might be significant to the country's economy.	Company attempt to create direct and indirect economic benefits to employees, suppliers & their families and the society at large.	Review and audit the community development projects. Evaluate the contribution of the Company to domestic oil palm usage.
308 414	This topic is material since the suppliers' environmental and social impact will be directly affected to our reputation.	Our policy is to attract and retain suppliers who are free from negative environmental and social impacts.	Conduct a screening process prior to the engagement with the suppliers and review them periodically by site visits and desk reviews.
417	As a trusted plantation Company, maintain product marketing and labeling responsibility is essential.	Company policy is to adherence to the guidelines set out by the Sri Lanka Tea Board and Ceylon Tea Traders Association.	Conduct compliance audits.
416	Health and safety impact of the product shows the quality of the product and affects to the reputation of the Company.	Company policy is to assure the criteria of ISO 22000:2005.	Conduct quality check- ups in every production process.
201 202 204	These topics are material since the direct and indirect impact to stakeholders from the company decide the success of the Company	Company policy is to provide positive impact to our stakeholders and create a win-win situation.	Conduct Internal and external audits.
207	Adhering to tax laws and implementing effective tax strategies ensures transparency, accountability, and ethical practices in managing public finances.	The company ensures compliance with tax-related laws and regulations.	The Audit Committee and external tax consultants bear the responsibility of overseeing, controlling, and managing the tax-related risks of the company
205	Anti-corruption exhibits the accountability toward shareholders and good governance of the company.	Anti-corruption is embedded to company culture.	Review estate operations and financial records by Head office.
		Implement sound corporate governance practices.	Internal, external audits and stock verifications are conducting timely.
415	This topic is material as it showcases the company's commitment to responsible business practices, including independence, legal compliance, and anti-corruption measures.	Proper background check is conducting prior to hire the employees.	
		Company maintains an independent stance without making any contributions to political parties.	The internal audit, along with external independent audits on financial matters, ensures the Company's independence.



Value Creation

Architecting the framework for achievement; Cultivating worth, enterprise growth, and enduring stability via flexible strategies and inventive problem-solving

Materiality Assessment

OUR VISION IS TO BE A LEADING AND SUSTAINABLE PLNATATION COMPANY, WITH INHERITED PASSION

GRI 2-6

CAPITAL INPUTS

Financial Capital
- Equity Capital
- Debt Capital
- Operational Cash flow
- Access to credit facilities

Manufactured Capital
- Diversified Crop
- Land Base
- Estate Infrastructure
- Machinery & Equipment

Social & Relationship Capital
- Community development
- Stakeholder management
- Relationships
- Collaborations

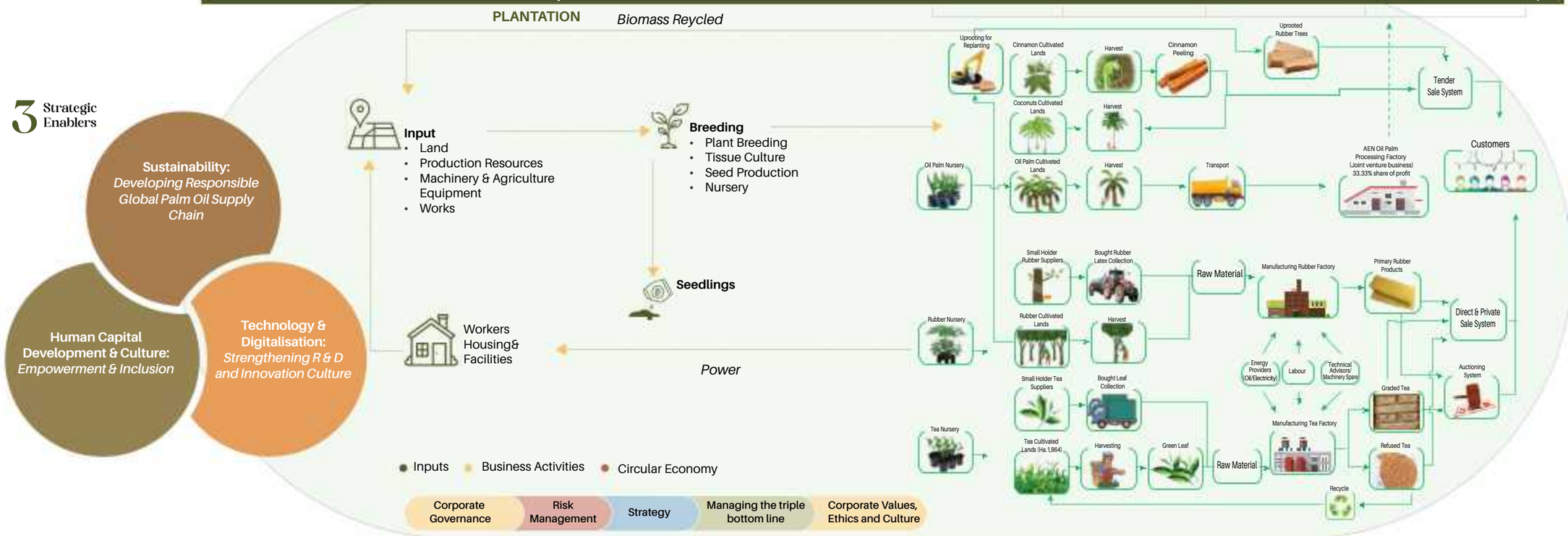
Human Capital
- Skills & Competencies
- Employee workforce
- Diversified Workforce
- Occupational Health & Safety Practices

Intellectual Capital
- Tacit Knowledge
- Technologies
- Research & Development
- Organizational culture, system and procedures

Natural Capital
- Biological Assets
- Water
- Energy
- Biodiversity & Surrounding nature

HOW WE CREATE VALUE

COMPETITIVE EDGE > Integrated Value Chain | Integrated System | Efficiency Culture | Sustainability Culture | Strength in R & D | Innovative Culture | Strojng Partnership



STRATEGIC PRIORITIES >	Increase Yield	Optimise Workforce	Diversify Crops	Grow the Oleochemical Segment
OBJECTIVES	• ROE 15% • Market capitalization 15.8 Bn • Total assets base 15.9 Bn	• Over 32 Mn Kg Oil Palm crop • 134 Mn field development • 1.3 Mn Kg of Tea production • 10 Tea factories, 9 Rubber factories	• CSR activities • Rs.1431 Mn paid to suppliers • Over 20,000 dependents • Over 1,000 Tea small holder suppliers	• Total workforce 2646 • Employee turnover 13% • Gender equality ratio 1:1 • 26,880 Hours of training
OUTCOMES	• Financial growth • Market capitalization • Strong financial position • Financial stability	• Capacity expansion • Business process improvement • Enhanced productivity • Business diversification	• Robust supply chain • Enhanced reputation • Customer satisfaction • Better livelihood to communities	• Employee motivation • Enhanced productivity • Career development • Employee satisfaction

RISKS >	Business Resilience	Global Econokic Downturn	New Trade Regulations	Supply Chain Compliance	Reliance on Manual Works	Environmental Sustainability
	• More than 20% market share from OP industry • 17 NoS of trade marks • In house developed IT system	• Efficient & well organized disposal of effluent & waste • Climate smart agriculture approach • Reduced energy usage • Minimized footprint on environment				
	• High Quality products • New business opportunities • Competitive advantage • Efficiency improvement	• Energy efficiency • Sustainability • Responsible corporate citizen • Biodiversity preservation				

Financial Capital

Financial capital forms the foundation for sustaining operations, supporting growth, and creating long–term stakeholder value. It includes shareholder equity, retained earnings, and internally generated cash flows that support the Company's strategic objectives. Our financial capital management approach focuses on maintaining a resilient and sustainable financial structure while balancing profitability, liquidity, and responsible investment practices. Through disciplined capital allocation, effective risk management, and prudent treasury practices, we ensure the efficient use of financial resources. Amid evolving economic challenges and stakeholder expectations, the Company continues to strengthen financial resilience through operational efficiency, cost optimization, portfolio diversification, and sustainable investments.

- Asset Turnover Rs. **0.3**
- Net Profit Margin **38%**
- Profit after Tax **1.8** bn
- Current Ratio **6.52** Times
- ROE **16%**
- PE Ratio **8.45** Times

Management Perspective

"Our financial capital strategy is focused on strengthening long-term financial resilience while creating sustainable value for all stakeholders. We prioritize disciplined capital allocation, prudent liquidity management, and operational efficiency to ensure the effective deployment of financial resources across the business.

As sustainability becomes increasingly embedded within corporate decision-making, we continue to align our financial strategies with environmental, social, and governance priorities, ensuring that growth is achieved responsibly and sustainably.

Through sound financial stewardship, strategic investments, and continuous performance improvement, we aim to enhance shareholder confidence, support business continuity, and deliver long-term value creation."

SDG's

Our Financial Capital Management Approach

Our financial capital management framework focuses on:

- Maintaining a strong and balanced capital structure
- Ensuring adequate liquidity and cash flow management
- Optimizing funding sources and financing costs
- Enhancing operational efficiency and profitability
- Strengthening internal controls and financial governance
- Supporting sustainable investments and responsible business practices
- Managing financial risks through proactive monitoring and mitigation
- Delivering sustainable returns to shareholders

STRATEGIC PRIORITIES FOR 2025/26

Financial Sustainability

Maintaining a resilient financial position through effective working capital management, cost discipline, and optimized asset utilization.

Capital Efficiency

Enhancing returns through efficient allocation of capital and improved productivity across operations.

Sustainable Investments

Prioritizing investments that support long-term operational sustainability, climate resilience, and resource efficiency.

Stakeholder Value Creation

Balancing profitability with responsible business practices to create long-term value for shareholders and wider stakeholders.

Risk & Resilience

Strengthening financial resilience against market uncertainties, economic fluctuations, and sector-specific challenges.

VALUE CREATED THROUGH FINANCIAL CAPITAL

The Company continues to create value through disciplined financial management practices that support operational continuity, sustainable growth, and long-term profitability. By optimizing capital deployment, improving financial efficiency, and embedding sustainability considerations into investment decisions, we strengthen our ability to generate enduring value for shareholders, employees, customers, communities, and the environment.

New Reporting Trend	How It Is Reflected in the Financial Capital Chapter
Sustainability-linked Financial Management	Integrated sustainability and ESG considerations into financial planning and capital allocation decisions.
Financial Resilience	Addressed economic volatility, inflationary pressures, and climate-related challenges through resilient financial strategies.
Stakeholder Value Creation	Expanded the focus beyond shareholders to include employees, communities, customers, and the environment.
Capital Efficiency	Emphasized disciplined capital allocation, treasury management, and efficient resource utilization.
Risk & Resilience	Incorporated proactive risk management and financial stability measures to address uncertainties.
Long-term Value Creation	Strengthened the integrated reporting approach by focusing on sustainable long-term growth and continuity.
Responsible Investment	Highlighted sustainable and responsible investment practices aligned with business sustainability objectives.
Strategic Capital Allocation	Focused on optimizing funding sources and prioritizing investments that support strategic growth.
Governance & Internal Controls	Reinforced financial governance, internal controls, and accountability frameworks to ensure sound financial management.

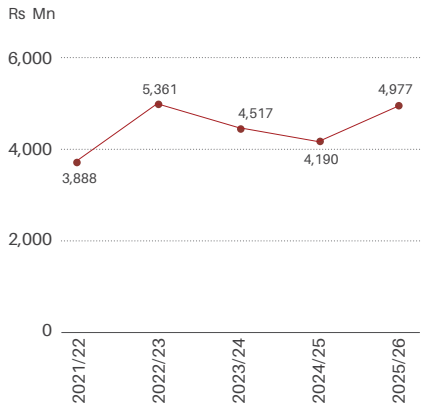
REVENUE

Despite continued macroeconomic uncertainties and a highly competitive operating environment, Namunukula Plantations PLC demonstrated resilience by recording revenue of Rs. 4.9 billion for the financial year 2025/26, reflecting a moderate improvement compared to the previous year. This performance highlights the Company's ability to adapt to evolving market conditions while maintaining operational stability across its diversified plantation portfolio.

The year under review was characterized by fluctuating commodity prices, weather-related challenges, labour constraints, and cost pressures across the plantation sector. Notwithstanding these external headwinds, the Company continued to strengthen its operational efficiency and strategic focus, enabling steady topline performance and reinforcing its commitment to sustainable value creation for all stakeholders.

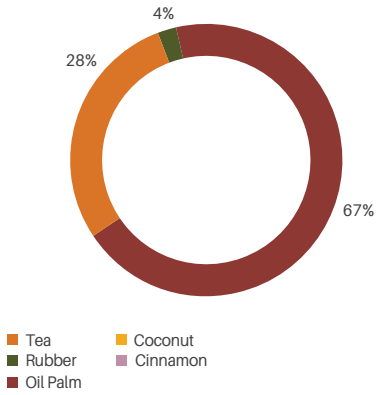
The Company derives its revenue from five key agricultural segments, namely oil palm, tea, rubber, coconut, and cinnamon, reflecting a diversified business model that supports income stability and mitigates sector-specific risks.

Revenue

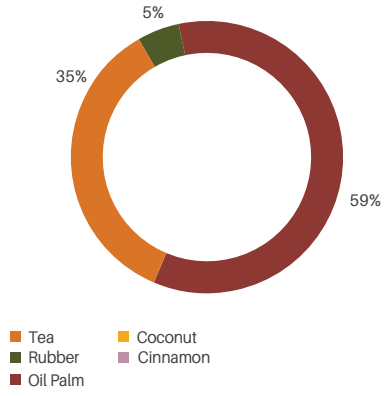


Financial Capital

Revenue Compositions 2025/26



Revenue Compositions 2024/25



Segmental Revenue Contribution

The oil palm segment remained the largest contributor to Group revenue, accounting for 66% of total turnover during FY 2025/26. Revenue from this segment increased significantly to Rs. 3.3 billion, compared to Rs. 2.49 billion in the previous year. This strong performance was primarily driven by higher crop volumes supported by improved harvesting efficiency and favourable operational conditions, despite volatility in average net selling prices. The segment continues to serve as the Company's principal earnings driver and reflects the strategic importance of oil palm within the overall portfolio.

The tea segment, which remains a core component of the Company's plantation operations, contributed 28% to total revenue during the year, compared to 35% in the previous financial year. Revenue declined to Rs. 1.38 billion from Rs. 1.44 billion recorded in FY 2024/25. The decline was mainly attributable to lower sales volumes coupled with pricing pressures experienced in both local and export markets. The sector continued to face challenges arising from global demand fluctuations, elevated input costs, and changing market dynamics. Nevertheless, the Company remains focused on enhancing field productivity, quality improvement initiatives, and operational optimization to strengthen tea sector performance.

The rubber segment generated revenue of Rs. 209 million, maintaining its position as the third-largest contributor to Group turnover. Performance was influenced by erratic weather conditions, fluctuations in market prices, and production variability. Although average sale prices remained under pressure, improved harvest volumes partially offset these challenges, demonstrating the resilience of this segment.

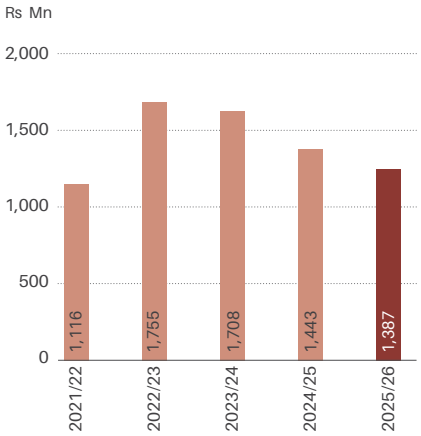
The coconut segment recorded notable growth during the year, generating Rs. 64 million, compared to Rs. 52 million in the previous year. This improvement was supported by relatively stable yields and favourable market pricing conditions, reflecting the segment's emerging contribution to revenue diversification.

Meanwhile, the cinnamon segment contributed Rs. 8 million, remaining broadly consistent with the previous year. Performance in this segment continued to be constrained by labour shortages and harvesting limitations, which impacted the ability to fully capitalize on market opportunities.

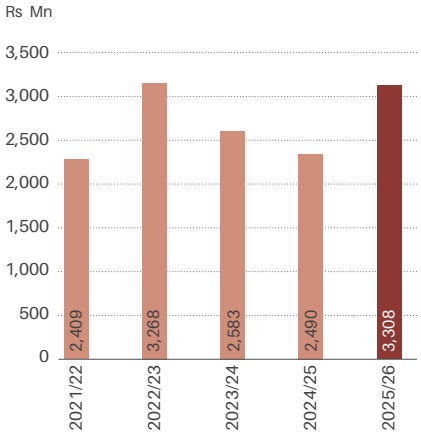
While tea and oil palm continue to account for the majority of revenue generation, the Company's diversified crop portfolio remains a critical strategic advantage. It enables the Company to reduce exposure to single-commodity volatility, strengthen earnings resilience, and capitalize on growth opportunities across different agricultural markets.

Going forward, Namunukula Plantations PLC will continue to focus on operational excellence, yield enhancement, product quality improvement, and disciplined resource allocation across all business segments. These efforts are expected to further strengthen revenue generation capacity and support the Company's long-term strategy of sustainable growth and value creation.

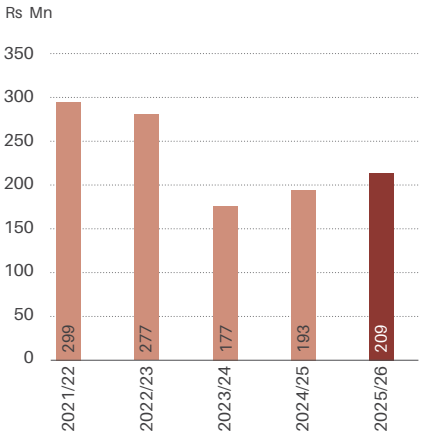
Tea



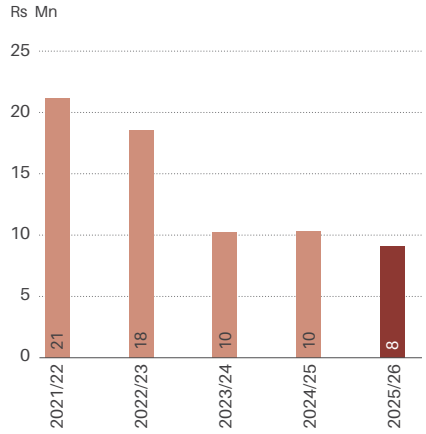
Oil Palm



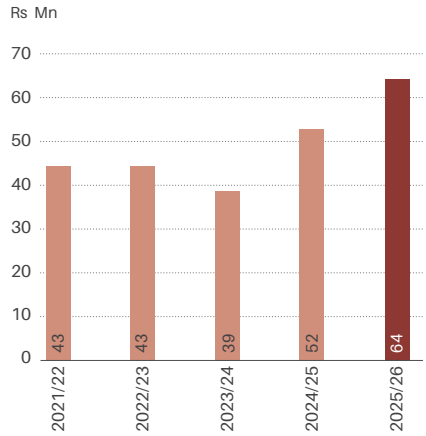
Rubber



Cinnamon



Coconut



COST OF SALES

During the financial year 2025/26, Namunukula Plantations PLC recorded a Cost of Sales of Rs. 2,648 million, compared to Rs. 2,390 million in the previous financial year, reflecting a moderate increase in line with expanded operational activity and the restoration of essential agricultural inputs across key plantation segments.

The increase in cost of sales primarily reflects the Company's continued investment in field rehabilitation, improved agronomic practices, and the normalization of input applications following supply disruptions experienced in previous periods. These expenditures were necessary to safeguard long-term crop productivity, maintain quality standards, and support sustainable yield improvements across the Company's diversified plantation portfolio.

Despite sector-wide challenges, including elevated labour costs, rising agrochemical prices, and inflationary pressures affecting plantation inputs, the Company continued to exercise disciplined cost management through operational planning, productivity-focused interventions, and prudent resource allocation.

Segmental Cost Composition

The tea segment remained the largest contributor to total cost of sales, accounting for 51% of total production costs during FY 2025/26, compared to 55% in the previous year. Although its relative share declined, tea-related production expenditure remained substantial due to increased investments in fertilizers, chemicals, and field maintenance activities. These expenditures were essential to restoring estate productivity following earlier periods affected by national input shortages and to preserving crop quality in a highly competitive market environment.

The oil palm segment accounted for 34% of total cost of sales, broadly consistent with the 35% recorded in FY 2024/25. The increase in absolute costs was primarily attributable to the full implementation of recommended agricultural practices, higher labour expenses arising from wage revisions, and increased harvesting-related operational activities. Nevertheless, improved operational efficiencies and effective cost monitoring enabled the Company to maintain favourable unit production economics within this segment.

The rubber segment recorded an increase in its cost contribution to 10%, compared to 8% in the previous year. This was largely driven by adverse weather-related disruptions, increased material costs, and additional expenditure required to sustain field operations under challenging conditions. Through timely management interventions and proactive resource planning, the Company was able to manage operational costs within acceptable thresholds.

The coconut and cinnamon segments remained relatively minor contributors, each accounting for approximately 2% of total cost of sales, consistent with the previous financial year. These segments continue to be closely monitored, with focused efforts on productivity enhancement, selective cost optimization, and efficient estate-level resource utilization.

Cost Management Strategy

In response to rising industry-wide cost pressures, particularly in labour, fertilizers, agrochemicals, and transportation, the Company adopted several cost containment measures during the year, including:

- Strengthening field-level productivity monitoring
- Optimizing labour deployment and operational scheduling
- Improving input application efficiency
- Enhancing preventive field maintenance practices
- Promoting sustainable cultivation techniques to improve long-term cost efficiency

These initiatives have contributed to improving cost discipline while ensuring operational continuity and preserving agronomic standards.

Looking ahead, Namunukula Plantations PLC remains committed to enhancing production efficiency through improved agricultural practices, strategic cost optimization, and disciplined capital allocation. The Company will continue to focus on balancing operational investment with cost control measures to strengthen margins and improve profitability across all plantation segments, while maintaining the sustainability and resilience of its agricultural operations.

PROFITABILITY

Gross Profit Performance

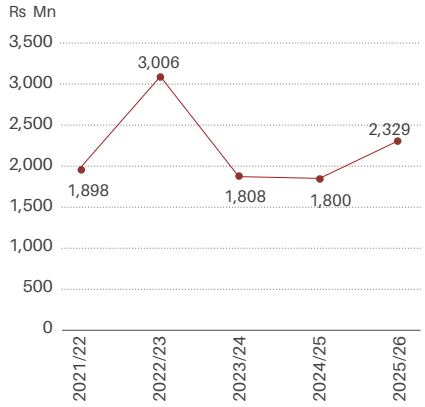
Despite a challenging macroeconomic environment characterized by inflationary pressures, rising input costs, and continued sector-wide operational constraints, Namunukula Plantations PLC recorded a gross profit of Rs. 2,329 million for the financial year 2025/26, compared to Rs. 1,808 million in the previous year. This significant improvement reflects the Company's resilience, disciplined cost management, and strategic operational focus across its diversified plantation portfolio.

The year under review was marked by elevated costs relating to labour, fertilizers, agrochemicals, transportation, and other essential production inputs, driven

Financial Capital

largely by broader economic conditions in Sri Lanka. Notwithstanding these pressures, the Company successfully preserved profitability through prudent field-level planning, enhanced operational efficiencies, and targeted resource optimization across key cultivation segments.

Gross Profit



Segmental Gross Profit Contribution

The oil palm segment remained the principal contributor to overall gross profitability, generating Rs. 2,326 million, accounting for 99% of total gross profit for the year. This represents a notable improvement compared to Rs. 1,658 million recorded in FY 2024/25. The strong performance was supported by improved operational efficiency, effective cost controls, and strategic agronomic interventions, which enabled the Company to maintain healthy margins despite fluctuations in crop volumes and pricing dynamics. The continued strength of this segment reinforces its strategic importance as the Company's primary earnings driver.

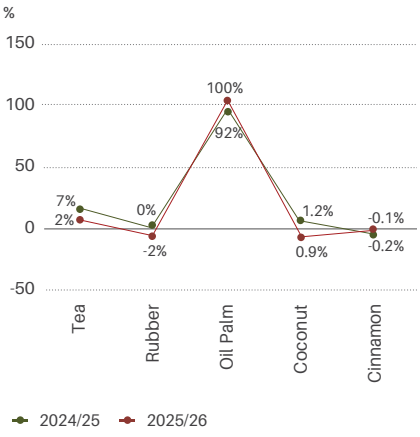
The tea segment recorded a gross profit of Rs. 37 million, compared to Rs. 129 million in the previous financial year. The decline in profitability was mainly attributable to increased labour costs associated with essential field operations, including weeding, fertilizer application, and crop maintenance activities undertaken to restore long-term productivity. While market prices remained relatively stable, lower production volumes and elevated cultivation costs exerted pressure on segment margins. Nevertheless, the Company remains focused on improving productivity, enhancing crop quality, and strengthening operational efficiencies within this strategically important segment.

The coconut segment maintained stable profitability during the year, generating a gross profit of Rs. 22 million, broadly in line with the previous year. This steady performance reflects the segment's growing contribution to portfolio diversification and operational resilience. Conversely, the rubber and cinnamon segments continued to report gross losses during the year, reflecting ongoing operational challenges.

The rubber segment recorded a gross loss of Rs. 54 million, compared to a loss of Rs. 7 million in FY 2024/25. This decline was primarily driven by adverse weather conditions, elevated labour costs, and reduced production efficiency. The segment continues to face margin pressures due to market volatility and climatic uncertainties affecting crop performance.

The cinnamon segment reported a marginal gross loss of Rs. 2 million, largely due to labour shortages and harvesting constraints that limited operational productivity.

Gross Profit Composition



Strategic Profitability Outlook

The varying profitability across segments highlights the importance of the Company's diversified plantation portfolio and its ongoing efforts to strengthen earnings resilience. Management continues to focus on improving productivity, enhancing cost discipline, and implementing sustainable agricultural practices to optimize margins across all cultivation segments.

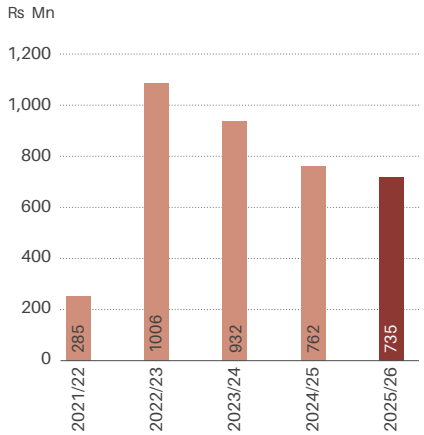
Looking ahead, Namunukula Plantations PLC remains committed to reducing dependency on any single crop segment by driving balanced growth across tea, rubber, coconut, and cinnamon, while further consolidating the strong profitability of oil palm operations. Through continuous operational improvements, strategic field investments, and disciplined financial management, the Company is well-positioned to enhance sustainable profitability and create long-term value for stakeholders.

OTHER INCOME

Namunukula Plantations PLC recorded other income of Rs. 735 million for the financial year 2025/26, compared to Rs. 762 million in the previous financial year, reflecting a marginal decline. Despite the reduction, the Company continued to benefit from diversified non-operating income streams, demonstrating prudent financial management and effective utilization of available resources to support overall profitability.

Other income remains an important supplementary contributor to the Company's earnings, enhancing financial resilience amidst sector-wide operational and market challenges.

Other Income



Composition of Other Income

Interest income continued to be the largest contributor to other income, generating Rs. 603 million during FY 2025/26 and accounting for approximately 82% of total other income. This represents an increase from Rs. 556 million recorded in the previous year. The growth was primarily attributable to the Company's strong liquidity position and effective treasury management practices, which enabled the strategic placement of surplus funds in secure financial instruments. While interest

rates experienced a downward trend during the year, the Company's healthy cash reserves and disciplined investment strategy supported sustained income generation from this source.

The profit on sale of refuse tea was the second-largest contributor, amounting to Rs. 69 million, compared to Rs. 79 million in FY 2024/25. The decline was mainly due to lower sales volumes during the year, although market prices remained relatively stable. This income stream continues to reflect the Company's ability to optimize value recovery from by-products within its tea operations.

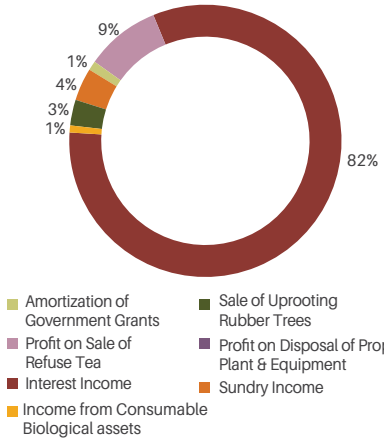
Income generated from the sale of uprooted rubber trees declined significantly to Rs. 22.7 million, compared to Rs. 66 million in the previous financial year. The reduction reflects lower volumes realized during the year following prior periods of asset rationalization. The Company continues to adopt a strategic approach to managing non-productive assets, ensuring value extraction while supporting long-term estate productivity enhancement.

Income from consumable biological assets also declined to Rs. 5 million, compared to Rs. 26 million in FY 2024/25. Contributions continued to arise from both the Uva and Low Country regions, with the year-on-year reduction reflecting lower asset realization levels during the reporting period.

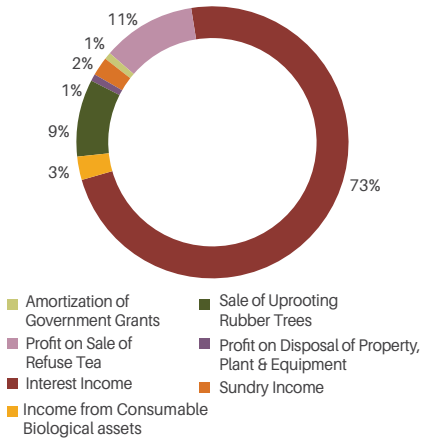
Amortisation of government grants remained relatively stable at Rs. 6.9 million, compared to Rs. 6.5 million recorded in the previous year, providing a consistent contribution to other income.

Meanwhile, sundry income increased to Rs. 27 million, compared to Rs. 17 million in FY 2024/25, contributing approximately 4% of total other income. This category comprised miscellaneous income streams including revenue from tea centres, bungalow bookings, cinnamon stick sales, and other ancillary operational activities

Other Income 2025/26



Other Income 2024/25



Financial Resilience Through Diversified Income Streams

The Company's diversified other income portfolio continues to strengthen financial flexibility by supplementing core plantation earnings and reducing dependence on primary agricultural revenue streams. This reflects management's proactive approach to optimizing treasury operations, asset utilization, and ancillary revenue opportunities.

Looking ahead, Namunukula Plantations PLC remains committed to maintaining a prudent asset and fund management strategy while identifying sustainable alternative income streams that support long-term financial stability and value creation for stakeholders.

COST MANAGEMENT

Administration Cost and Management Fee

During the financial year 2025/26, Namunukula Plantations PLC recorded administrative expenses of Rs. 224 million, representing an increase of 10% compared to the previous financial year. The increase primarily reflects the impact of prevailing inflationary pressures, higher employee-related costs, increased professional and consultation expenses, and other operating overheads arising from the challenging economic environment experienced during the year.

Over the past several years, the Company has implemented a range of cost rationalization initiatives aimed at reducing fixed overheads and strengthening cost discipline through tighter internal control mechanisms and prudent expenditure management. While these measures continued to contribute to operational efficiency, the benefits were partially offset during the year by escalating administrative cost pressures across multiple expenditure categories.

Despite these pressures, management remained focused on maintaining disciplined oversight of administrative expenditure through continuous monitoring, budgetary controls, and process optimization initiatives.

Management Fee

The management fee payable to RPC Plantation Management Services (Pvt) Ltd. increased to Rs. 408 million during FY 2025/26, representing a significant increase of 26% compared to the previous financial year.

The increase in management fee was primarily attributable to the movement in the fee calculation base, particularly the impact of changes in the Company's EBITDA performance during the reporting period, in accordance with the agreed management services framework.

Financial Capital

These services continue to play an important role in strengthening operational performance, improving resource efficiency, and supporting the Company's long-term value creation objectives.

Outlook

Looking ahead, the Company remains committed to maintaining prudent administrative cost management through enhanced operational efficiency, tighter cost controls, and continuous process improvements. At the same time, management will continue to ensure that expenditures incurred under both administrative operations and management services deliver measurable value through improved governance, operational effectiveness, and sustainable business performance.

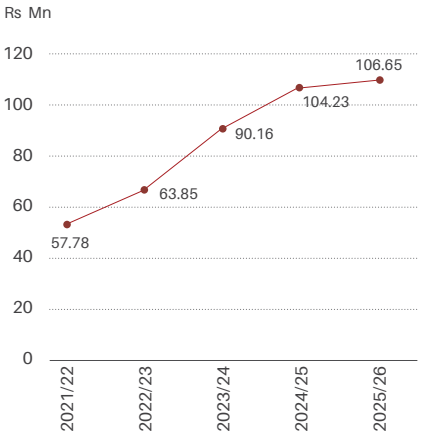
Finance Cost

NPPLC's finance costs primarily comprise payments relating to government lease rentals and other lease obligations. During the financial year 2025/26, the Company recorded a 23% increase in finance costs, amounting to Rs. 106.65 million compared to the previous year. Notably, the Company does not have any outstanding loan obligations as at the reporting date, reflecting its prudent approach to capital management. Of the total finance cost incurred during the year, 98% was attributable to government lease rentals.

Despite the increase in finance costs, NPPLC continued to effectively manage its financial commitments through close monitoring of financing activities and disciplined cost management practices. This proactive approach enabled the Company to mitigate the overall impact on financial performance while maintaining a low level of financial risk exposure.

The Company remains committed to continuously monitoring its finance costs and optimising its financing structure to preserve a strong financial position, support operational resilience, and ensure long-term sustainability.

Finance Cost

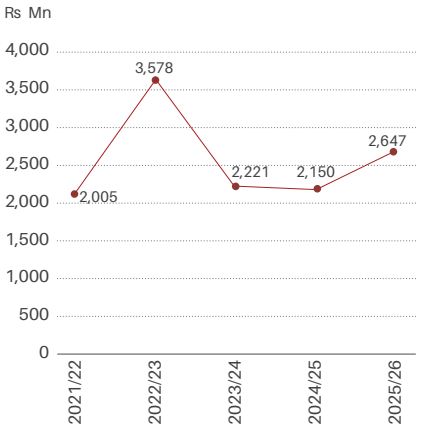


PROFIT BEFORE TAX

During the financial year 2025/26, the Company recorded a 23% increase in Profit Before Tax (PBT), reaching Rs. 2,647 million compared to the previous year. This growth was primarily driven by the Company's overall strong operational performance, supported by effective cost management initiatives and improved operational efficiencies across key business segments.

The increase in profitability reflects the Company's continued focus on enhancing productivity, optimising resource utilisation, and strengthening operational resilience. This positive performance underscores the effectiveness of the Company's strategic initiatives and its ability to navigate evolving market conditions while delivering sustainable value to stakeholders.

PBT



TAX EXPENSE

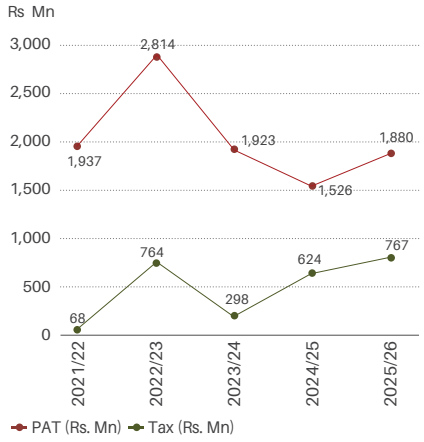
GRI 207-1/2

During the financial year 2025/26, the Company's total tax expense increased to Rs. 767 million, compared to Rs. 624 million in the previous year. This increase was primarily attributable to the growth in the Company's profitability during the year, together with the application of the revised corporate income tax rate of 30%, effective from the financial year 2024/25.

Current income tax expense amounted to Rs. 756.46 million (2024/25: Rs. 577.40 million), reflecting the higher taxable profits generated during the year. Deferred tax expense also decreased to Rs. 10.95 million from Rs. 46.63 million in the previous year, mainly due to changes in temporary differences recognised during the reporting period.

The increase in tax expenditure is aligned with the Company's improved financial performance and reflects compliance with prevailing tax regulations. The Company continues to maintain a prudent tax management framework to ensure accurate reporting and effective management of its tax obligations while supporting long-term financial sustainability.

Tax Expenses vs PAT



The Company is committed to maintaining a responsible and transparent approach to tax, ensuring compliance with applicable tax laws and regulations and alignment with its business and sustainability objectives. Tax matters are reviewed by the Group Tax Manager and Sector Financial Controller, while the Audit Committee oversees the Company's compliance

with applicable tax requirements. The Company maintains appropriate processes and controls to identify, assess and monitor tax risks, supported by regular reviews of tax computations, statutory returns and tax positions. External tax advisers are engaged where appropriate to support the management of tax matters and compliance requirements. Tax-related disclosures are subject to established financial reporting and review processes to ensure accurate and transparent reporting.

EBIT and PAT

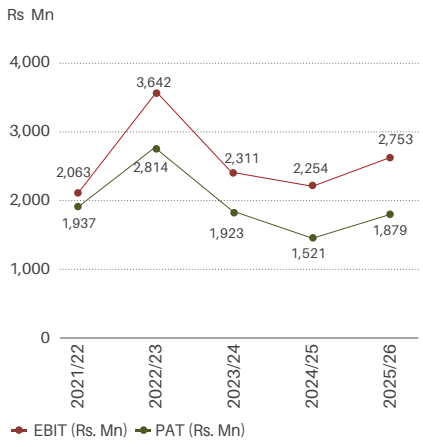
During the financial year 2025/26, the Company recorded strong growth in both Earnings Before Interest and Tax (EBIT) and Profit After Tax (PAT), reflecting its continued operational strength and resilience.

EBIT increased by 22% to Rs. 2,753 million compared to the previous year, driven by improved operational performance, enhanced cost efficiencies, and effective resource utilisation across the Company's key business activities.

Profit After Tax increased by 24% to Rs. 1,879 million, despite the significant increase in tax expenses during the year. This growth was primarily supported by the higher profitability achieved through strengthened operational performance, which more than offset the impact of the increased tax burden.

The positive growth in both EBIT and PAT highlights the Company's ability to sustain profitability through disciplined financial management, operational excellence, and its continued focus on delivering long-term value to stakeholders.

EBIT & PAT



Basic Earnings per Share (EPS) and Dividend per Share (DPS)

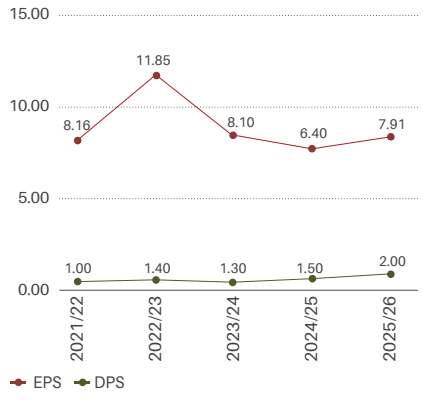
During the financial year 2025/26, the Company delivered strong returns to shareholders, reflected in the growth of both Earnings Per Share (EPS) and dividend distribution. Earnings Per Share increased by 24% compared to the previous year, driven by improved profitability and the Company's sustained operational performance.

The dividend paid during the year also increased by 33% over the prior year, resulting in a dividend payout of Rs. 2 per share. This reflects the Company's continued commitment to delivering enhanced shareholder value while maintaining a balanced approach to capital allocation and long-term business sustainability.

During the year, the Company also completed a share split on a 1:10 basis. Accordingly, all comparative per share figures presented have been restated to reflect the share split, ensuring consistency and comparability across reporting periods.

The graph below illustrates the trend in EPS and dividend per share over the reporting periods, highlighting the Company's consistent focus on generating sustainable returns for its shareholders.

EPS & DPS



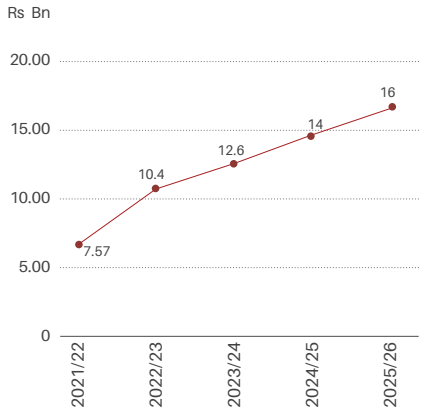
COMPANY ASSETS

During the financial year 2025/26, the Company's total asset base continued its steady upward trajectory over the past five years, reaching Rs. 15.9 billion. This represents a significant growth of 14% compared to the previous year's asset base of Rs. 14.0 billion.

The increase in total assets was primarily driven by continued investments in property, plant and equipment, biological assets, right-of-use assets, investments in joint ventures, and higher levels of working capital. These investments reflect the Company's ongoing focus on strengthening its operational capacity and supporting future growth initiatives.

The sustained growth in the asset base demonstrates NPPLC's solid financial position and its strategic commitment to building a resilient and scalable business model. This upward trend in total assets is considered a positive indicator of the Company's long-term growth trajectory and value creation potential.

Total Assets

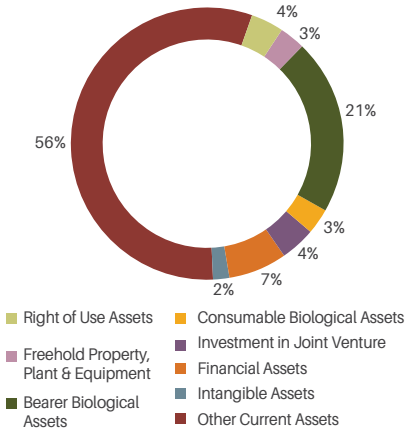


In terms of asset composition, bearer biological assets represented 21% of total assets in 2025/26, compared to 25% in the previous year, reflecting a marginal decline in their relative contribution. Other current assets (55%) and right-of-use assets (5%) remained broadly stable during the year, with no significant variation compared to the prior period.

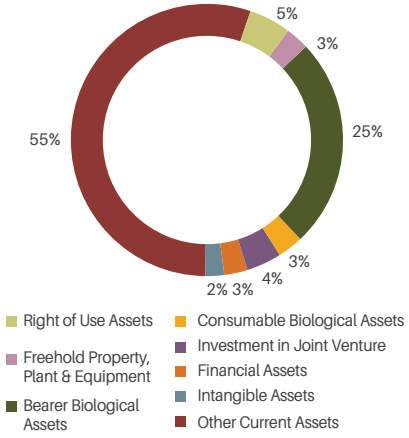
Overall, the stability in asset composition alongside continued asset growth highlights the Company's balanced asset structure and disciplined capital allocation strategy.

Financial Capital

Total Assets Composition 2025/26



Total Assets Composition 2024/25

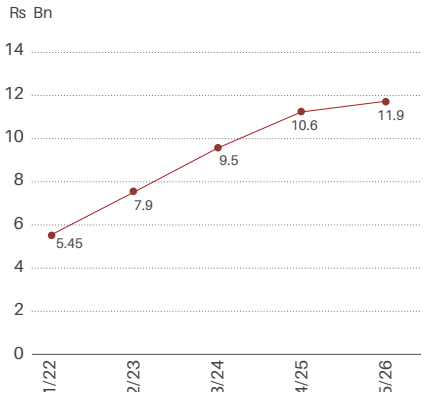


EQUITY

During the financial year 2025/26, the Company's equity base continued its upward trajectory, reaching Rs. 11.9 billion, representing a year-on-year growth of approximately 12%. This consistent increase reflects the Company's resilient financial strategy, strong operational performance, and continued focus on value creation for its stakeholders. The growth in equity during the year was primarily driven by the further accumulation of retained earnings, supported by sustained profitability and prudent capital management practices. This demonstrates the Company's ability to effectively generate and retain earnings while maintaining a disciplined approach to resource allocation.

The continued expansion of the equity base has further strengthened the Company's financial position, enhancing its stability and providing a solid foundation for future growth initiatives. This upward trend in equity positions NPPLC favourably for long-term sustainability and reinforces its capacity to deliver consistent shareholder value.

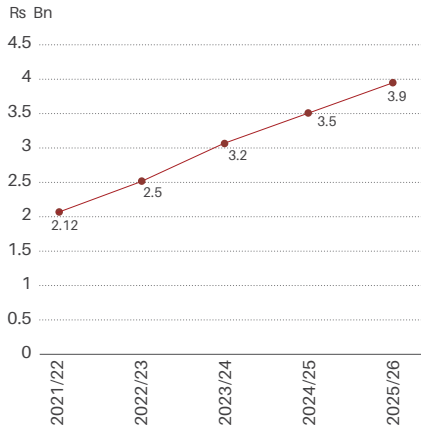
Total Equity



COMPANY LIABILITIES

During the financial year 2025/26, the Company's total liabilities increased to Rs. 3.9 billion, reflecting a year-on-year growth of approximately 11% compared to the previous fiscal year. This increase is broadly aligned with the expansion of the Company's asset base and ongoing operational requirements.

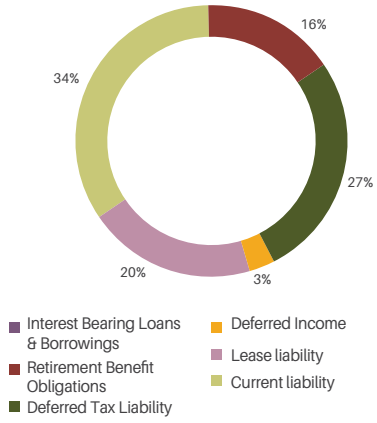
Total Liabilities



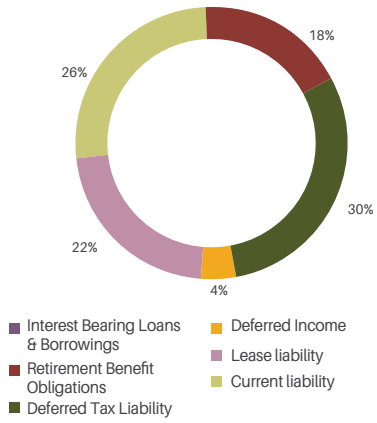
Consistent with prior years, the liability structure remained predominantly composed of non-current obligations. Deferred tax liabilities and lease liabilities continued to be the most significant components, representing 27% and 20% of total liabilities, respectively. Retirement benefit obligations recorded a decline during the year, contributing 16% to the total liability base. Deferred income accounted for a relatively smaller proportion at 3%.

Current liabilities accounted for 34% of the total liability composition in 2025/26, reflecting a slight change compared to the previous year. This movement indicates continued attention to the management of short-term obligations, while maintaining an appropriate balance between current and non-current liabilities.

Total Liabilities Composition 2025/26



Total Liabilities Composition 2024/25



Overall, the Company's liability profile remains well-structured, reflecting prudent financial management and a balanced approach to managing both long-term commitments and short-term funding requirements.

ROE

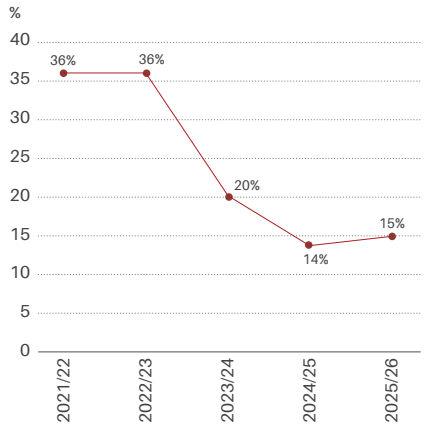
During the financial year 2025/2026, NPPLC recorded a Return on Equity (ROE) of 16%, indicating that the Company generated Rs. 0.15 in profit for every rupee of equity invested by shareholders. This

reflects a further improvement from the previous year's ROE of 14%, continuing the upward trend observed since 2024/25.

The improvement in ROE was primarily driven by the increase in Net Profit After Tax (PAT), which rose from Rs. 1.5 billion in 2024/25 to Rs. 1.8 billion in 2025/26. This growth in profitability was supported by improved operational performance and favourable changes in agricultural output, despite ongoing macroeconomic challenges and varying climatic conditions that impacted overall sector dynamics.

The Company maintained a strong ROE position under these circumstances, reflecting its ability to generate sustainable returns to shareholders. NPPLC continues to focus on optimising its capital structure and enhancing operational efficiency to further improve returns and support long-term value creation.

Return on Equity (ROE)

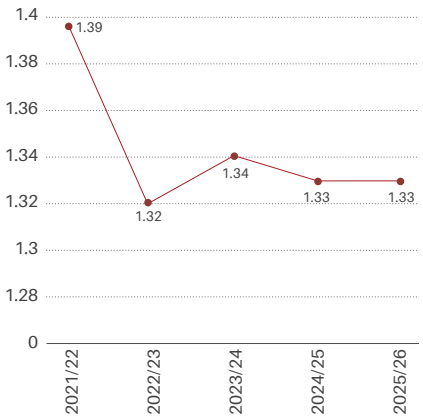


ASSETS TO EQUITY

In the financial year 2025/26, NPPLC recorded an Assets to Equity Ratio of 1.33, remaining stable compared to the previous year. This stability indicates that the Company continues to maintain a strong equity base, financing a significant portion of its asset portfolio through internally generated funds rather than external borrowings. The consistency in the ratio reflects NPPLC's prudent financial management and disciplined approach to capital allocation.

Over the longer term, the gradual improvement in the ratio—from 1.55 in 2020/21 to 1.33 in 2025/26—highlights the Company's strategic focus on strengthening its balance sheet and reducing reliance on external funding sources. This trend is particularly relevant within the plantations sector, where exposure to commodity price volatility, weather-related risks, and cyclical earnings necessitates a conservative and resilient capital structure.

Assets to Equity



The sustained improvement in the Assets to Equity Ratio demonstrates NPPLC's commitment to financial self-reliance and risk mitigation. By maintaining a balanced capital structure, the Company is better positioned to absorb sector-specific shocks, including fluctuations in tea and rubber prices, adverse climatic conditions, and input cost pressures, which are inherent to plantation operations.

Overall, NPPLC's continued focus on funding growth through retained earnings and equity contributions rather than excessive leverage reinforces its long-term financial sustainability. This approach not only safeguards shareholder value but also supports the Company's strategic objective of building a resilient and well-capitalised plantation enterprise capable of delivering stable performance across varying economic cycles.

ROA

In the financial year 2025/26, NPPLC recorded a Return on Assets (ROA) of 12%, indicating that the Company generated Rs. 0.12 in profit for every rupee of assets employed. This reflects a marginal increase from the previous year's ROA of 11%, continuing the upward trend observed in recent years and demonstrating improved efficiency in asset utilisation.

The improvement in ROA was primarily driven by the increase in Net Profit After Tax, supported by stronger operational performance across the Company's core plantation activities, including improved yields and enhanced cost management practices. Although the asset base continued to expand during the year, the growth in profitability was sufficient to improve overall asset efficiency.

Over the past five years, NPPLC's ROA has shown moderate fluctuations, reflecting the inherently cyclical nature of the plantation sector, which is influenced by commodity price volatility, climatic conditions, and input cost variations. Despite these external challenges, the Company has consistently focused on optimising resource allocation and strengthening operational resilience. As a plantation enterprise, NPPLC continues to demonstrate its ability to operate effectively within a challenging macroeconomic and climate-sensitive environment. The Company remains committed to enhancing asset productivity through sustainable agricultural practices, strategic replanting programmes, and disciplined cost management initiatives. Going forward, NPPLC will continue to prioritise efficiency improvements and value-enhancing investments to support long-term profitability and shareholder value creation.

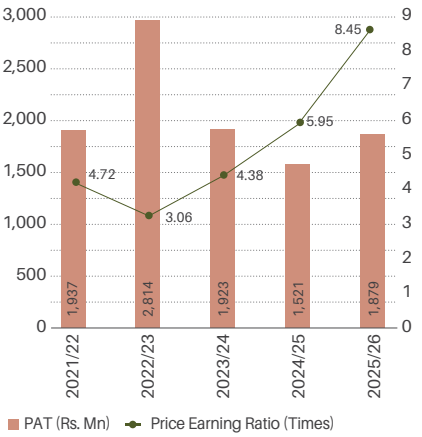
Price Earnings Ratio

During the financial year 2025/26, NPPLC recorded a Price to Earnings (P/E) ratio of 8.45, reflecting a 42% increase from the previous year's ratio of 5.95. This upward movement in the P/E ratio indicates a stronger market valuation of NPPLC shares relative to its earnings, suggesting improved investor confidence and a more positive outlook on the Company's long-term earnings potential, despite prevailing sectoral and macroeconomic challenges.

During the year, the Company's Profit After Tax (PAT) increased to Rs. 1,879 million, compared to Rs. 1,521 million in the previous year, reflecting improved operational performance and enhanced cost efficiency. This growth in profitability was supported by stronger plantation yields and disciplined cost management, although the sector continued to experience external pressures such as inflationary conditions and broader economic uncertainty.

Financial Capital

PE vs PAT



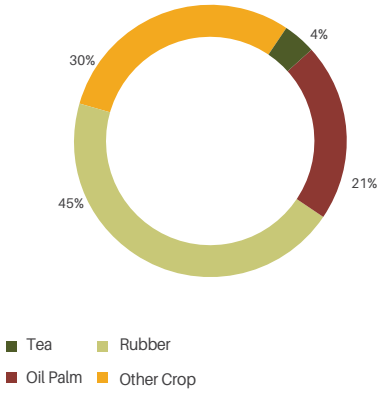
The increase in both earnings and valuation metrics reflects the market's recognition of NPPLC's underlying fundamentals and its resilience in navigating a challenging operating environment. The improvement in the P/E ratio further signals investor confidence in the Company's ability to sustain earnings growth and deliver long-term value.

Going forward, NPPLC remains committed to strengthening operational efficiency, optimising cost structures, and enhancing productivity across its plantation operations. These initiatives are expected to support sustainable earnings growth and reinforce shareholder value creation over the long term.

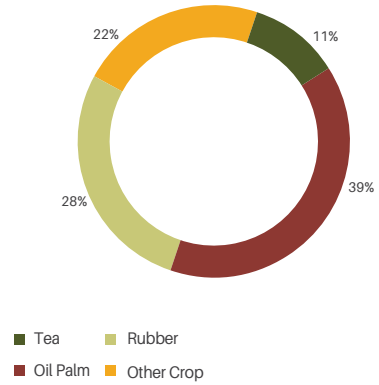
CAPITAL EXPENDITURE

In the financial year 2025/26, the Company's capital expenditure reflected notable changes in allocation across various crop categories, aligned with its long-term plantation development strategy. From a total capital expenditure of Rs. 334 million, Rs. 134 million was incurred on immature plantations and related agricultural development activities, aimed at sustaining current operational levels and supporting future expansion of the Company's plantation base.

Capital Expenditure 2025/26



Capital Expenditure 2024/25



The remaining capital expenditure was directed towards enhancing productivity and efficiency across core operational areas, including replanting programmes, infrastructure improvements, and maintenance of existing mature plantations. These investments are critical in the plantation sector, where long gestation periods require continuous reinvestment to ensure long-term yield sustainability and asset renewal.

In addition, the Company continued to prioritise strategic capital allocation towards improving field infrastructure, irrigation systems, and mechanisation initiatives, with the objective of enhancing operational efficiency and reducing long-term production costs. This disciplined approach to capital expenditure reflects NPPLC's commitment to maintaining a productive, sustainable, and climate-resilient plantation portfolio.

Overall, the capital investment strategy adopted during the year supports the Company's long-term growth objectives, ensuring sustained productivity improvements, enhanced asset quality, and continued value creation for shareholders in a highly cyclical and weather-sensitive industry.

Sustainable Capital Stewardship

During FY 2025/26, Namunukula Plantations PLC continued to strengthen its capital stewardship framework by aligning financial investments with long-term sustainability priorities. Capital allocation decisions were increasingly guided by operational resilience, environmental sustainability, and long-term value preservation across the Company's plantation portfolio.

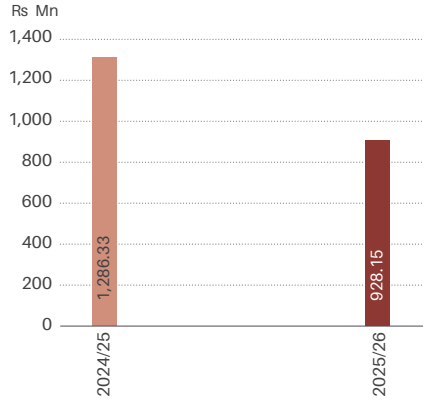
The Company prioritised investments that support climate adaptability, field productivity enhancement, soil restoration initiatives, and resource-efficient estate operations. These investments are expected to improve future economic returns while reinforcing the Company's commitment to responsible plantation management.

This disciplined approach to sustainable capital deployment enables the Company to balance short-term financial performance with long-term ecological and operational resilience, supporting enduring stakeholder value creation.

FINANCIAL FEASIBILITY

Efficient cash flow management remains a cornerstone of NPPLC's financial strategy, supporting both operational continuity and long-term growth. In the financial year 2025/26, NPPLC generated a net cash flow of Rs. 928 million, compared to Rs. 1,286 million in the previous year. Although this reflects a decline year-on-year, the Company continues to maintain a healthy liquidity position, underpinned by disciplined financial planning and effective resource allocation.

Net Cash Flow

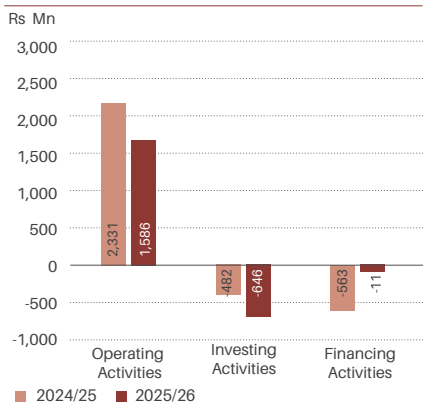


Cash flows from operating activities amounted to Rs. 1,586 million during the year, compared to Rs. 2,331 million in 2024/25. The movement reflects changes in working capital requirements and the impact of prevailing macroeconomic pressures on operational performance. Nevertheless, the Company continued to generate positive operating cash flows, supported by stable core plantation operations and strengthened focus on cost and working capital management.

Cash outflows from investing activities increased to Rs. 646 million in 2025/26, compared to Rs. 482 million in the previous year, primarily reflecting continued investments in plantation development, replanting programmes, infrastructure improvements, and other capital expenditure initiatives aimed at enhancing long-term productive capacity and operational efficiency.

Meanwhile, cash flows from financing activities recorded a lower net outflow of Rs. 11 million, compared to Rs. 563 million in 2024/25, reflecting reduced financing-related payments during the year and a more stable capital structure position.

Operating, Investing and Financing Cash Flows



Despite the overall decline in net cash flow, NPPLC's ability to consistently generate positive operating cash flows while strategically deploying capital investments demonstrates its financial resilience. The Company remains committed to prudent cash flow management to support operational requirements, sustain growth initiatives, and deliver long-term value creation for all stakeholders.

In addition, the Company continued to strengthen treasury resilience through prudent liquidity planning and disciplined cash reserve management. This proactive approach supports operational flexibility during periods of commodity price volatility, weather-related disruptions, and changing macroeconomic conditions.

The maintenance of strong liquidity buffers enhances the Company's ability to fund strategic reinvestments, meet financial obligations efficiently, and respond effectively to emerging operational opportunities.

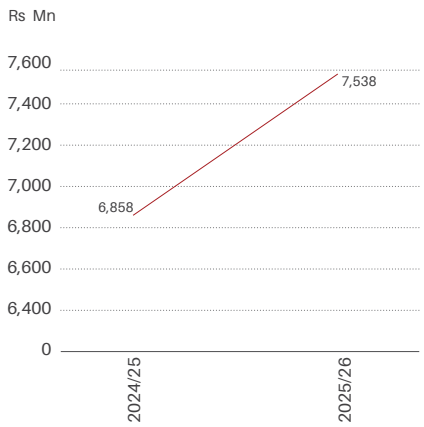
WORKING CAPITAL MANAGEMENT

Working capital management involves the efficient administration of a Company's short-term assets and liabilities to ensure sufficient liquidity for day-to-day operational requirements, while avoiding the inefficient use of excess capital. It focuses on maintaining an optimal balance between liquidity and asset productivity, thereby safeguarding financial stability and ensuring uninterrupted operational continuity.

A favourable working capital position indicates that the Company holds a higher level of current assets relative to its current liabilities, reflecting adequate liquidity to meet short-term financial obligations as they fall due. This position is achieved through effective management of inventories, receivables, and cash flows, supported by disciplined operational and financial controls.

During the financial year, NPPLC's working capital increased by 9%, rising from Rs. 6,858 million in 2025 to Rs. 7,538 million in 2026. This improvement demonstrates the Company's strengthened liquidity position and its continued ability to support operational requirements effectively.

Working Capital



Accordingly, the strengthened working capital position reflects NPPLC's preparedness to meet its financial obligations, capitalise on future growth opportunities, and effectively navigate potential economic and sector-specific challenges.

Climate-Resilient Financial Strategy

Recognising the increasing financial implications of climate variability, Namunukula Plantations PLC continues to embed climate resilience into its financial planning framework.

The Company adopts a forward-looking approach to financial resource allocation by prioritising investments that mitigate weather-related production risks, strengthen crop adaptability, and enhance estate-level resilience.

Through strategic reinvestment in plantation renewal, agronomic optimisation, and infrastructure strengthening, the Company aims to safeguard future cash flow stability while preserving long-term productive capacity. This climate-responsive financial approach supports the Company's ability to navigate sectoral uncertainties while sustaining long-term profitability.

Digital Transformation and Financial Efficiency

The Company continues to explore opportunities for digital integration across financial monitoring, estate performance tracking, and operational planning processes.

Enhanced data-driven decision-making supports improved cost visibility, more efficient capital deployment, and stronger financial forecasting capabilities.
These digital improvements are expected to further strengthen operational efficiency and support responsive financial decision-making in an increasingly dynamic plantation operating environment.

Financial Capital

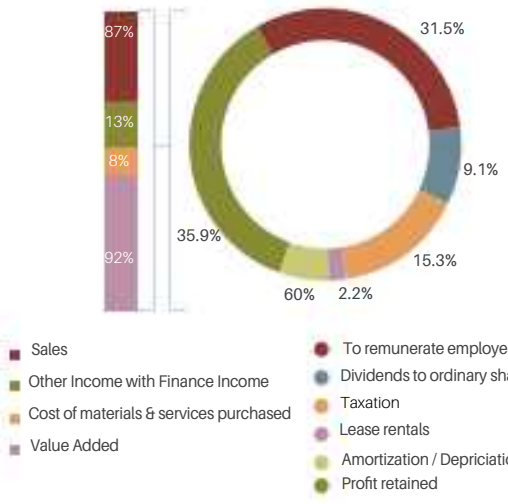
Value Added Statement - 2025/26

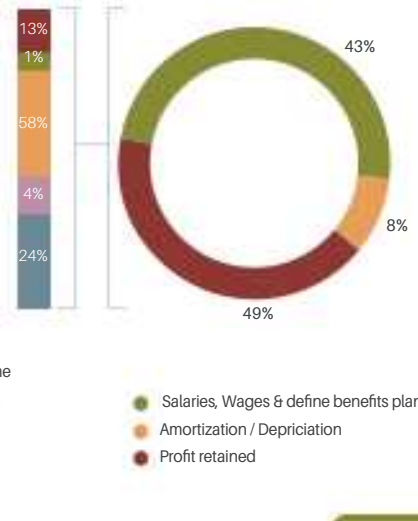
	2025/26		2024/25	
	Rs. '000	%	Rs. '000	%
Sales	**4,977,897**		4,190,311	
Other income with Finance Income	**735,253**		762,076	
	5,713,150		4,952,388	
Cost of materials & services purchased	**478,932**		438,333	
Total Value Added	**5,234,218**		4,514,055	
Applied as follows :				
To remunerate employees				
Salaries, Wages & define benefits plans	**1,649,326**	**31.51**	1,670,460	37.01
To reward providers of capital				
Dividends to ordinary shareholders	**475,000**	**9.07**	356,250	7.89
To the Government				
Taxation	**800,859**	**15.30**	638,658	14.15
Government Lease rentals	**116,205**	**2.22**	111,558	2.47
To Replace assets				
Amortization / Depriciation	**315,162**	**6.02**	292,045	6.47
To expand the Company				
Profit retained	**1,877,666**	**35.87**	1,445,084	32.01
Total	**5,234,218**	**100**	4,514,055	100
Value Added per Employee - Rs.'000	**1,978.16**		1,558.18	
Value Added % of Turnover	**105.15**		107.73	

GRI 201-1

Sources of Income & Utilisation

	2025/26		2024/25		2023/24		2022/23		2021/22	
	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%
Tea	1,387,112	24.28	1,443,547	29.15	1,708,442	31.35	1,755,010	27.56	1,115,873	26.74
Rubber	209,416	3.67	193,811	3.91	176,526	3.24	277,177	4.35	299,379	7.17
Palm Oil	3,308,528	57.91	2,490,253	50.28	2,583,318	47.40	3,268,127	51.33	2,409,254	57.73
Other Crops	72,841	1.27	62,700	1.27	49,147	0.90	60,511	0.95	63,980	1.53
Total	4,977,897		4,190,311		4,517,433		5,360,825		3,888,486	
Other Income (With Finance Incoome)	735,253	12.87	762,076	15.39	932,383	17.11	1,006,420	15.81	284,899	6.83
Total	5,713,150	100.00	4,952,388	100.00	5,449,816	100.00	6,367,245	100.00	4,173,385	100.00
Utilisation of Income										
To remunerate employees										
Salaries, Wages & define benefits plans	1,649,326	28.87	1,670,460	33.73	1,567,375	28.76	1,446,621	22.72	1,415,817	33.92
To providers of funds										
To Supplies & Service Providers	478,932	8.38	438,333	8.85	1,047,081	19.21	1,366,216	21.46	556,593	13.34
To Providers of Capital										
Dividends to ordinary shareholders	475,000	8.31	356,250	7.19	308,750	5.67	332,500	5.22	237,500	5.69
To the Government										
Taxation	800,859	14.02	638,658	12.90	257,005	4.72	153,182	2.41	4,633	0.11
Government Lease rentals	116,205	2.03	111,558	2.25	94,603	1.74	63,577	1.00	58,922	1.41
To Replace assets										
Amortization / Depriciation	315,162	5.52	292,045	5.90	277,770	5.10	232,252	3.65	217,660	5.22
To expand the Company										
Profit retained	1,877,666	32.87	1,445,084	29.18	1,897,232	34.81	2,772,897	43.55	1,682,260	40.31
	5,713,150	100.00	4,952,388	100.00	5,449,816	100.00	6,367,245	100.00	4,173,385.10	100.00





Manufactured Capital

At Namunukula Plantations PLC, We deploy our material resources with intentional precision, transforming fixed assets, infrastructure, and innovative technologies into productive force. Our business strategies are anchored in long–term capital appreciation, channeling investments into production processes that advance sustainability and generate enduring revenue. Like earth that is tilled and tended, every asset from machinery to infrastructure is stewarded to serve daily operations while building resilience for the future. This section reveals how we harness the solid state of our operations: maximizing tangible resources to create stakeholder value, one grounded investment at a time.

The tangible assets and cutting-edge technologies a business uses to produce tea, rubber, coconut, oil palm, and cinnamon items are referred to as manufactured capital. At Namunukula Plantations PLC, these physical resources are not passive enablers but active instruments of value creation. We deploy them through a business model anchored in operational precision and long-term capital appreciation, converting every asset from processing lines to logistics fleets into productive force.

Sustainability is embedded in how we acquire, maintain, and evolve these assets. Investments in color sorter technology and bio-fertilizer infrastructure reduce waste and ecological footprint while enhancing product quality. Each decision to allocate capital whether toward fleet modernization, factory automation or immature plantations involves deliberate trade-offs, optimizing across financial returns, environmental impact, and social benefit. This integrated approach ensures that our manufactured capital does not operate in isolation but works in concert with natural, human, and social capitals to generate enduring stakeholder value.

Fixed Assets/Tangible Assets (Carring Value Rs.)

- Buildings **170** mn. **38%** of total
- Computers, Furnitures and Fittings **9** mn. **2%** of total
- Plant, Machines and Equpiments **169** mn. **38%** of total
- Motor Vehicles **101**mn. **22%** of total

SDG's

Our Asset Base at a Glance

We manage a diversified portfolio of assets across 18 estates and 6 factories.

- Total Tangible Assets: LKR 449 Mn
- Total Biological Assets (Bearer Plants): LKR 3,399 Mn

Management Approach

The company uses its manufacturing capital to create value for stakeholders and achieve business goals. It allocates this capital effectively, optimizing it for sustained income and growth. The company manages its manufactured capital across 18 estates and 04 tea and 02 rubber factories, making investment decisions based on a comprehensive CAPEX plan.

The company also invests in plant and machinery, embracing new technologies for product quality, production efficiencies, and environmental sustainability. Regular building maintenance and rehabilitation are undertaken to maintain the assets and optimize resource use.

Procurement is carried out according to standard procedures and guidelines, with bulk and large-scale procurement undertaken through the group commercial division. This approach ensures the company is a productive and efficient value creator, securing long-term growth and consistency.

Biological Assets		As at 31 March 2026 Carrying Value (Mn)
Tea	Mature	236
	Immature	38
Rubber	Mature	473
	Immature	257
Coconut	Mature	107
	Immature	189
Oil Palm	Mature	1,844
	Immature	149
Cinnamon	Mature	38
	Immature	2
Mixed	Mature	66
	Immature	2

GRI 203-1

Infrastructure Investments

Fixed Assets/ Tangible assets	Carrying Value (RsMn)	% of Total
Buildings	170	38%
Plant, Machinery and Equipment	169	38%
Motor Vehicles	101	22%
Computers, Furniture and Fittings	9	2%
Total Tangible Assets	449	100%

Key Performance Indicators (KPIs): Input vs. Output

To align with Integrated Reporting standards, we measure our manufactured capital using both input (what we spend) and output (what we achieve) metrics .

Aspect	Input Performance (Our Investment)	Output Performance (The Result)
Infrastructure	LKR 73 Mn invested in tangible assets.	76% of asset base concentrated in Buildings & Machinery (High stability).
Efficiency	Installation of Color Sorter machines.	Reduction in production waste & higher value realization per kg.
Sustainability	Investment in Bio-fertilizers & Solar integration.	Reduced agrochemical reliance; Lower carbon footprint.
Fleet	LKR 56.55 Mn in Motor Vehicles.	Improved logistics uptime & worker mobility across 18 estates.

Buildings and Plant & Machinery together account for 76% of total tangible assets, reflecting NPPLC's strategic focus on robust infrastructure and core production capacity. The 22% allocation to Motor Vehicles underscores our commitment to efficient logistics and estate mobility

Value Creation through Manufactured Capital

When manufactured capital is harnessed with intention like earth shaped by careful hands productivity rises and production costs settle into efficiency. This solid foundation yields long-term profits and capital growth for all stakeholders. The Company's growing returns reflect an unwavering focus on quality and innovative product development, commanding higher prices and generating enduring value from every asset stewarded.

Strategic Responses for 2025/2026(GRI 302-4: Reduction of energy consumption)

- Best practices in procurement (GRI 204-1: Proportion of spending on local suppliers).
- Operational efficiency and improvements (through color sorter machines (reducing waste).
- Investment good agricultural practices (bio-fertilizers over agrochemicals).

Manufactured Capital

Risk Comparison Matrix: Safeguarding Our Tangible Foundation

To strengthen governance (GRI 410-1) and strategic resilience, we have mapped the key risks associated with our Manufactured Capital against our mitigation strategies. This matrix adapts best practices from the plantation sector for managing physical assets .

Risk Category	Risk Description (The Threat)	Potential Impact	Mitigation Strategy (Our Response)	Risk Trend vs. FY 2024/25
Asset Obsolescence	Aging plant machinery leading to inefficiency or breakdown	Production downtime; High maintenance costs; Loss of quality premium	Automation Program: Phased rollout of color sorters & factory automation	Decreasing (Due to recent CAPEX)
Logistics & Mobility	Dependance on aging vehicle fleet for harvest collection	Crop spoilage, delays to factories, High Fuel consumption	Fleet modenization; LKR 65.55Mn injection for new vehicles in FY 25/26	Under Controll (Post-Investment)
Climate Impact on Assets	Floods/storms damaging factory buildings, worker housing, or roads	Asset impairment; CAPEX diversion for repairs; Community safety risks	Infrastructure Upgrades: LKR 6 Mn allocated to resilient building maintenance (GRI 203-1)	Monitoring (High severity, Low frequency)
Security & Theft	Theft of Harvested crop or damage to equipmet	Revebue leakage; Safty risk to staff	Security Investment: Rs 94Mn Deployed; Dedicated filed watchers Trained	Stable
Dependence on Bought Leaf	Factory capacity relies on external green leaf quality	Drop in final product quality if external inputs are poor	Quality Controls: Strict weightment & quality checks; Incentives for suppliers	Moderate Risk

GRI 411-1

Our ability to stay ahead of the competition and adapt to changing consumer and market expectations is made possible by the effectiveness and flexibility of our manufacturing processes. We prioritize innovation and consistently invest in research and development to enhance our products and procedures. This entails utilizing state-of-the-art technologies to increase productivity, reduce waste, and ensure the highest quality standards. We regularly update our infrastructure to incorporate sustainable practices, such as energy-efficient lighting, garbage reduction initiatives, and the use of renewable resources wherever possible.
Additionally, before starting any factory, we conduct a thorough feasibility study to ensure that our activities respect the cultural, social, and environmental rights of Indigenous communities. This ensure that our operations are not only sustainable but also equitable and respectful of rights of Indigenous people.

During the reporting period, the Company assessed its operations and stakeholder engagements and did not identify any incidents involving violations of the rights of indigenous peoples.

- **Acquisition of Machinery and Equipment**

Acquiring high-quality machinery and equipment is a critical act of stewardship. We evaluate every investment through both financial and non-financial criteria, prioritizing energy efficiency, low emissions, and safety features. These choices are not merely technical; they are grounded commitments to minimize our environmental shadow while maintaining the highest standards of performance.

Our procurement process follows systematic, earth-born discipline. For minor acquisitions, we obtain three quotations from our general supplier list, ensuring competitive and responsible selection. For bulk and large-scale procurement, our group commercial division leverages collective buying power, maintaining consistent quality across all acquisitions. By partnering with reputable suppliers, we make informed decisions that support operational efficiency and sustainability goals not as separate pursuits, but as the same grounded act.

Like earth that is tilled and tended, every asset from machinery to infrastructure is stewarded to serve daily operations while building resilience for the future. We channel investments into production processes that advance sustainability and generate enduring revenue. This is how we maximize tangible resources: one grounded investment at a time, creating stakeholder value from the solid state of our strategy.

- **Maintaining steady yield through sustainable practices**

At NPPLC, we are dedicated to sustainable practices and preserving the vitality of our land assets while maximizing efficient utilization. To counter the natural decline in plant yield due to maturity and other factors, we have implemented forward-thinking strategies to ensure a consistently growing yield. As an eco-friendly company, we have embraced the use of bio-fertilizers instead of agrochemicals, prioritizing cost-effectiveness, soil health, and the quality of our harvest. We have established compost pits in many of our estates, taking a natural approach to meeting our fertilizer requirements. This initiative not only improves soil fertility but also contributes to the long-term sustainability of our operations. We are devoted to using water, energy, and other resources efficiently, recognizing that responsible management is essential for both our present and future. By implementing innovative practices and technologies, we minimize waste and maximize the utility of these vital resources. Our dedication to sustainability drives us to adopt

renewable energy sources, conserve water, and reduce our overall environmental footprint. Through these efforts, we not only support the health of our planet but also contribute to the well-being of our communities, ensuring that future generations can thrive in a sustainable world.

Recognizing the importance of maintaining stable harvests, NPPLC proactively replaces old, low-yielding plants with new ones. This strategic approach ensures the continuity of productive yields and aligns with our commitment to sustainable practices. Further, we have planted 126,050 coffee plants across all 6 estates in the Uva Region. This was achieved by transforming 62 hectares of land across several estates, including Hindagala, Canavarella, Gonakelle, Kandahena, Kinnelan, and Pingarawa. The coffee planting project exemplified NPPLC's dedication to expansion and diversification in the agricultural sector.

Throughout this year, our team diligently focused on the meticulous care and maintenance of the coffee plantation. Regular watering, customized fertilization programs, effective pest and disease control, and vigilant weed management were at the forefront of our efforts. NPPLC's experts closely monitored the plantation, ensuring that it received the optimal resources and specialized attention required for its success.

By venturing into coffee cultivation, NPPLC demonstrated its adaptability and commitment to seizing new market opportunities. This strategic move not only enhances our crop diversity but also positions us advantageously to meet the growing global demand for coffee products. Our meticulous attention to detail, coupled with the provision of essential resources, underscores our unwavering dedication to achieving exceptional results and maximizing the potential of our coffee planting project.

This undertaking is deeply rooted in NPPLC's overarching vision of sustainable growth, innovation, and excellence. We are dedicated to being industry leaders by prioritizing sustainability in every aspect of our operations. Embracing eco-friendly practices is not just a goal but a core value that guides our business decisions, ensuring that we benefit not only our environment but also the communities we serve. By integrating sustainable agricultural strategies and innovative eco-friendly initiatives, we are committed to driving long-term success while making a meaningful and positive impact on the world. Our focus on sustainability reflects our responsibility to future generations and our determination to cultivate a healthier planet.

- **Ensuring Quality and Productivity of Manufacturing**

At NPPLC, quality comes first in all we do. While producing excellent items, we are dedicated to fulfilling strict productivity criteria. To achieve these objectives, we are aware that sustaining our manufacturing capital is crucial. To guarantee that our machinery and equipment continue to operate at their best, we subsequently put strict maintenance schedules into place that reduce downtime and increase efficiency. Because we follow manufacturer requirements, replace parts proactively, and conduct regular reviews, we are able to continuously produce high-quality items. We are committed to conducting our operations in a manner that prioritizes the protection of biodiversity. Our practices are designed to minimize any impact on

Manufactured Capital

ecosystems and promote the preservation of wildlife and natural habitats. We believe that sustainable operations are essential for maintaining the health of our planet and fostering a harmonious relationship with the environment.

Recognizing the importance of technology in enhancing our manufactured capital, we have made significant investments in upgrading our machinery and equipment. We have embraced automation and innovative technologies to streamline our processes, improve accuracy, and increase our overall productivity. Additionally, we prioritize knowledge development for our employees, offering training programs that enhance their skills and ensure they are adept at utilizing our advanced manufacturing systems.

Our commitment to quality and productivity extends beyond our physical capital. We foster a culture of continuous improvement, encouraging our employees to identify areas for enhancement and implement innovative solutions. This includes adopting industry best practices, such as lean manufacturing techniques, to optimize our processes and ensure we remain agile and responsive to market demands. By combining state-of-the-art technology with a skilled and engaged workforce, we are able to consistently deliver high-quality products and achieve sustainable growth.

At NPPLC, we are proud of our reputation for quality and reliability. Our dedication to maintaining and optimizing our manufactured capital, coupled with our focus on employee development and technological advancement, positions us well to meet the evolving needs of our customers and drive long-term success. Through these efforts, we strive to remain a leader in our industry, known for our unwavering commitment to excellence.

- **Developing Estate infrastructure**

GRI 203 -1/410-1

At NPPLC, we recognize the importance of investing in our infrastructure to create a safe and conducive environment for our stakeholders including employees and the broader community. Our comprehensive infrastructure development initiatives go beyond physical structures, as we prioritize the well-being and development of our community. This includes the construction and renovation of factory buildings, processing areas, roads, and community housing, ensuring that our facilities are safe and secure.

We understand that access to essential facilities is crucial. Therefore, we invest in reliable water and sanitation systems, ensuring that our community has a consistent supply of clean water and adequate sanitation facilities. Recognizing the importance of education and healthcare, we prioritize the development of schools and medical facilities that meet the highest standards and cater to the specific needs of our community. We believe that investing in education is investing in the future, empowering individuals to reach their full potential.

We work closely with resident communities, government and non-government organizations to integrate their needs and aspirations into our plans. Through a holistic approach, they strive to create a thriving and resilient community, contributing to social and economic growth while incorporating sustainable practices for a

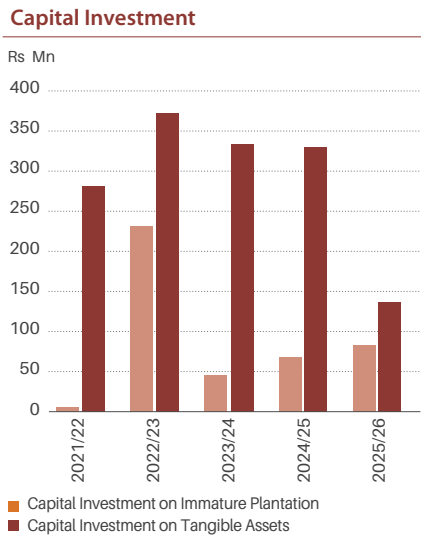
brighter future.

We are committed to ensuring that security personnel carry out their duties with respect for human rights. All field watchers are informed of the Company's human rights expectations and security procedures upon appointment, with further guidance provided whenever relevant situations arise. The guidance covers appropriate conduct, non-discrimination, conflict de-escalation, and incident reporting.

During the reporting year, the Company invested approximately LKR 120 million in security expenses. All directly employed security personnel (100%) received guidance on the Company's human rights expectations. NPPLC does not engage third-party security personnel.

- **Capital Investment in 2025/2026**

During the year under review, the Company invested in manufactured capital as follows.



Total Investment in Manufactured Capital:

Category	FY 2024/25 (Rs. Mn)	FY 2025/26 (Rs. Mn)
Tangible Assets	71	**73**
Immature Plantations	334	**134**

During the financial year 2025/26, the Company allocated Rs. 73 million towards tangible assets, reflecting a modest yet steady increase from Rs. 71 million in the previous year. This consistent investment pattern underscores the Company's ongoing commitment to reinforcing physical operations and maintaining infrastructure resilience.

In parallel, investment in immature plantations amounted to Rs. 134 million during 2025/26, a planned decrease from Rs. 334 Mn in 2024/25. This reduction is primarily attributed to the successful maturation of previously planted crops and a strategic shift toward optimizing existing agricultural assets. As young plantations enter their productive phase, the Company naturally reduces replanting expenditures while benefiting from increased harvest yields. This disciplined approach ensures a balanced allocation of capital between long-term agricultural expansion and short-term operational efficiency, particularly as the Company continues to benefit from its earlier investments in coffee plantation development.

Tangible Asset Investment (Rs. Mn)

Asset Type	2024/25	2025/26	Strategic Driver
Plant & Machinery	35.37	**0.85**	Core production capacity
Buildings	18.16	**6.01**	Worker housing & infrastructure
Motor Vehicles	7.24	**56.55**	Logistics & mobility
Computers	5.39	**2.05**	Digital transformation
Equipment/ Furniture	5.1	**7.28**	Operational support

In **FY 2025/26**, the investment strategy pivoted notably toward **Motor Vehicles (Rs. 56.55 million)** , representing a substantial increase from Rs. 7.24 million in the previous year. This sharp rise reflects a renewed emphasis on logistics efficiency, fleet modernization, and improved mobility across the Company's 18 estates and 17 factories.

Meanwhile, investments in **Plant & Machinery tapered to Rs. 0.85 million** in FY 2025/26, indicating that major capital upgrades were substantially completed in the prior year.

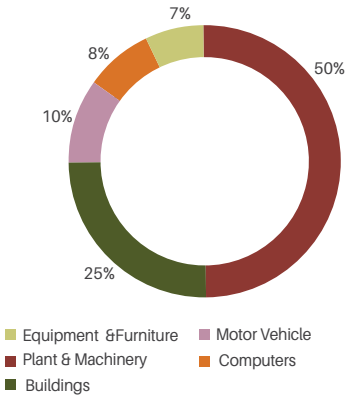
Buildings investment decreased to Rs. 6.01 million, reflecting a shift from large-scale construction to routine maintenance and targeted improvements.

Computers investment adjusted to Rs. 2.05 million, continuing the Company's digital transformation journey, while **Equipment & Furniture increased to Rs. 7.28 million,** supporting broader operational needs.

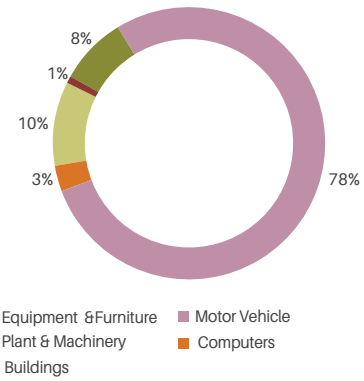
During FY 2025/26, the Company's manufactured capital investments have taken solid form rooted in infrastructure expansion, digital modernization, and agricultural sustainability. By allocating resources across critical operational areas with a long-term vision, we are not simply building assets; we are cultivating resilience. Like earth that is shaped and strengthened over time, our strategy positions Namunukula Plantations PLC for sustainable growth, standing firm even as the market landscape shifts around us.

Manufactured Capital

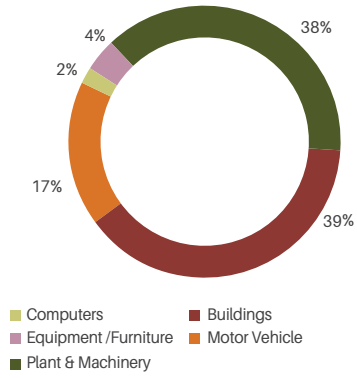
Invest in Tangible Assets 2024/25 (Rs. Mn)



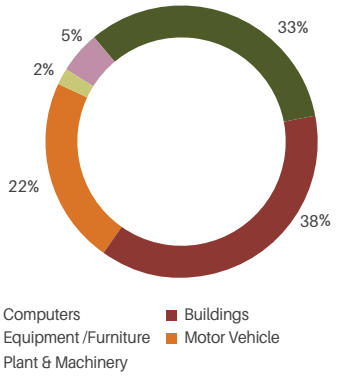
Invest in Tangible Assets 2025/26 (Rs. Mn)



Tangible Manufactured Capital (WDV)2024/25



Tangible Manufactured Capital (WDV)2025/26



• Regular Factory Maintenance

Regular factory maintenance is a critical aspect of our operations, ensuring the smooth and uninterrupted functioning of our manufacturing processes. At NPPLC, we prioritize systematic and scheduled maintenance activities to maintain our factory in optimal condition. We recognize that well-maintained machinery and equipment are key to maximizing productivity and minimizing downtime. Our maintenance program includes periodic reviews of machinery, spare parts availability, and suitability, ensuring that all components are in good working order. When necessary, we replace parts with new ones to prevent unexpected breakdowns and extend the lifespan of our equipment.

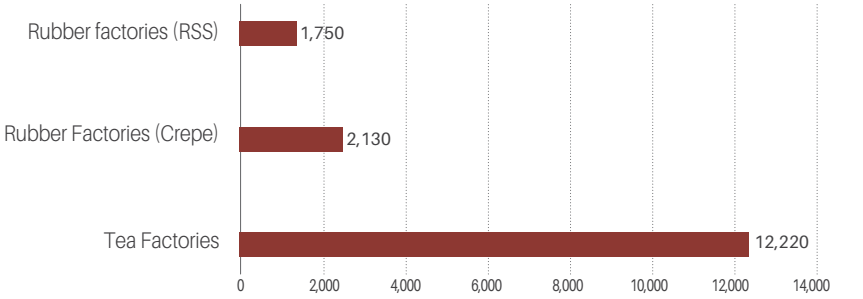
Recognizing the importance of a skilled workforce, we provide our engineering and technical team with regular training and educational opportunities. These programs keep them updated with modern knowledge and enhance their competency in maintaining and optimizing our machinery. Their expertise plays a vital role in identifying potential issues and implementing preventive maintenance measures. By investing in their continuous development, we ensure that our maintenance procedures are carried out efficiently and in accordance with manufacturer specifications.

Through our comprehensive factory maintenance program, we strive for operational excellence. By combining scheduled maintenance, proactive part replacement, skilled personnel, and adherence to manufacturer specifications, we minimize the risk of equipment failures and unexpected disruptions. This proactive approach enables us to maintain a consistent level of production, meet customer demands, and uphold our commitment to delivering high-quality products.

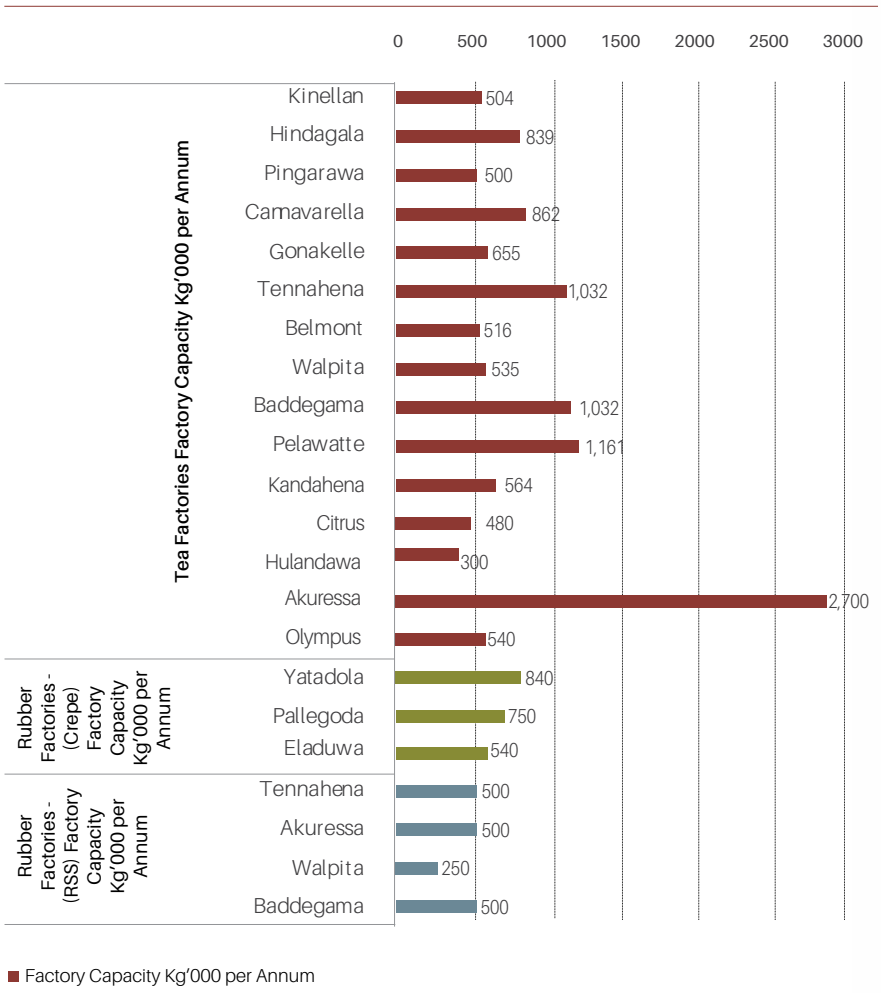
- **Strategic investments in agriculture and manufacturing technologies**

NPPLC places considerable amounts of emphasis on making strategic investments in manufacturing and agriculture technology. We understand how critical it is to use advances in technology to spur innovation, boost productivity, and strengthen our competitive edge. To stay at the forefront of our industry, we have made significant investments in updating our processes with the latest technologies. Recognizing that technology is only as effective as the people operating it, we have also invested in comprehensive training and knowledge development programs for our employees. These initiatives ensure that our workforce is adept at utilizing new technologies, optimizing their capabilities, and adapting to evolving industry standards. By combining strategic investments in technology with a skilled and empowered workforce, we aim to drive growth, enhance our productivity, and maintain our position as a leader in our field.

Factory Capacity Kg'000 per Annum



Our Strength of Manufacturing



Our strategic objectives with regard to manufactured capital

Manufactured capital targets	Short term initiatives	Medium term expansion	Long term vision
Tea factory Automation	Implementation at Kinellan Tea factory	Expansion to Baddegama Tea Factory	Gradual integration across all Tea Factories
Solar Energy Integration	Installation at Tennahena Tea Factory	Deployment at Baddegama Tea Factory	Expansion to all tea and Rubber Factories
Tea Center	Hospitality upgrade Expansion of visitor experience & tasting rooms at Kinellan Tea Center to boost direct to consumer sales.	Development in Hikkaduwa, linked to Baddegama Tea factory	Further expansion across Matara region
Coffee Cultivation & Processing (Proven in Uva – New to Low-Grown)	First ever low-grown pilot Plant coffee as an intercrop under mature rubber canopy at select low-grown estates	Agronomy & processing scale Expand coffee-under-rubber acreage.	Establish the coffee processing factory by converting the silent factories

Human Capital

'The heart of any organization's vibrancy lies in its human capital, providing all its other resources with a strategic focus and power. The ability of a firm to recruit highly qualified staff, foster an innovative environment, and pursue continuous learning distinguishes it from others. We ensure that the productive capacity that enables sustainability is generated through an emphasis on developing our team intellectually and technologically, as well as providing them with a safe and fulfilling workplace.

Human capital has been the main differentiator and pillar of success for our firm at almost every milestone. Respecting and enhancing employees' skills, abilities, and experience is a top priority for the Company's HRM practices, which leads to ongoing human capital growth. To achieve the best results from our human resource, we prioritize fair and equal development. In addition, our commitment to sustainability ensures that we are not only nurture our employees' growth but also empower them to contribute to environmentally responsible practices that benefit both the organization and the planet.

- New Hires **7.1** %
- Employee Attrition **11.8** %
- Female Representation **50** %
- Employee retention rate **82** %
- Revenue per Employee Rs. **1,881,291**

Management Approach

We consider our employees to be our most valuable resource and the primary cause of our success as a Plantation Company. Our goal is to foster a positive and safe work environment where employees feel connected to their peers, regardless of color, ethnicity, gender, religion, or political beliefs. NPPLC follows all applicable local labour laws and regulations. We equip our employees with the necessary skills and adaptability to survive in today's fast-paced work environment.

Our employees are given opportunity to realize their full potential and are empowered by us. We also reward them for their hard work. To ensure long-term viability, we prioritize establishing positive relationships with employees, their families, and the communities around our estates.

Through the opportunity to enhance their talents and accomplish their goals, all employees are benefiting from our professional development initiatives, which also increase overall employee happiness. Our focus is on leadership development for management and staff, as well as skill development for our estate workers through floor-level training and implementation of innovative management approaches in our factories. We ensure freedom of association for our estate personnel, while NPPLC prohibits child labor and forced labor.

SDG's

Value Creation through Human Capital

Our people are the strategic element that help us to gain a competitive advantage. We strive to create a great and safe place to work while enhancing the technical capabilities and intellectual potential of them. Being responsible on employees ensuring their growth and their well-being will cover the way for higher level of productivity, boosting the business viability and sustenance in the long-term.

Human Capital Inputs

The workforce consists of 2,646 employees, including 2,346 estate workers.

- There is equal representation of male and female employees, ensuring a balanced and inclusive workforce.
- Estate management and supervisory staff.

Process

- Qualified employees are recruited and assigned to suitable roles based on their knowledge, expertise, and skills to ensure the best fit for each job requirement.

Value Creation

- Compensation packages are provided in line with industry standards.
- Continuous Training and development programs.
- Employee welfare facilities.
- Occupational health and safety facilities.

Outcome

- Skilled and motivated workforce.
- Employee loyalty.
- Sustainable workforce availability.
- High retention rate.

Strategic Responses for 2025/2026

- Dedicated time to finding the right staff and developing their skills base.
- Embraced wider societal and ethical developments in workforce.
- Developed and maintained healthy working relationships among all the employees.
- Creating a positive work culture, and encouraging work-life balance.
- Minimized and maintained discriminations at a zero level throughout the year.

GRI 406-1

- Preventive mechanisms are implemented to minimize forced/ compulsory labour and there were no any incidents recorded within the 18 estates of the company during the period.
- Managing younger generations in the modern workplace

Progress of our Human Capital targets

Human Capital Targets	Progress to date
Increase the retention rate	Employee retention rate 82%
Enhance educational support	We have invested Rs. 17Mn
Promote Welfare and Well-being programmes	We have invested Rs.25Mn
Salary payments through banks	Salary payments for low-grown estates are made through the HNB PayFast system, while salary payments for the Uva Region are currently under process.
Performance and Productivity	Implemented performance management system with clear KPIs
Diversity, equity, and inclusivity	43% of female employees are newly recruited

Human Capital

OUR HR POLICY FRAMEWORK

- Performance Management
- Anti-Sexual Harassment
- Whistleblower Policy
- Human Rights Policy
- Health and Safety Policy
- Industrial Relations Policy
- Bribery and Anti-Corruption Policy

OUR TEAM PROFILE

GRI 2-7

On a headcount basis, as at the end of the reporting period, in our team of 2646 individuals lies a combination of talents, commitment, and experience that helps to maintain the success of the organization. Out of these 2646 individuals, 2537 individuals work as permanent employees, while the remaining 109 work as temporary employees. The organization believes in equal opportunity and therefore, the workforce consists of an equal percentage of women and men, which is 50%

Total Employees - By Age

	EMPLOYEES
Under 30 Years	140
30-50 Years	1608
Over 50 Years	898
Total	**2646**

Total Employees - By Service Period

	EMPLOYEES
Below 05 Years	843
5-15 Years	758
Above 15 Years	1045
Total	**2646**

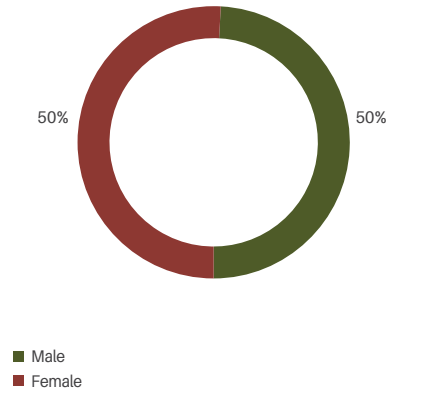
Total Employees - By Employment Type

	EMPLOYEES
Workers	2346
Staff	248
Executive	52
Total	**2646**

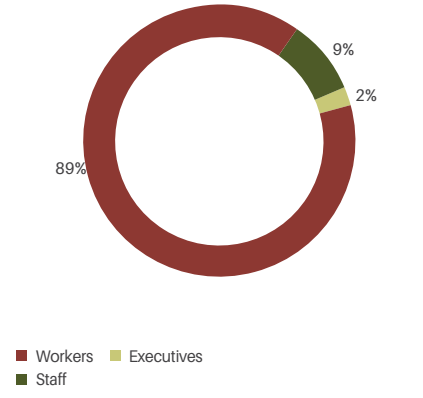
Total Employees - By Gender

	EMPLOYEES
Male	1316
Female	1330
Total	**2646**

Gender Wise Work Force



Executive, Staff, Manual Work Force



Regional Distribution of Workforce by Contract type

Region	Permanent	Temporary	Total
Kalutara	771	2	773
Galle	392	4	396
Matara	382	1	383
Uva	971	102	1073
Colombo	21	0	21

Permenent employees by Gender

	EMPLOYEES
Male	1270
Female	1267
Total	**2537**

Temporary employees by Gender

	EMPLOYEES
Male	46
Female	63
Total	**109**

Regional Distribution of Workforce by Gender

GRI 405-1

Region	Male	Female	Total
Kalutara	405	368	773
Galle	219	177	396
Matara	258	125	383
Uva	420	653	1073
Colombo	14	7	21

Governance Bodies & Employee (as per Employee Category) Diversity Representation

By Gender;

Male				Female
%	No.	Governance Bodies	No.	%
83	5	Board of Directors	1	17
		Employee Category		
100	4	Corporate Management		
88	7	Senior Management	1	12
67	10	Executives-Head Office	5	33
67	4	Staff Head Office	2	33
100	37	Executives-Estates	-	-
73	177	Staff Estates	65	27

By Age;

Male	<30		30-50		>50	
	No.	%	No.	%	No.	%
Governance Bodies						
Board of Directors			1	17%	5	83%
Employee Category						
Corporate Management			2	50	2	50
Senior Management			5	62	3	38
Executives-Estates			37	100		
Executives-Head Office	2	13	13	87	0	0
Staff Head Office	5	83	0	0	1	17
Staff Estates	25	10	148	61	69	29

TALENT MANAGEMENT

GRI 401-1

We are committed to hiring, training, and retaining highly qualified personnel, as well as guaranteeing equality among our employees. We maintain non-discriminatory recruitment processes irrespective of gender, age, or ethnic differences, following the concept of equality of opportunity. This strategy conforms to Talent Management Theory, whereby competent candidates are identified, their competencies trained and developed, and work-force skills aligned with corporate objectives.

With the appointment of 199 new members for our estates, NPPLC has significantly contributed to the creation of job opportunities this fiscal year. During the year, 333 people left our Company, often because they retired or moved after getting married. We have simplified our hiring procedure to better meet real operational demands by increasing automation and mechanization in both our head office and estates, as well as by emphasizing staff skill development to adjust to these changes. In addition to increasing production, this strategic approach has made it easier to use resources efficiently.

New Recruitments

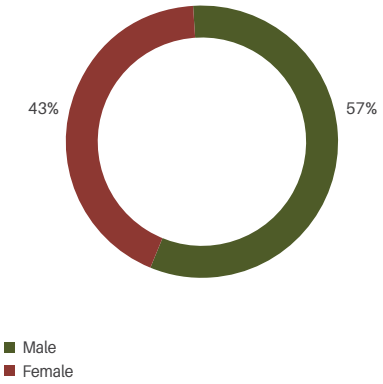
by Age Group:			
Age	<30	30-50	>50
No of employees	25	120	54
%	13%	60%	27%

Staff Turnover

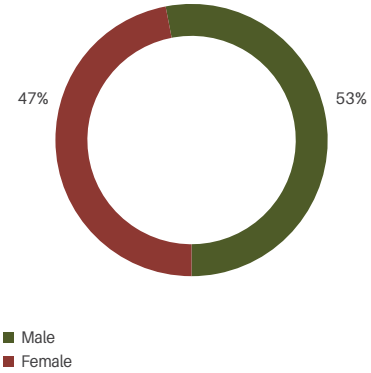
by Age Group:			
Age	<30	30-50	>50
No of employees	6	187	140
%	2%	56%	42%

Human Capital

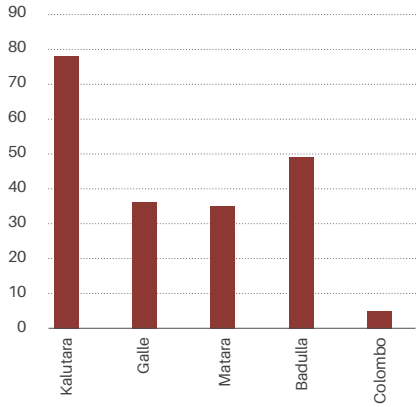
New Recruitments by Gender



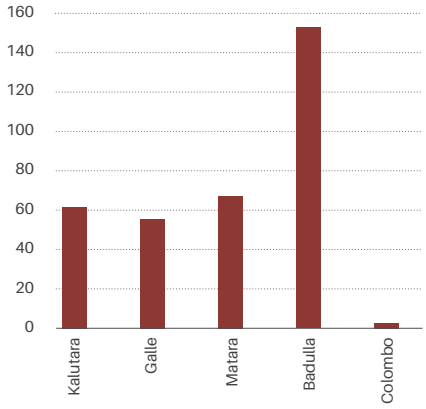
Staff Turnover by Gender



New Recruitments by Region

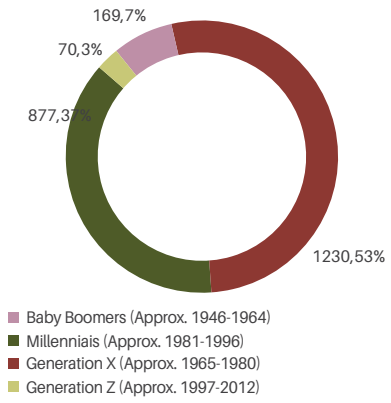


Staff Turnover by Region

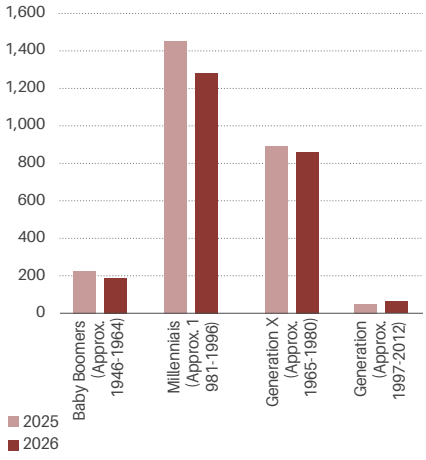


Managing younger generations in the modern workplace

Generational Diversification



Compare 2025 & 2026 Generational Diversification



Generational change is taking place all around the globe today, as many workers retire and others like the millennials and generation z take up jobs in many organization. Likewise Namunukula Plantations PLC is facing a major generational diversification challenge as the company's workforce structure is expected to change significantly due to a projected retirement rate of nearly 25% by 2030. while around 40% of employees are belong to the Millennial and Generation Z workforce categories. This transition creates both opportunities and human resource risks for the plantation sector.

The retirement of experienced estate workers may result in the loss of important practical knowledge in cultivation, harvesting, factory operations, and traditional plantation practices. Since estate operations rely heavily on skilled long-serving workers, their retirement could lead to labor shortages, skill gaps, and operational challenges if proper knowledge transfer and succession planning are not implemented.

The estate sector faces significant retention and operational challenges due to a generational shift, as Millennial and Gen Z workers find traditional plantation work physically demanding and less attractive than urban jobs. To retain these younger employees and avoid future labor shortages, estates must offer better wages, career growth, improved welfare, and modernized working conditions. Furthermore, managing this multi-generational workforce introduces friction, as older employees prefer traditional methods while younger workers expect technology integration and involvement in decision-making differences that can lead to workplace conflicts, reduced cooperation, and lower productivity.

To successfully manage generational diversification among estate workers, Namunukula Plantations PLC implement several strategic human resource initiatives:

- Strengthen training and skill development programs for estate workers
- Improve estate welfare facilities, accommodation, and employee benefits
- Enhance employee engagement, diversity, and inclusion practices within estates

To engage younger generation with estate management Namunukula Plantations PLC provides training opportunities for young people who are willing to join the plantation sector as future managers under the guidance of Estate Superintendents. These training programs are designed to develop practical knowledge, leadership abilities, and professional management skills required for the modern plantation industry.

The training covers major plantation crops such as tea, oil palm, and rubber, including cultivation practices, field operations, harvesting methods, and sustainable agricultural techniques. Trainees are also given exposure to estate management methods such as handling estate workers, labour supervision, team coordination, and workplace discipline.

In addition, the program provides knowledge on maintaining estate books and records, preparing work schedules, monitoring attendance and productivity, and implementing health and safety procedures. Young trainees can also gain experience in budgeting, cost management, and the use of modern technology in plantation operations. Through these training opportunities, Namunukula Plantations PLC supports the development of a skilled younger generation of plantation managers while ensuring the transfer of knowledge and experience from senior estate professionals.

REMUNERATION & BENEFITS

GRI 2-23/202-2/401-2/405-2

NPPLC employees of all grades enjoy many benefits provided by the Company which invests considerable funding above and beyond legal requirements. We believe these initiatives contribute towards a happier workplace and motivated workforce.

Estate workers earned Rs. 1550/- per day since 1st January 2026. It is pertinent to mention that the Company adheres to its fair and equal wages policy which makes the wages irrespective of whether one is male or female, or according to any other personal factor. As a result, NPPLC maintains an equal pay ratio of 1:1 between male and female employees, ensuring fairness and equal treatment across the workforce.

Furthermore, all estate workers are entitled to receive an attendance incentive allowance of Rs. 200/- per day based on their attendance, in line with the provisions introduced under the Government Budget 2026/27.

At Namunukula Plantations PLC, senior management comprises executive and estate management personnel. For reporting purposes, "local" refers to individuals recruited from Sri Lanka, particularly from the districts where the Company's estates, factories, and Head Office operate. Significant locations of operation include all estates, factories, and the Head Office. During the reporting period, 100% of senior management at significant locations of operations were hired from the local community.

We are committed to providing equal remuneration for women and men performing work of equal value. Across all significant locations of operation including the Company's estates, factories, and Head Office, the ratio of the basic salary and remuneration of women to men is 1:1 for each employee category, reflecting the Company's equal pay policy.

In addition to the salaries and wages our employees receive following benefits as well.

Benefits	Staff category				
	A	B	C	D	E
Billet Allowance	x				
Medical Insurance/ Medical funds/ Health Care	x	x	x	x	x
Tea Allowance	x	x	x	x	x
Mobile Allowance	x	x			
Fuel/ Travelling/ Vehicles	x	x			
Water / Gas	x			x	
Electricity	x			x	
Accommodations / Quarters	x			x	x
Free Drugs					x
Food Stuff Arrangements					x
Death Donations				x	x
Maternity Leave and Benefits	x	x	x	x	x
Overtime			x	x	x

Staff categories

A - Executives - Estates
B -Executives - Head Office
C - Staff - Head Office
D - Staff - Estates
E - Associates

CARRYING OUT EMPLOYEE BENEFICIAL PROGRAMMES

GRI 201-3/403-6

As the majority of our employees are resident on the estate, the benefits provided vary substantially between those who are resident and those at head office due to the varying nature of work. The largest employee category of workers is provided housing and primary health care. Majority of estates operates a dispensary with a qualified estate medical officer and a midwife. Medicines are provided free of charge. Maternity clinics are available within the estate and a midwife visits regularly. Workers are transported by the Company to the nearest district/base hospital if the need arises. All funeral expenses of associates are paid by the Company including location of the burial site.

Employees injured during work are entitled to compensation, the value of which is determined at a standard rate which can be referred to the Commissioner of Workmen's

Human Capital

Compensation in the event of dispute. We also work in partnership with government and non-government organizations to facilitate the social- economic advancement of the workers and their families.

Executive grade employees on the estates and all head office employees are enrolled in a medical insurance scheme. All estate staff below the executive category are covered by a contributory medical scheme. Female employees are entitled to maternity leave of 84 working days for all births by practicing the labour regulationfs. Daily paid employees are entitled to a maximum of 17 days paid leave in the following year based on their attendance to work according to the labour laws of the country.

Rather than having an internal fund, all permanent employees (100%) are enrolled in the Employee Provident Fund and Employee Trust Fund as per respective Acts. Accordingly, employees contribute 10% of their salary to the Employee Provident Fund whilst we contribute 12% and 3% for Employee Trust Fund. Gratuity is provided for the employees under the Gratuities Act of 1983 and it is paid to all the employees with over 5 years of service at the rate of 14 days wages for every completed year of service.

	Company contribution	2026	2025
		Rs.'000	Rs.'000
E.P.F./E.S.P.S./C.P.P.S.	12%	**139,798**	132,453
E.T.F.	3%	**34,946**	34,097
Gratuity		**163,666**	79,861

Women Empowerment

As a peoples' business we have taken following actions to encourage women employment.

- Maternity leave and payments are provided in accordance with government regulations, offering 84 working days of paid leave for all childbirths.
- Financial independence is promoted through direct salary payments into women's bank accounts, enabling greater financial control and reducing dependency.
- Female workers are given fair recognition through a structured salary system, ensuring equal wages without any disparity compared to male employees.
- Creating a culture of zero tolerance for harassment and take complaints seriously.
- Childcare facilities (creches) are provided within estates or factory premises to support working mothers by ensuring a safe place for their children while they are at work.

MATERNITY LEAVES

GRI 401-3

In alignment with Sri Lankan labor laws, our female employees are fully entitled to maternity leave benefits; however, statutory paternity leave is currently not mandated or provided for male workers.

	2025/26	2024/25
Total female employees	**1330**	1510
Availed maternity leave	**12**	21
No. of employees returned to work after maternity leave	**9**	19
No. of employees that retained after 12-months of return from maternity leave	**7**	11
Return to work rate	**75%**	90%
Retention Rate	**78%**	58%

OCCUPATIONAL HEALTH AND SAFETY (OHS)

GRI 403-1/2/3/4/5/6/7/8

Namunukula Plantations is fully complied with the Factory Ordinance, No 45 of Act 1942, Workman's Compensation Ordinance of 1935 and collective agreements with Staff & labour unions. Health & Safety Committee has been appointed at estate level with representation from field, the factory, divisions of the estate and medical staff which is headed by an executive.

We have stayed dedicated to putting our employees' health and safety first despite the urgent issues brought on by climate change. By adhering to the guidelines set forth by the World Health Organization and local authorities, we have taken proactive measures to ensure a safe work environment for all. Almost all the employees (100%) are representing in the Health & Safety Committee and serious issues can be superintendent of the estate. These joint management worker health and safety committee arrangements of estate management with employees and representatives of them are dignified with the collective agreement arrangements with the union representatives and management. Workers engaged on a contract basis are not classified as company employees and are therefore excluded from the reported employee coverage figures. However, while performing work under the Company's control, they are required to comply with the Company's health and safety procedures, and any occupational incidents involving contract workers are managed and investigated in accordance with the Company's established OHS protocols.

The Company actively manages the risks to occupational health and safety that are connected to its activities, goods, and services. It prioritizes efficient procedures, carries out in-depth risk assessments, acknowledges the interconnection of threats, and puts preventative measures into action.

We are providing following health & safety coverages presented to the manager for attention. Meetings are held whenever

necessary and issues raised are reported to the our valuable employees continuously.

- Maternity Benefits
- Death Grants
- Medical Aid Scheme
- Workmen Compensation

We also support the health and well-being of employees by providing access to medical services for non-work-related illnesses and injuries. Special programs are in place to help employees easily access healthcare services, including guidance on finding doctors, booking appointments, and connecting with community health support. This approach ensures that employees receive the care they need on time and helps create a healthy and supportive workplace environment.

WORK RELATED INJURIES

GRI 403-9

For all employees

	2025/26
The number of fatalities as a result of work-related injury	NIL
The number of high-consequence work-related injuries (excluding fatalities)	Infected open fracture
The number of recordable work-related injuries	2 minor injuries were recorded.
The main types of work-related injury	Infected open fracture, Deep cut to right thumb

- **High consequence injuries - injuries that require more than 6 months recovery time**

In our ongoing commitment to promote health and safety within our estates operations, we have implemented comprehensive procedures aimed at minimizing work-related ill health by equipping our workforce with the necessary knowledge and tools, we strive to reduce direct contact with fertilizers.

INDUSTRIAL SAFETY AWARDS

Area	Details
Importance of Industrial Safety	Industrial safety is vital in the plantation sector due to risks from heavy machinery, chemicals, and outdoor field operations.
Purpose of Safety Practices	To protect employees from accidents, ensure their wellbeing, and safeguard the Company from legal issues and reputational damage.
Safety Measures Implemented	Strict safety protocols, regular safety training programmes, and routine safety inspections are conducted.
Workplace Outcome	A safe and secure working environment is maintained for all employees.
Recognition	Pallegoda Rubber Factory received a Merit Award at the Industrial Safety Awards organized by the Department of Labour in the Western Province.

Human Capital

WORK RELATED ILL HEALTH

GRI 403-10

	2025/26
Fatalities – Employees	Nil
Recordable cases – Employees	Nil
Main types – Employees	Nil
Work-related hazards	Identified and assessed through occupational health and safety committee processes; no hazards resulted in ill-health cases.
Actions taken	Controls implemented in line with the hierarchy of controls.
Workers excluded	None
Methodology	Based on occupational health and safety records and internal reporting processes.

(Note; All employees are considered as employees)
If any case of work-related ill health is reported, it is promptly reviewed, and appropriate corrective and preventive measures are taken to safeguard the employee's health and well-being.

Performance Management

GRI 404-3

At our organization, we prioritize the continuous development and performance evaluation of our staff across all estates, including office staff, field staff, factory staff, and other personnel.

To ensure that every employee is supported in their professional growth, we conduct comprehensive monthly performance evaluations for all personnel. The Company is committed to fostering employee growth through a structured performance and career development review process. During the reporting period, **100% of employees** across all employee categories including Head Office Senior Management, Estate Executives, Estate Staff, and Estate Labour received regular performance and career development reviews. This achievement was consistent across both male and female employees, demonstrating the Company's commitment to equal opportunities for performance evaluation, career progression, and professional development.

To effectively manage performance, a structured approach that emphasizes promotions, training, and monetary rewards tied to crop achievements is implemented. This framework aligns with our company's practices and ensures employee engagement, retention, and productivity.

Promotion System

- Promotions (Grade Up) are awarded to field officers who achieve significant crop targets.
- Criteria for promotion include consistent performance in yield improvement, adherence to quality standards, and effective resource utilization.
- Superintendents are promoted to Regional Manager positions (eg. Galle or Matara Regional Manager) based on their leadership capabilities and operational success.

Training Programs

- Comprehensive training programs conducted to equip field officers with modern techniques in plantation management.
- During the training period we focus on areas such as pest control, harvesting techniques, fertilizer application, and resource planning.
- Superintendents and Assistant Superintendents can benefit from advanced skill development programs that emphasize leadership, communication, and change management.

Monetary Benefits

Assistant Superintendents and Superintendents:

- Monetary incentives are provided based on crop achievements. This includes bonuses tied to yield targets or quality improvements.

Year-End Monetary Benefits for Staff:

- At the end of the financial year, staff members across all levels are rewarded with monetary benefits as a token of appreciation for their hard work and contributions.
- These year-end bonuses are tied to overall company performance and individual achievements, ensuring fairness and motivation.

Key Performance Indicators (KPIs)

KPIs should be tailored to measure individual and team contributions effectively:

- Crop Yield Metrics: Total output per hectare or per worker.
- Quality Metrics: Percentage of crops meeting standards.
- Operational Efficiency: Timely completion of harvesting and adherence to resource utilization plans.

Benefits of the Framework

- Promotions and rewards foster a sense of achievement and motivate employees to perform at their best.
- Career advancement opportunities and monetary benefits reduce turnover rates by enhancing job satisfaction.
- Training programs improve technical skills, while incentives drive employees to exceed expectations.

These evaluations are designed not only to assess and recognize individual contributions but also to align personal goals with the organization's objectives. We are committed to fostering an environment of open communication and constructive feedback, ensuring that every employees receives tailored guidance to enhance their skills and career trajectory.

Our rigorous approach guarantees a 100% participation rate in these regular performance and career development reviews. This commitment reflects our belief that every member of our workforce plays a vital role in our success and warrants the opportunity to engage in meaningful discussions about their performance and aspirations. By investing in our team's development, we cultivate a motivated and skilled workforce that drives our organization forward.

TRAINING AND DEVELOPMENT

GRI 404-1/404-2

Our regular training calendar includes customized programmes to add value to our employees. The Group HR function conducts structured orientation programmes for newly recruited staff to support their successful integration into the organization. Exit interviews are conduct to obtain from employees leaving the Company to identify opportunities for continuous improvement and strengthen employee retention practices. Owing to the practical nature of estate operations, these formal processes are applicable to staff employees and are not extended to estate labour.

Leadership and Skill Development Programmes

The Leadership and Skills Development Programs offered by our Company are meant to improve the leadership qualities and knowledge of our members about various aspects of plantation management, which include cultivation techniques, pest management, harvesting methods, and occupational safety issues. These programs are intended to help the employees acquire skills and expertise that will boost operational efficiency and help the organization grow continuously.

Teamwork, employee involvement, and physical well-being of employees can be encouraged in many ways through sports and other recreational activities. Not only does this contribute to improving their health and fitness, but it will also assist them in developing vital skills, such as leadership, teamwork, and effective communication. To fulfill this objective, we have organized a recent cricket tournament between teams of different plantations, thus contributing towards unity and competitiveness amongst the participants. Through these kinds of activities, we strive to make a positive impact on the work environment and build a more effective workforce for NPPLC.

Human Capital

A cricket tournament was organized for the Head Office staff to promote teamwork, employee engagement, and recreational well-being. The event provided an opportunity for employees to interact outside the formal work environment, strengthen relationships, and enhance team spirit. Through this initiative, the Company encouraged physical activity, healthy competition, and collaboration among staff members, contributing to a more positive and motivated workplace culture.

ERP System Training Programmes

Our ERP system training programmes, as provided by our Company, will train the employees to be able to use our specially made ERP system, named "Marksys". Through these programmes, we hope to make the process of managing plantations more efficient by increasing the productivity and making effective decisions on the basis of proper use of the ERP system. The training covers key areas such as data entry, report generation, inventory management, financial monitoring, and other essential system functions, enabling staff members to maximize the benefits of the ERP system within the plantation management environment.

Implanting Programmes

The Plant Implanting Training Programme of our Company is aimed at developing employees' skills and knowledge in the effective planting and maintenance of young plants within the plantation. The programme provides practical guidance on proper planting methods, soil conditioning, irrigation techniques, and crop care practices to ensure healthy plant growth and successful cultivation. Training related to coffee plantation management also plays an important role in enhancing employees' expertise in sustainable agricultural practices. Through these initiatives, the Company promotes environmental conservation, sustainability, and the long-term productivity of plantation operations.

RA Training

The Rainforest Alliance Training programme of our Company focuses on implementing sustainable practices to improve environmental conservation, labor rights, and community engagement within the Company's operations. Through hands-on instruction and education, participants learn how to achieve Rainforest Alliance certification, demonstrating their commitment to ethical and responsible business practices in the protection of the rainforest ecosystem.

Compost Training

The Company's compost training programme is designed to raise awareness among employees about the importance of composting organic waste and how it can be used to produce nutrient-rich soil for sustainable agriculture. Employees are trained on proper methods of preparing and managing compost, reducing organic waste, and enhancing soil fertility to improve crop productivity. Through practical sessions and expert instruction, participants develop the necessary skills and knowledge to apply effective composting practices within the plantation.

Awareness training programme on VAT related statutory payments

The finance division of our Company conducted an awareness training programme for all the estates by region, which was related to VAT-related statutory payments, accounting procedures for VAT, and newly introduced amendments. After productive hours of training, an insightful Q&A session was conducted to solve the practical issues of the VAT-related matters.

Special Training on Cinnamon Market

Staff of our Company was participated for a training which was themed as "Exploring Spice Horizons Market Trends, VAT impact and Export Protocols". And this training was conducted by Spice and Allied Products Producers and Traders Associations of Sri Lanka. An insightful understanding about cinnamon market dynamics were gained through this valuable training.

The Company's training and development initiatives play a pivotal role in talent retention and ensured a sustainable competitive advantage as well as served as motivational tools. Therefore, we aim to create a culture of continuous development to enable them to grow and succeed throughout their careers.

International Executive traning in Malasiya

Namunukula Plantations PLC has provided opportunity to participate international oil palm training program for Deputy General Manager (DGM) and Regional Manager to enhance their technical knowledge and management capabilities in the oil palm sector. These training programs expose managers to global best practices in oil palm cultivation, sustainable plantation management, productivity improvement, and modern agricultural technologies. Through international exposure, managers gain valuable insights into efficient estate operations, environmental sustainability, and innovative industry practices, which can be applied to improve the company's overall plantation performance and competitiveness.

Professional Development and Training Opportunities for the Finance Team

Namunukula Plantations PLC provides continuous professional development opportunities for its finance team through participation in various training programmes. These include workshops on greenhouse gas (GHG) reporting conducted by the Institute of Chartered Accountants of sri lanka, sessions on the implementation of new accounting standards in financial statements, and training programmes conducted by third-party experts on new tax-related regulations. In addition, the finance team also participates in sustainability-focused training initiatives to strengthen their understanding of environmental and social reporting requirements. These programmes ensure that the team remains updated with current regulatory changes and industry best practices, thereby improving the accuracy, compliance, and quality of financial reporting.

Fire Protection Training

Fire protection training was conducted for estate staff and managers under the **"Quick Fire Protection'** theme to strengthen fire safety awareness and readiness. The program focused on quick response to fire incidents, basic prevention methods, proper use of firefighting equipment, and safe evacuation procedures. It helped employees act swiftly and confidently to protect lives and property in emergency situations.

Human Capital

Training on Responsible Waste Management Practices

Waste management awareness and training programs were conducted for estate employees to strengthen environmental responsibility and regulatory compliance. The training focused on waste segregation, the 3R concept (Reduce, Reuse, Recycle), safe handling and disposal of hazardous waste, and proper chemical container management. Employees were also made aware of legal requirements such as zero-burning regulations and good documentation practices. The program promoted sustainable practices including composting, recycling, and safe handling of waste materials to maintain clean and environmentally responsible plantation operations.

Occupational Safety in Agricultural Practices Training

Our company conducted training on Safe Agricultural Practices with a focus on the safe use of agricultural chemicals. The training covered pesticide types, safe storage and transport, mixing and spraying methods, and emergency response actions. Employees were also trained on the proper use of Personal Protective Equipment (PPE), reading chemical labels, and understanding hazard signs. The program highlighted the importance of keeping safe distances from water sources and following safety guidelines. In addition, the training promoted safe chemical handling, spill management, proper disposal methods, and health monitoring to protect employees, communities, and the environment while supporting safe and sustainable plantation operations.

Integrated Pest and Disease Management Awareness Programme

Training was conducted for managers on pest and disease management in oil palm, with a focus on Integrated Pest Management practices. The programme aimed to improve awareness of early identification of pests and diseases, monitoring techniques, and sustainable control methods. Managers were trained on the use of biological, cultural, and chemical control measures to minimize crop damage while reducing environmental impact. The training also emphasized regular field inspections, proper reporting procedures, and the safe and responsible use of pesticides. This initiative supports improved plantation productivity and promotes sustainable and environmentally friendly pest management practices.

Training interventions

	2025/2026
Total Training Hours	26880
Investment In Training (Rs.)	3,020,000.00
Average Training Hours(By Category)	
Workers	-
Staff	23.2
Executive	-
Average Training Hours(By Gender)	
Male	5.3
Female	4.1
Average Training Hours/Employee	10.2

For the purpose of calculating average training hours, only training hours recorded through internal hours recorded through internal training programmes have been considered, as comprehensive records of specialized training hours were not available.

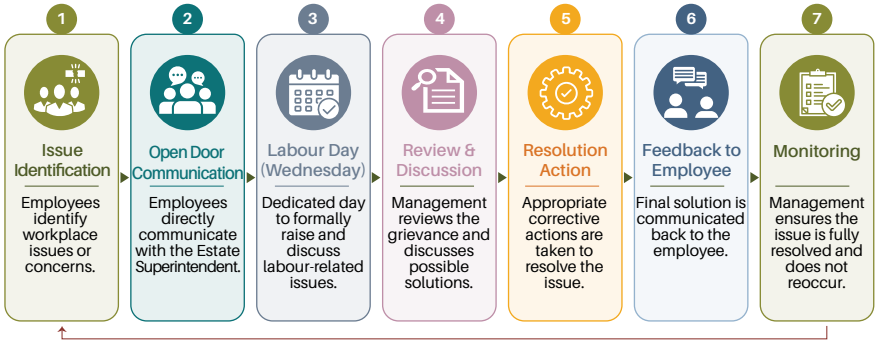
Offering Freedom of Association and Maintaining Healthy Relationship with Trade Unions

GRI 407-1

At Namunukula Plantations PLC, we respect and uphold employees' rights to freedom of association and collective bargaining by providing them with the freedom and opportunity to voluntarily join estate unions, trade unions, and employee associations of their choice. All employees are entitled to participate in collective bargaining processes through their recognised representatives and to raise workplace-related concerns without undue interference. The Company ensures that all employees receive the benefits and entitlements mandated by applicable laws, while also striving to provide safe, fair, respectful, and conducive working conditions that support employee well-being and dignity.

Labour Grievance Mechanism

Namunukula Plantations have an open–door policy and a dedicated system to identify issues and resolve them effectively.



Namunukula Plantations is committed to addressing employee concerns promptly and fairly, ensuring a harmonious and productive work environment.

In the reporting year, we did not record any formal grievances related to violation of labour rights including human rights.

Compliance with human rights, Statutory Laws and Regulations relevant to employment Child labour

GRI 408-1

The company maintains a zero-tolerance approach to child labour and does not employ children in any of its estates or operations. The Company also encourages suppliers to uphold the same standard. To promote children's education, parents are encouraged to ensure regular school attendance, while Child Development Officers provide guidance and support to estate workers' children until they complete their Ordinary Level education.

Child care provided for resident employees in their divisions and welfare officers monitor attendance of children to ensure that they avail themselves of the early childhood development opportunities, nutrition and other measures taken to promote their health and well-being.

Human Rights Protection

At NPPLC, we prioritize the human rights of our employees, not merely because it's mandated by law, but because we deeply value humanity. Our commitment extends beyond basic human rights; we offer our employees the freedom they inherently desire. Should any human rights concerns arise, employees can engage in open communication with management to find appropriate resolutions. Additionally, we have designated a specific day for employees to voice any grievances at the estates.

Engagement with the Local Communities

GRI 202-1, 413-1/2

We are highly engaged with the local communities as a plantation Company since many of the inhabitants are directly and indirectly involved in our operations. We've gone above and beyond the employee level on numerous occasions, collaborating closely with the estate and the surrounding community at large. We organize several awareness workshops followed by demonstrations to help them to get better understand on the fundamentals of financial literacy, health, and safety. The statutory minimum daily wage is LKR 1,200 and the minimum

monthly wage is LKR 30,000, the Company pays a standard monthly wage to eligible employees and provides a daily wage of LKR 1,550 to daily-paid estate workers, reflecting its commitment to fair and competitive remuneration.

We also collaborate closely with a variety of government and non-governmental organizations (NGOs) to deliver high- quality training and awareness programmes, as well as study tours. We also work closely with the village communities and have built a connection with them, so that they can raise issues to the estates directly through the Community Development Forum. Villagers also use the mechanism of complaining through the Grama Sevaka and Divisional Secretariat to convey their grievances.

The Company's operations did not result in any identified significant actual or potential negative impacts on local communities during the reporting period.

We shall consult local communities regarding plans for new projects, constructions, diversification or any other operational changes that affect the local communities and their views will be considered in the decision making process also we screening environmental & social impact before starting any major project & operational change. This social impact assessment is applicable for projects where the environmental and social screening has identified as a need to assess social risk and impact issues. Its purpose is to identify and analyze potential adverse impacts and to ensure that the needs and conditions of people affected by a proposed project are fully taken into account in project design and that suitable mitigation measures are identified as needed. It should also contribute to enhance opportunities for developmental benefits for affected groups.

The organization hired senior management from the local community including 100% Sri Lankan resident citizens who are expert in the industry to handle all agricultural operations related to our Company and having high management skills as senior management. Well Qualified & industrially experienced head of senior management is coordinating & directing all estate operations. Through this we have given the priority for the local talent and knowledge.

Investments in community level projects

Many residents in the communities don't have basic conveniences as they do not invest in the upkeep of their residences due to ownership issues. Thus, plantation companies work with the Plantation Human Development Trust (PHDT) to provide them with adequate housing and accommodation to ensure that an acceptable standard of living is maintained within the estates managed by us. The PHDT is an organization consisting of the Government of Sri Lanka (GOSL), Regional Plantation Companies (RPCs) and Plantation Trade Unions (TU) formed by the GOSL to implement social development programmes to enhance the quality of life of the one million plantation community in the estates managed by the Regional Plantation Companies of which Namunukula Plantations is one. Namunukula Plantations has contributed LKR 6,196,195 to PHDT during the financial year. Furthermore, our CSR activities are implemented based on our community and their welfare. Details of our CSR projects are contained at the end of Social & Relationship Capital report in page no 207 to 218.

Against Corruption

GRI 205-1

As the management team we are the agents of shareholders of the Company. Hence, we have responsibility in preventing the corruptions at the Company and estates to save shareholders' wealth. Thus, we have applied strong control systems and processes to eliminate the errors and frauds from top to lower level of the organization. Anti-corruption training has been given to our executive employees with decision authority. All internal operations are conducted as a process of approving. Approval levels are defined based on their level of hierarchy. All accounts prepared by the estates are rechecked by head office management team with staff. At the estate level watchers are engaged for securing the plantations assets such as Factories, Machineries, Bungalows, Office premises etc. We receive the service of group internal audit team with the industrial experts' knowledge continuously. Further external auditors visit estates and head office annually. The Company conducts periodic assessments to identify and manage corruption-related risks across its operations. During the reporting period, 100% of the Company's operations were assessed for risks related to corruption through internal control and risk management processes.

To further clarification please refer social and relationship capital chapter (page 210).

Commitment to a Safe and Respectful Workplace

GRI 2-23/205-2/205-3

Our steadfast support for Group HR's efforts to provide a respected and safe work environment for all employees, especially our female workers, is something we would like to convey. As a Company, we wholeheartedly support the "Homely Safe Workplace for Women" theme and are dedicated to making sure that our workplace gives women the confidence and respect they deserve.

We acknowledge the value of candid communication and its contribution to the fight against workplace harassment. We have made sure our teams are aware of these programs, and we have urged them to participate in awareness visits and make use of the open-door policy.

The Company's key policy commitments, including Corporate Governance, Code of Business Conduct and Ethics, ESG Sustainability, Whistleblowing, and Anti-Bribery and Corruption policies, are publicly available through its corporate website.

In alignment with our commitment to ethical governance and transparency, we have established a comprehensive 'Whistleblowing Policy' designed to encourage and protect individuals who report suspected misconduct or violations of our ethical standards. This policy is instrumental in fostering a culture of integrity within our organization, ensuring that all employees feel safe and supported when coming forward with concerns.

Scan the QR Code for further details

Policies — Arpico Investor Relations

Additionally, we have implemented a robust 'Anti-Bribery and Corruption Policy' that underscores our dedication to maintaining the highest standards of integrity in all our operations. This policy is designed to prevent, detect, and address any instances of bribery and corruption within our organization and our supply chain.

Namunukula Plantations PLC is committed to maintaining the highest standards of integrity and ethical business conduct. During the reporting period, the Company's anti-corruption policies and procedures were communicated to 100% of governance body members, employees across all categories and regions, and relevant business partners through the official Richard Pieris Group and Company websites, internal communication channels. Awareness of these policies is further reinforced through monthly management meetings, where governance, compliance, and ethical business practices are regularly discussed, with key anti-corruption matters also reviewed by the Sustainability Committee where relevant.

Through these continuous communication and engagement initiatives, the Company promotes a strong culture of transparency, accountability, and zero tolerance for corruption throughout its operations. Furthermore, we are pleased to report that during this reporting period, there have been six incidents of corruption or harassment within our organization. Our ongoing commitment to these principles not only enhances our reputation but also contributes to sustainable business practices in the communities we serve.

Scan the QR Code for further details

https://l1nq.com/a7fcp3e

LABOUR RELATIONS

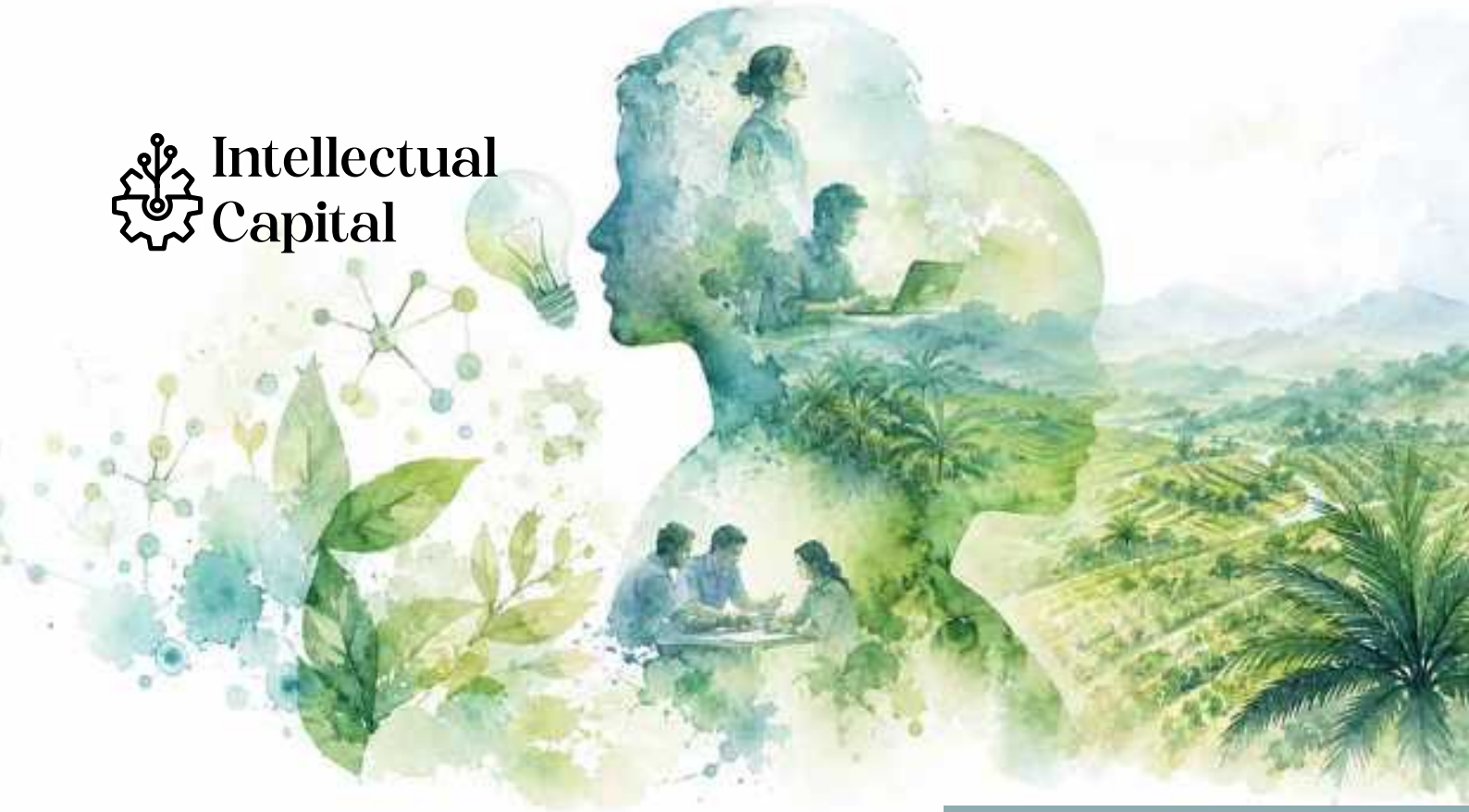
GRI 402-1

As part of our commitment to fair labor practices and employee well-being, we adhere to providing a time period to employees and their representatives before implementing significant operational changes that could have a substantial impact on their work conditions. There is no standard minimum notice period for significant operational changes. The notice period is determined based on the nature and scale of the change, in accordance with applicable labour laws, and employment contracts .

This allows for transparent communication and collaboration in finding solutions that prioritize the welfare of our workforce. Before implementing that significant operational change, our Company management decides a reasonable time period to implement the change. Further relevant Memorandums circular among the responsible parties and relevant precautionary measures may undertake before the operational change.

To strengthen labour relations among estate workers, the organisation has established a direct communication channel that enables employees to contact the Head Office team regarding workplace-related issues and concerns. This mechanism enhances trust and transparency between employees and management by ensuring that workers' voices are heard promptly and without unnecessary intermediaries. It also facilitates the timely identification and resolution of grievances, thereby reducing workplace dissatisfaction and preventing potential conflicts. This initiative is presented under the Social and Relationship Capital section (page 210).

Intellectual Capital



To maximize business value, knowledge–based intangible assets must be managed effectively. Corporate values and culture, market positioning, governance frameworks, leadership styles, collective knowledge, quality standards, best practices, information systems, distinctive procedures, and inventive strengths are all components of NPPLC's

The intangible resources that raise an organization's worth and competitive advantage are referred to as intellectual capital. It is essential for boosting productivity, promoting long-term growth, and quickening creativity. Businesses may adapt, differentiate themselves from rivals, and create cutting-edge goods and services by investing in intellectual capital. It encourages collaboration, learning, and knowledge exchange, which improves decision-making and problem-solving skills. Furthermore, a strong emphasis on sustainability within intellectual capital can attract top talent, improve customer loyalty, and enhance a company's reputation. Businesses need to invest in strategies for managing and using their intangible assets if they want to thrive in the knowledge-driven economy.

Management Approach

The organization manages intellectual capital through ethical and transparent business practices, employing industry experts with market and agricultural product knowledge, and increasing internal knowledge and know-how to drive year-on-year growth. Namunukula Plantations integrates high quality standards, expert knowledge, and modern business practices into its corporate strategy, creating intellectual capital value for stakeholders.

Our focus is on producing and optimizing derived intellectual capital value, and we collaborate with our stakeholders to strengthen these intangible assets. The identified factors work together to enhance the company identity, even though they are developed separately.

As a result, the main goals of our strategy are to strengthen our corporate brand, which is known for its high-quality products; adopt ethical and sustainable business practices in accordance with the standards established by our best manufacturing, agricultural, and work practices; train staff members, share knowledge, and foster a performance-oriented work environment; introduce process improvements; invest in research and development to create innovative processes; and rely on market intelligence to make logical decisions at both the strategic planning and operational planning levels. We closely monitor our strategy and plans against agreed-upon key performance indicators.

Value Creation Through Intellectual Capital

Intellectual capital stands as our critical drivers in building and reinforcing our value proposition which gives us a point of differentiation in a highly competitive industry. We work together with our stakeholders to strengthen these intangible assets while focusing on optimizing and creating derived intellectual capital value.

SDG's

Awards and Accolades

- Namunukula Plantations PLC won the Silver Award in the Plantation Companies category (Group Turnover up to LKR 5 Billion) at the TAGS Awards 2025 organized by the Institute of Chartered Accountants of Sri Lanka.
- Namunukula Plantations PLC received the Merit Award at the CMA Excellence in Integrated Reporting Awards 2025 organized by The Institute of Certified Management Accountants of Sri Lanka.
- Awarded "Best Intergrated Report – Plantation Sector" "Second Runner up Joint At CMA Excellence in Integrated Reporting Awards 2025
- Namunukula Plantations PLC won the Silver Award in the Plantation Companies category (Group Turnover up to LKR 5 Billion) at the TAGS Awards 2024 organized by The Institute of Chartered Accountants of Sri Lanka.
- Namunukula Plantations PLC received the Compliance Award at the CMA Excellence in Integrated Reporting Awards 2024 organized by The Institute of Certified Management Accountants of Sri Lanka.
- The Buluwana Division Child Development Center at Hulandawa Estate won the Best CDC Competition 2024 award.

Intellectual Capital

Strategic Responses for 2025/2026

- Strengthen compliance with international certifications and sustainability standards.
- Continue maintaining quality assurance and industry best practices across operations. .
- Enhance workforce capabilities through training, development, and empowerment initiatives.
- Promote sustainable agricultural practices and environmental stewardship.
- Improve employee health, safety, and welfare standards.
- Accelerate digital transformation and data-driven plantation management.
- Focus on value addition and product diversification to improve market competitiveness.
- Enhance governance, risk management, and regulatory compliance frameworks.

Intellectual Capital for Organizational Excellence

GRI 2 -28

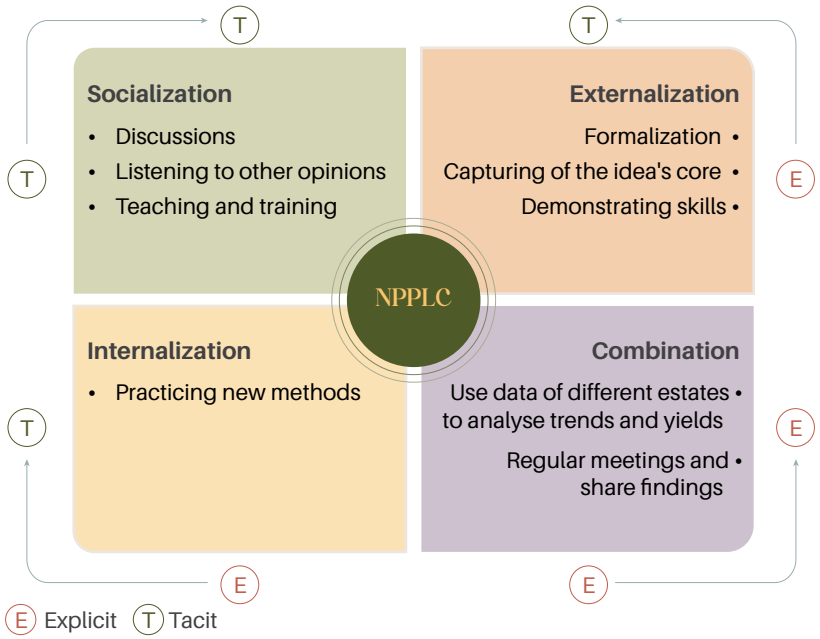
Industry collaboration and best practices

- The Colombo Tea Traders' Association
- The Planters' Association of Ceylon
- The Colombo Rubber Traders' Association
- The Employers' Federation of Ceylon
- Species and Allied Products Producers & Traders Association
- Palm Oil Industry Association of Sri Lanka

NPPLC recognizes intellectual capital as a key driver of organizational excellence and long-ter success. This includes Human Capital, Structural Capital, and Relational Capital.

Intellectual Capital Component	How We Create Value
Human Capital	Creates value through employee training and development, leadership programs, knowledge sharing, mentoring, coaching, collaboration, and innovation. These improve productivity, crop quality, operational efficiency, and innovation capability while transforming employee knowledge and expertise into a competitive advantage.
Structural Capital	Creates value through digital documentation systems, standardized procedures, sustainability certifications, organizational policies, and knowledge management systems. These help preserve institutional knowledge, improve decision-making, enhance operational consistency, and support long-term efficiency and sustainability.
Relational Capital	Creates value by maintaining strong relationships with investors, customers, employees, trade unions, suppliers, industry associations, communities, and government institutions. These relationships strengthen trust, reputation, customer loyalty, market access, sustainability practices, and long-term business stability.

As we believe that our intellectual capital shapes NPPLC in to a path of continuous growth and development, we every time try to simplify our knowledge base instead of just doing an ordinary improvement. Here we mean the concept of "Knowledge simplification" to the process of enhancing, expanding, or increasing the scope, depth, and accessibility of our organizational knowledge. This create values for our company such as improving our decision making process, fostering our innovative culture, enhance our Problem-Solving skills, creating us a competitive advantage, improving organizational learning and employee development and enhance our customer satisfaction.



Tactic Knowledge

NPPLC strives to acquire, share, and improve tacit knowledge, and our procedures ensure that employees have knowledge and possess the required high level of experience to drive business goals and strategies. Further, as NPPLC employs a mix of experienced and newly graduated people, the company is well poised to benefit from the industrial and field experience of employees and employees who bring the newest and latest business practices to the company's business operations.

Company culture incentivizes knowledge-sharing behavior and retains older employees to preserve the tacit knowledge of the company. Mentoring, coaching, workplace collaborations, meetings, and brainstorming sessions are used as knowledge-sharing tools by the company. Since tacit knowledge is mostly experiential, employee training and development have become pivotal. We conducted, facilitated, and encouraged our employees to participate in training programmes to improve their technical, industrial, as well as professional knowledge.

Our board of directors comprises individuals with diverse experience and expert knowledge, which shows an appropriate mix of knowledge and experience at the top of the company to take Namunukula Plantations higher. Senior management consists of well-qualified experts who have been working in the corporate industry for many years.

Overall, Namunukula Plantations' emphasis on gathering, disseminating, and enhancing tacit knowledge via a variety of programmes and structures reveals a dedication to ongoing learning, growth, and retaining a competitive advantage in the industry.

Innovation

Innovation is a crucial factor in driving business success, and creating an environment that fosters innovation is critical. We inspire our employees by creating an environment within our business that encourages innovative thinking and action. We stimulate our employees to be honest and open to conveying their ideas while exploring initiatives without fear of retribution. As a preliminary step towards innovation, we strive to hire people who understand the vision and align with our culture but have different perspectives and diverse backgrounds. We create work practices to encourage new initiatives and take quick action to implement employee ideas and suggestions where possible. This approach can also increase employee motivation and engagement as they feel their contributions are valued and appreciated.

Progress of our intellectual capital targets

Intellectual Capital targets	Progress to date
Increase machine plucking in our production process	Already distributed to Uva range
Factory Automation Process	Under progress
ISO Certification	ISO 14064-1:2018
ISO 22000:2018	Registered

Enhancing corporate Knowledge

NPPLC, through a Memorandum of Understanding with the University of Sri Jayewardenepura, demonstrates its commitment to academic-industry collaboration. The partnership enables NPPLC to support student internships, providing practical experience and exposure to industry best practices. It also allows the company to access new ideas and innovative perspectives, enhancing its knowledge base and strengthening its role as a responsible corporate citizen committed to workforce development and higher education.

Corporate Values and Culture

The Namunukula Plantations corporate culture is derived from the company's vision, mission, values, governance framework, leadership structure and corporate hierarchy, and our approach to risk management. By applying the values of agility, proactiveness, integrity, quality, and team spirit, the company is well-poised to work as one team in an ethical and transparent manner to create value for stakeholders. Agility ensures the capability to sense, create, and respond to change quickly and confidently. Proactiveness ensures Behavior involves acting in advance to deal with future situations; integrity ensures honesty in all we do by everyone who is a part of the company; team spirit ensures the feeling of pride and loyalty that exist among the team members; and quality allows commitment to meet business and customer requirements in a satisfactory way.

Supply Chain and Quality Management

NPPLC maintains an integrated supply chain and quality management system to ensure operational efficiency, product traceability, and consistent quality standards across all stages of production. The Company follows established quality assurance

Intellectual Capital

procedures, sustainable processing standards, and effective logistics management practices to deliver high-quality products to local and international markets. The Company continuously strengthens traceability systems, supplier relationships, and operational controls to enhance product reliability, customer confidence, and market competitiveness.

NPPLC encourages collaboration and cooperation throughout its Supply chain & value chain by extending its best practices to both backward and forward integration partners. This approach not only benefits the company, but it also helps to enhance quality standards and the sustainability of the industry.

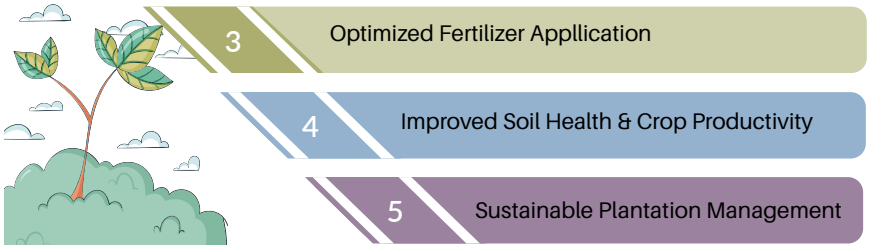
Corporate Governance System & Risk Management

The company's extensive governance framework, incorporating mandatory requirements and voluntary best practices alongside a robust risk management model, ensures transparent and ethical management while proactively mitigating risk factors. These elements of intellectual capital contribute to maintaining the company's corporate reputation in the marketplace.

The governance framework outlines procedures that ensure effective and compliant operations, promoting integrity and accountability. Together, these practices form a strong foundation for corporate governance, foster responsible business conduct, and safeguard the company's reputation. By upholding transparency, ethics, and proactive risk management, the company demonstrates its commitment to responsible practices and strengthens its position in the marketplace

Research and Development (R&D)

During the year under review, the Company continued to strengthen its Research and Development initiatives through systematic leaf and soil sampling programs conducted across the plantations. These analyses were undertaken to accurately assess soil nutrient composition and plant nutritional requirements, enabling the formulation of scientifically based fertilizer applications. The initiative supports sustainable plantation management by optimizing fertilizer usage, improving crop productivity, enhancing soil health, and promoting cost efficiency. This investment in agronomic research reflects Namunukula Plantations PLC's commitment to innovation, sustainable agricultural practices, and the effective development of its intellectual capital.



Crop Diversification

At Namunukula Plantation, crop diversification remains a key pillar of our long-term agricultural sustainability and business resilience. By cultivating a balanced portfolio of perennial and commercial crops including coconut, tea, rubber, oil palm, and cinnamon, the plantation continues to strengthen productivity while minimizing dependency on a single commodity.

This diversified cultivation model enables the plantation to:

- Reduce exposure to market price fluctuations and climate-related risks
- Enhance land utilization efficiency across varying agro-climatic zones
- Promote sustainable soil and environmental management practices
- Generate multiple revenue streams throughout the year
- Support long-term economic stability and operational resilience

Our Diversified Crop Portfolio

Tea Cultivation

Tea continues to be one of the plantation's core agricultural sectors, contributing significantly to revenue generation while maintaining high standards of quality and sustainable estate management.

Rubber Cultivation

Rubber cultivation supports industrial raw material demand and provides a stable long-term income source through systematic tapping and estate management practices.

Coconut Cultivation

Coconut cultivation has expanded the plantation's agricultural diversity by contributing to both domestic consumption and value-added product opportunities, while enhancing ecosystem sustainability.

Oil Palm Cultivation

Oil palm cultivation contributes to efficient land productivity and supports the growing edible oil industry through high-yield agricultural practices.

Cinnamon Cultivation

As a high-value spice crop, cinnamon cultivation strengthens the plantation's export potential while promoting Sri Lanka's globally recognized spice heritage.

Intellectual Capital

We are excited to share that we have embarked on our journey of **coffee cultivation**, and our initial research phase has progressed remarkably well, reaching 80% completion. We have meticulously analyzed soil quality, climate factors, and sustainable farming techniques to create a solid foundation for our coffee plantation. As we move forward, we are eager to apply our findings and continue refining our approach, ultimately aiming to produce high-quality coffee that reflects our commitment to excellence and sustainability.

In-house developed information systems

In-house-developed information systems can be tailored specifically to the organization's unique requirements and workflows. We believe confidential and responsive information systems are critical to staying ahead of the curve. The company is currently in the process of upgrading the existing MIS system at Marksys to ensure the business is fully equipped to optimize information availability to make correct decisions.

An effective and reliable internal information system can give the company a competitive edge. It can boost user requirements, increase productivity, and help with strategic decision-making. In the past year, the Kinellan Tea Center has made significant strides in innovation with the successful development of Marksys, designed to enhance our operational efficiency and customer engagement. Moreover, in order to be profitable, scalable and competitive in today's corporate environment, information technology and digital infrastructure are essential. Consequently, the company regards investing in such as a top priority.

The company has put in place a number of policies to guarantee a strict framework to protect the company's intellectual property while also being aware of the numerous risks associated with cyber security, cyberattacks, and hacking. The IT department of the Richard Pieris group is in charge of carrying out the organization's digital strategy, which includes establishing IT rules and defending against online attacks.

Group Synergy

As part of the Richard Pieris Group, part of the biggest plantation family, and one of the venture partners of a joint venture arrangement having to manufacture palm oil production called AEN Palm Oil Processing (Pvt) Ltd., we tap into the high standards of systems and procedures, the strength of forward integration, highly evolved systems of management, and the expertise of leading industry professionals in the country. Committed to sustainability, we prioritize environmentally responsible practices and aim to minimize our ecological footprint through innovative technologies and sustainable sourcing methods in our palm oil production process.

Our Brands

Our brand represents the overall impact or lasting impression that all stakeholders have had with the company. We have remained committed and upheld sustainable agricultural and manufacturing practices to reach operational excellence. This has paved the way to position our brands for quality and standards, secure market confidence, and attract premium prices, even ahead of the national averages in several instances.

During the 2025–2026 financial period, the company further strengthened its intellectual capital and value-added product portfolio through the introduction of innovative specialty tea products aimed at enhancing brand positioning and market differentiation. As part of this initiative, the company introduced the **Kinellan Special Wooden Tea Box,** a premium gift packaging concept specially designed to target the high-end and corporate gifting market segments. The wooden tea box was developed with a focus on premium presentation, product protection, and customer experience, reflecting the company's commitment to quality, innovation, and sustainable branding practices. This initiative has significantly enhanced the visual identity and perceived value of Kinellan tea products in both local and international markets.

In addition, the company introduced an unique specialty tea grade produced from carefully selected silver tips under the brand name **"Silver Feathers."** This premium tea grade represents the company's expertise in specialty tea manufacturing and its ability to produce high-value products that meet the growing demand for luxury and artisanal teas in export markets. The production of Silver Fathers tea requires specialized plucking standards, skilled processing techniques, and strict quality control procedures, demonstrating the advanced knowledge and technical capabilities available within the organization.

Intellectual Capital

Leisure Services

Namunukula Plantations PLC has holiday bungalows in the Yatadola, Citrus, and Hindagala estates. Renting out these holiday bungalows adds value to the NPPLC brand through the recognition of local and foreign customers as a leisure product.

Our Kinnelan Tea Centre provides services aimed at improving our customers' knowledge and enjoyment of tea. Our factory visits offer a fascinating look into the complex procedures involved in making tea, enabling customers to observe directly the artistry required to turn fresh tea leaves into the delicious beverage. Their understanding of tea will grow as a result of this unique experience.

We offered customers an immersive experience in our fields, allowing them to dress like traditional pluckers and actively participate in the harvest. This hands-on opportunity deepened their connection to our heritage and fostered lasting memories rooted in authenticity.

Also, we offer tea tasting opportunity, where customers can savor a variety of teas, discovering their unique flavors and aromas.

NPPLC leverages extensive industry expertise and agricultural knowledge built over generations of plantation experience. This includes deep understanding of crop cultivation, estate management, and field operations developed through long-standing involvement in the plantation sector. The Company benefits from strong field-level expertise in crop management, harvesting practices, soil care, and productivity improvement techniques. This practical knowledge is supported by technical know-how and continuous learning from evolving industry standards and agronomic advancements by combining traditional plantation experience with modern agricultural practices. NPPLC enhances operational efficiency, improves crop yields, and maintains consistent product quality. This accumulated expertise also supports effective decision-making and strengthens the Company's long-term competitiveness and sustainability in the plantation industry

International Certifications

ISO 22000:2018 - Food Safety Management

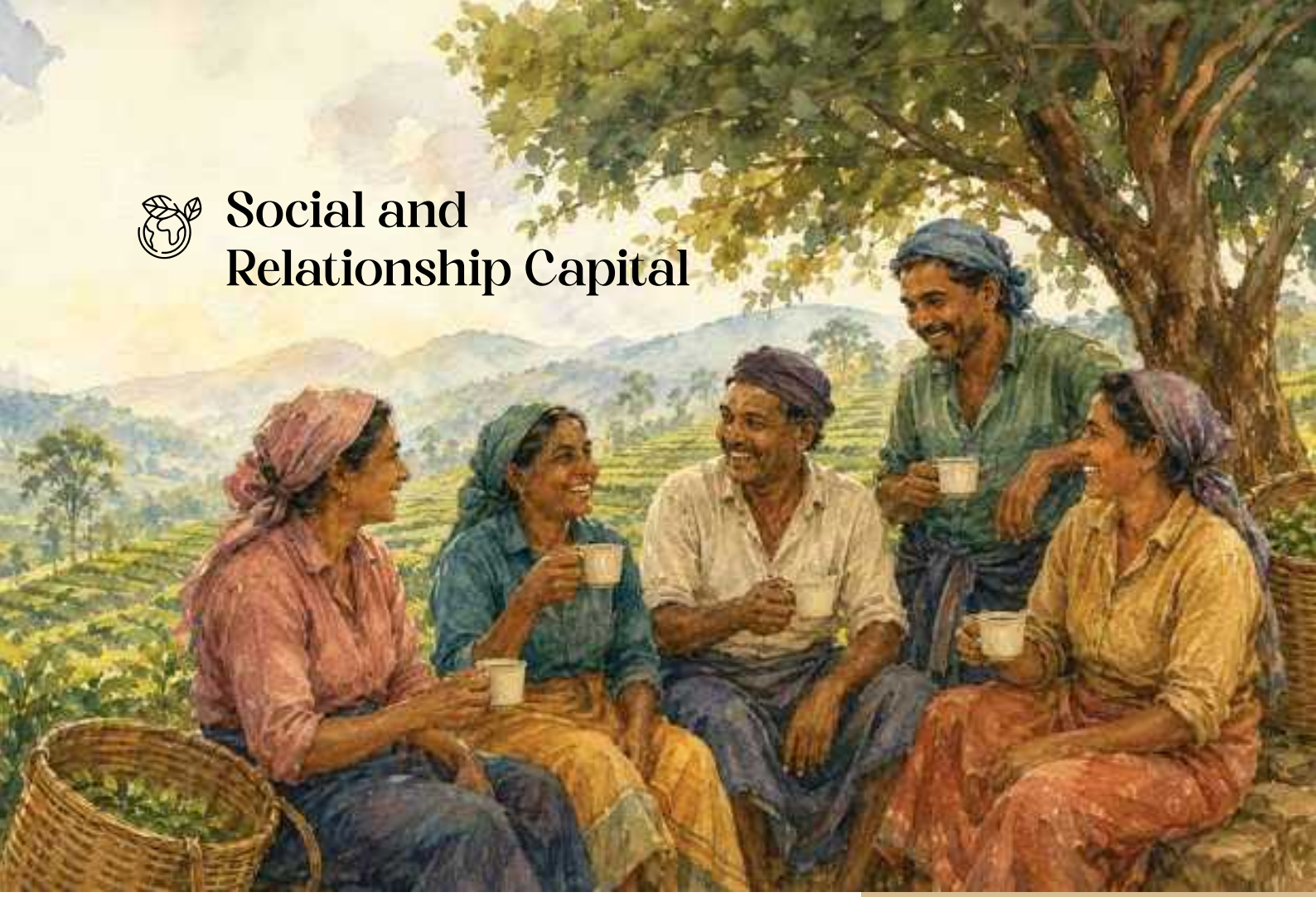
This Certification covers,
Food safety
Food quality assurance
Food hygiene

This ISO 22000:2018 Certificate obtain 05 tea factories of NPPLC namely Gonakelle, Canavarella, Hindagala, Kinnalan and Baddegama which is valid for the scope of manufacturing of orthodox black tea grades.

ISO 14064-1:2018 Greenhouse gas (GHG) emissions and removals

International Organization for Standardization ISO 14064-1:2018 Greenhouse Gas (GHG) Emissions and Removals provides a globally recognized framework for quantifying, monitoring, reporting, and managing greenhouse gas emissions and removals at the organizational level. At Namunukula Plantation, this standard supports the transparent assessment of emissions generated through operational activities while also recognizing carbon removals achieved through sustainable land management and conservation practices. The application of ISO 14064-1:2018 strengthens the Plantation's commitment to environmental responsibility, climate-conscious operations, continuous improvement in carbon management, and alignment with international sustainability reporting practices. (Sustainability Chapter- Page 90)

Social and Relationship Capital



Social Capital reflects our commitment to building strong relationships with employees, communities, customers, and all stakeholders connected to our operations. As a responsible plantation company, we continue to promote employee wellbeing, community development, ethical practices, and inclusive engagement to create sustainable social value while supporting long-term business growth.

- No of bought leaf suppliers **48**
- Monetary value of significant fines **Zero**

Social capital, which includes reciprocity, trust, and group cohesion, is the value created by social networks, relationships, and interactions within a community. It improves staff performance, collaboration, engagement, and creativity for organizations, creating a positive work atmosphere that raises morale and productivity. By integrating sustainability into social capital projects, businesses and the environment both gain from improved community relations and the promotion of ethical behavior. In addition, the triple bottom line idea, which emphasizes social, environmental, and economic aspects, emphasizes how crucial the social component is to attaining long-term success. Understanding and leveraging social capital while integrating sustainable practices can foster trust and loyalty among stakeholders, creating a positive impact on society and the planet.

SDG's

Social and Relationship Capital

Management Approach

Developing long-term relationships with important stakeholders creates social and relationship capital. The Company constantly contacts with stakeholders to establish long-term relationships and better understand their business operations and needs.

To meet consumer and market demands and create long-term value, the company shares information with value chain stakeholders through forward and backward integration, using various communication methods to build strong relationships and better understand their business operations. As a plantation enterprise, a large portion of our inputs and outputs are dependent on robust value chain operations. The Company recognizes the influence of its operations on surrounding communities. As a good corporate citizen, it collaborates with community members to improve their livelihoods and promote community growth.

NPPLC prioritizes community problems and aims to assist the entire society. As a responsible corporate citizen, NPPLC prioritizes community concerns when making decisions and setting budgets.

The company addresses negative repercussions of its operations by frequent analysis and discussions with active social unions. NPPLC is dedicated to ensuring that its business operations have no adverse effects on the community.

Furthermore, NPPLC tries to fulfill the community's collective desires. The Company improves and builds infrastructure for sanitation, housing, education, and transportation.

We communicate with our tea and rubber brokers on a regular basis to stay up-to-date on market trends and consumer needs. This allows us to meet changing consumer preferences and market situations.

We are sensible, structured, and responsible in how we interact with our social communities. Our corporate strategy and action plans align with our commitment to social responsibility.

Value Creation through Social Capital

The Company is aware that financial performance and business growth are dependent upon our ability to sustain strong relationships with these external stakeholders and hence, we create an operating climate which enables meeting these stakeholders' expectations in the long term.

Strategic Responses for 2025/2026

GRI 2 -27

- Communicate and gained commitment from internal and external stakeholders.
- Maintain ethics throughout the value chain.
- Collaborate with certification and monitoring bodies to strengthen the operations.
- Strengthening employee engagement and welfare through improved communication, wellbeing programs, and workplace support initiatives.
- Enhancing community relationships by supporting education, health, infrastructure, and social development activities within estate communities.

We must acknowledge the vital role social capital plays in fostering the success of our business as we look back on the last year and make plans for the future. The foundation of our operations has been social capital, which is made up of the networks, relationships, and trust that are deeply ingrained in our business and its larger ecosystem. Our policy decisions are guided by social capital, which also affects how we interact with stakeholders.

We have established a foundation of respect and trust with our suppliers, consumers, employees, and communities that enables our business to flourish sustainably. We emphasize diversity, inclusivity, and open communication in our friendly workplace culture, which reflects our commitment to social capital. These positive social norms have strengthened business performance by boosting employee morale and engagement and by building an innovative and excellence-driven culture. During the reporting period, Namunukula Plantations PLC complied with the applicable laws and regulations governing its operations. No instances of material non-compliance were identified, and accordingly, no significant fines, penalties, or non-monetary sanctions were imposed.

We've expanded our market share and reached new opportunities by leveraging social capital through partnerships. Our commitment to nurturing social capital is vital for enduring success and sustainable development, promoting collaboration and embracing diversity to create value for all stakeholders.

Social Capital Targets	Progress to Date
Support of Local Events	We've celebrated festivals from diverse religions in our estates, fostering unity and cultural appreciation among all residents.
Health and Wellness Programmes	We've organized health camps and provide free medical services to individuals who might otherwise face challenges in obtaining quality health care.
Effectively identify customer satisfaction levels and reduce complaints	At our kinellan tea center we have established separate boxes for customer suggestions and complaints.
Educational programs or scholarships provided to the community.	• Providing financial assistance for children of all categories of employees pursuing university studies. • We have constructed Child Development Centers (CDCs) for children of our estate workers.
Establish Child Development Centers (CDCs) for children of our estate workers in all estates	Namunukula Plantations PLC conducts Child Development Centers (CDCs) across our estates while providing nutritious meals to support children's wellbeing, healthy growth, and overall development.
Strengthen employee engagement and communication	Implemented the "We Listen – We Act" initiative to encourage direct communication between workers and management.
Strengthen access to financial services	Initiated discussions with national banks to establish ATM facilities near estate locations for employee convenience.

(This table indicates the progress of our social capital. Please refer to the NPPLC's Sustainability Chapter [page 71] to find out our performance)

Our Engagement Activities

Social welfare related Activities

- Brailing initiative of our 7th Integrated Annual Report
- Financially Supporting Employee's Children in Pursuing Higher Education
- Promoting Industry-Academia Collaboration through a Memorandum of Understanding (MOU)

Health & Well–being related Activities

- Eye Screening Programmes
- Dental Care Initiatives
- Health Campaigns
- Construction of CDCs (Child Development Centres) under World Bank Assisted ECD (Early Childhood Development Project)
- Awareness Programme on Enhancement of Nutritional

Mobilization Activities

- Home gardening awareness Programmes
- House Hold Cash Management Programmes

Community Involvement and Development Related Activities

- International Women's Day celebrations
- Pongal Festival Celebrations
- Katina Ceremony
- Vesak Kalapaya

Engineering Activities

- New Life Housing Programmes
- Developing infrastructure, including internal roads.

Enhancing Accessibility and Inclusivity:

We are committed to ensuring our annual report is accessible to all.

A Braille version of 8th Integrated Annual Report is available upon request.

Transforming our annual report into a Braille version exemplifies NPPLC's unwavering commitment to fostering an inclusive and equitable society. By meticulously brailling our financial and operational data, we are breaking down barriers that hinder access to vital information for the visually impaired community. This initiative not only reflects our dedication to social responsibility but also underscores our belief that transparency and inclusivity are fundamental to sustainable growth.

Providing the annual report in Braille empowers visually impaired individuals, students, investors, and community members alike to actively engage with our company's performance, strategic goals, and financial stability. It opens doors for them to gain a deeper understanding of our industry, encouraging informed participation in economic and social dialogues. Moreover, this effort supports educational opportunities for visually impaired students by offering them authentic educational resources, thereby fostering knowledge and independence.

Our commitment extends beyond compliance; it is a testament to our responsibility towards society. Distributing accessible information reinforces our values of equality and respect for diversity. It also builds stronger trust and rapport with all stakeholders, customers, investors, employees, and community partners by demonstrating transparency, openness, and genuine care.

Through this initiative, NPPLC reaffirms its pledge to serve as a responsible corporate citizen dedicated to creating an inclusive environment where everyone has the opportunity to thrive. Our ongoing efforts to enhance accessibility reflect our broader vision of a society where no one is left behind, and where our actions contribute positively to social progress and unity.

Inquiries on the Braille version of our 2025/26 Integrated Annual Report :

Please feel free to contact us to request a viewing of the Braille version of our 8th integrated annual report. We are committed to ensuring accessibility for all individuals, and we will do our best to accommodate your needs. Please reach out to Finance Division of NPPLC for assistance in accessing the Braille version of our report.

Terms and conditions apply

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Social and Relationship Capital

LOCAL COMMUNITY

GRI 413-1

Since meaningful engagement is the foundation of long-term success, we are committed to establishing sincere relationships with the local community. We are dedicated to going beyond token gestures and making a meaningful impact on the communities we serve. We think that reinventing our relationship with the community is crucial for mutual prosperity and sustainable progress in a setting where economic and societal problems are always changing.

During the reporting period, the Company operated 18 estates, all of which implemented local community engagement initiatives and community development programmes.

Accordingly, 100% of NPPLC's operations (18 out of 18 estates) implemented local community engagement, impact assessments, and community development programmes during the reporting period.

Our dedication to the local community is manifested through the following initiatives:

We Listen - We Act" project

During the current year, as a key initiative under the company's Social Capital development strategy, the "We Listen - We Act" project was introduced to strengthen communication and trust between estate-level employees and top management. Under this program, dedicated contact telephone number were established and widely displayed in all 18 estates premises and public locations, enabling workers and community members to directly communicate their concerns, suggestions, grievances, and any reported issues or irregularities to senior management without barriers.

The primary objective of this initiative is to promote transparent, open, and effective communication across all levels of the organization, ensuring that employee voices are heard and appropriate action is taken in a timely manner. This system has created a more responsive management culture and improved accountability within the organization.

During the year, several valuable recommendations and complaints were received through this platform. Internal audits were conducted at Tennahena, Yatadola, Walpita, Citrus, Hindagala, and Pingarawa Estates to investigate serious complaints, resulting in the detection of fraudulent activities and the commencement of appropriate legal proceedings. In addition, employee feedback highlighted the need for a standardized Rate structure for oil palm harvesting. Responding to this suggestion, the Company plans to implement a uniform flat-rate payment system across all estates during the forthcoming financial year, reinforcing its commitment to fairness, transparency, and continuous improvement. During the year, numerous suggestions and complaints were received. Three major cases were successfully resolved, while four remain under investigation. These cases are being handled with the support of the Internal Audit and Legal Departments. Minor complaints and routine issues were referred to the respective Estate Superintendents for resolution at the estate level.

Overall, the "We Listen - We Act" project has significantly strengthened the company's social capital by enhancing internal communication, improving workforce confidence, and reinforcing long-term organizational commitment.

Investing in community development projects

As part of our ongoing commitment to improving the living standards and financial inclusion of estate workers, the Company initiated a project to ensure that every employee maintains a formal bank account. Under this initiative, all workers attached to our 12 Low Grown estates have successfully been provided with proper banking facilities, enabling the direct remittance of monthly salaries to their respective bank accounts.
This initiative has enhanced financial security, encouraged savings habits, and promoted greater accessibility to formal financial services among employees. Further, discussions are currently underway with national banking institutions to establish ATM facilities closer to estate locations, providing workers with a more convenient and efficient method of accessing cash and banking services.

Establishing a robust Grievance System

We prioritize the needs and concerns of the community by implementing a comprehensive Grievance System. This platform enables community members to convey their common needs and issues, ensuring their voices are heard and addressed effectively. Responding to these issues in a timely and efficient manner demonstrates our commitment to fostering a welcoming atmosphere where each person's opinion is respected.

Promoting awareness and public development

We organize awareness programs to educate and empower community members on relevant topics. By sharing knowledge and information, we aim to foster a culture of continuous learning and personal development. After all, we believe that well-informed individuals are the foundation of thriving communities, and we hope to create an atmosphere where everyone can prosper and make a significant contribution to society.

Building cooperative relationships

We actively collaborate with government and non-governmental organizations to maximize our impact on community welfare. By joining forces with like-minded entities, we can collectively address pressing social issues and bring about positive change.

Engaging with the community on operational changes

Before embarking on new projects, constructions, diversifications, or significant operational changes, we consult with local communities. We value their insights and perspectives, ensuring that our decisions are aligned with the community's interests and well-being.

Financial Support for Employees' Children in Higher Education

Through financial aid for all employees' children pursuing higher education, our CSR initiatives show our dedication to education and worker well-being. We acknowledge the value of higher education and give qualified pupils monthly payments until they graduate. As a testament to our commitment to investing in the future of our employees' families and developing an informed, talented workforce, we are proud to have assisted over 300 children since the program's start. This program demonstrates our commitment to educating the future generation to empower them.

Prioritizing environmental and social impact assessments

As a socially responsible organization, NPPLC recognizes the intrinsic value of our social community and firmly upholds the belief that the well-being and welfare of society are of the utmost importance. We are deeply committed to prioritizing the needs of our community and fostering a positive impact through our actions.

Celebrating Diversity and Empowerment in the Community

Hulandawa Estate organized several cultural and religious events, including the Vesak Kalapaya, Katina Ceremony, and Thai Pongal Festival, to promote unity, inclusiveness, and cultural harmony among estate workers and staff. More than 1,000 Vesak lanterns were created through the active participation of employees, while the enthusiastic involvement of Tamil workers in Buddhist celebrations highlighted the strong sense of mutual respect and togetherness within the estate community. These initiatives reflect the Company's continued commitment to fostering social cohesion, ethnic harmony, and respect for diverse cultural and religious traditions.

Scan

https://drive.google.com/file/d/1SbNOKt2ATur4jaOkCMrgQI8lbnbxf4p5/view?usp=drive_link

Promoting Industry-Academia Collaboration through a Memorandum of Understanding (MOU)

As part of our commitment to fostering strong industry-academia partnerships and providing practical exposure to our students, the University of Sri Jayewardenepura's Department of Administration entered into a Memorandum of Understanding (MOU) with Richard Pieris & Company PLC. This collaboration aims to strengthen academia-industry relations, promote knowledge sharing, and offer valuable industrial exposure to our final-year undergraduates.

During the financial year, eight students were selected for internships with Namunukula Plantations PLC, while Richard Pieris & Company PLC provided opportunities for more than 30 students, supporting practical industry exposure and professional skill development

Social and Relationship Capital

Empowering Futures Through Early Childhood Development

As part of a World Bank-assisted Early Childhood Development (ECD) project, the Company established Child Development Centers (CDCs) to provide quality early learning opportunities for the children of estate workers. These centers create a safe and supportive environment that promotes holistic child development and contributes to the well-being of families and communities.

We are proud to announce that the Buluwana Division Child Development Center at Hulandawa Estate has won the Best CDC Competition 2024.

Enhancing worker wellbeing thought vision and dental care initiatives

Conducted dental and eye care camps for estate workers and their children to promote overall health and well-being. Qualified medical professionals provided free check-ups, consultations, basic treatments, oral hygiene awareness, spectacles, and oral hygiene kits, reflecting the Company's continued commitment to accessible healthcare and employee welfare.

Promoting Child Nutrition and Community Well-Being through Estate Initiatives

Our estates are committed to promoting the health and well-being of the communities we serve.

To this end, we have initiated a comprehensive nutrition program aimed at improving children's nutrition and supporting their growth and development. We believe that nourishing the younger generation is essential for building a healthier future.

We are proud to share that both our Canavarella and Hulandawa estates have successfully implemented this vital program, making a positive impact on the lives of many children in their respective areas.

Community Health Camps: Enhancing Access to Healthcare

As part of our CSR initiatives, we have started comprehensive health camps to improve the well-being of the community by offering free medical treatments to people who are unable to access high-quality healthcare.

The clinic included full body health check-ups such as dental examinations, eye testing, blood sugar testing, blood pressure monitoring, and other essential blood investigations. This initiative helped to improve health awareness among employees and demonstrated the estate's commitment towards employee welfare and community well-being.

Our community's access to healthcare, early detection and preventive care are all intended to be enhanced by these initiatives.

Clean Water Access Project for Estate Workers

Implemented a clean water project to provide safe and healthy drinking water facilities for estate workers who faced difficulties in accessing quality water, improving their health, hygiene, and overall wellbeing.

National Day Celebration at Estate Community

Celebrated the National Day with the participation of estate workers and children, fostering unity, patriotism, and cultural harmony among the estate community.

Supporting Our Estate Communities During Ditwa Cyclone

During the adverse weather conditions that severely affected our Uva Region estates, the NPL remained committed to the wellbeing of our people. Essential goods, relief supplies, and other necessary assistance were continuously provided to the most affected families. This was not undertaken as a CSR initiative, but as a genuine expression of our responsibility and care for our estate communities during a time of need.

Social and Relationship Capital

Upcoming CSR Projects

Avurudu Celebration Programme

An inclusive Avurudu celebration programme will be organized for estate workers and their families to preserve cultural traditions, strengthen community relationships, and promote unity and happiness among employees

Welfare Programme for Pregnant Mothers

Conducting a welfare programme for pregnant mothers by providing nutritional support, healthcare awareness, and essential care items.

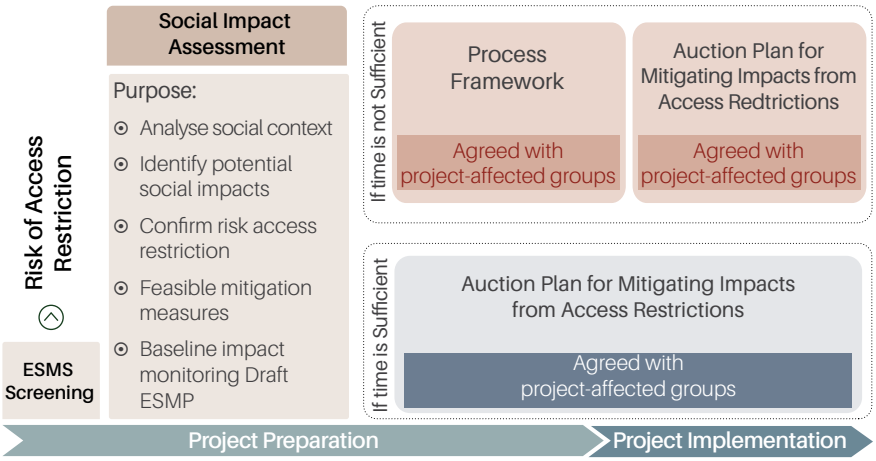
Distribution of Raincoats for Estate Workers

Distributing raincoats to estate workers to improve safety, comfort, and productivity during rainy weather conditions.

Construction of a Community Hall

A new community hall will be constructed to create a common space for estate workers and their families to conduct meetings, social gatherings, educational programmes, cultural events, and community development activities, further enhancing social cohesion within the estate community.

Supply Chain of NPPLC



SUPPLIERS

GRI 308-1/414-1/414-2

We are aware of how crucial suppliers are to NPPLC's success and efficient operation. As a consequence, we are dedicated to building strong relationships based on professionalism, trust, and shared goals. Our procurement procedures, overseen by the Richard Pieris Group's procurement department, are distinguished by a stringent assessment procedure that guarantees transparency and equity in the supplier market. NPPLC's enormous supplier network reflects the depth and complexity of our business operations in several different sectors. We take a multifaceted approach to generate value for our suppliers. Our approach is predicated on our steadfast dedication to professionalism on prompt payment, and performance of our contractual obligations. This strategy cultivates a win-win partnership with our suppliers. No suppliers were identified as having significant actual or potential negative environmental impacts during the reporting period.

No of new suppliers	Screened %	No of suppliers assessed for impacts
56	100	56

Description	2025/26
Suppliers identified with significant actual or potential negative social/environmental impacts	0
Significant social/environmental impacts identified	None
Suppliers with agreed improvement plans	Not Applicable (0%)
Suppliers with terminated business relationships due to social/ environmental impacts	0%

SUPPLIER ASSESSMENT

GRI 308/2,414-2

The Company has a supplier assessment policy to ensure they are able to deliver the products and services to the quality and standards required by the Company. Our supplier assessment is carried out in accordance with Environmental, Social and other business considerations.

- **Environmental considerations** - Waste management, Compliance with environmental laws and regulations, Resource consumption.
- **Social considerations** - Child labour and labour practices, human rights, working conditions, compliance with labour laws
- **Other Business Considerations** – Governance, legal background, quality assurance, capacity, deliverability

  We conduct a supplier assessment for Labour practices and social effect for all our material suppliers. When we are selecting our suppliers, we consider not only the economic factors but also other sustainability factors such as labour practices and social impact as well.

We consistently condemn the use of child labor and unfair labor practices. Hence as a responsible corporate citizen in the country we prevent from getting supplies from companies which have no proper labour practices. In addition we are dedicated to sustainability and responsible sourcing by reducing adverse effects in our supply chain.

PROMOTING LOCAL PROCUREMENT

GRI 204-1

We are proud to advance sustainable economic growth by prioritizing local procurement. While fixed assets like utilities and equipment make up just 1% of our procurement, the majority is sourced domestically. We actively support our supply chain partners in purchasing from local markets and buy tea leaves directly from farmers. These efforts help local businesses thrive, promote resilience, and demonstrate our commitment to community development and sustainability

A local supplier is defined as a supplier that is registered and operates within Sri Lanka, supplying goods or services to the Company from within the country. During the reporting period, the Company incurred total procurement expenditure of LKR 1.4 billion, of which was spent on local suppliers and it is 100% of the total procurement budget.

BUYER, BROKER AND CUSTOMERS

GRI 418-1

At NPPLC, we prioritize excellence in all aspects of our operations. With a holistic approach that includes planting, manufacture, and disposal, we are committed to providing high-quality goods to fulfill the changing needs of our discerning customers. We understand the significance of quality in generating competitive advantage in our tea production business. We use public auctions to sell most of our tea, but we also use direct sales channels. Our manufacturers never waver in their pursuit of improving product quality in order to maximize our auction prices in the face of rising manufacturing expenses. By means of ongoing enhancement programs and rigorous quality assurance protocols, we endeavor to surpass industry benchmarks and reliably provide tea goods that satisfy our clientele and fetch the highest prices in the marketplace.

At our tea centres, we prioritize the confidentiality and privacy of our customers. We want to assure that all personal information, customer share with us is protected and will never be disclosed to third parties. Also we have established separate boxes for customer suggestions and complaints. During the reporting period, the Company monitored customer privacy matters through its internal governance processes, information security controls, and grievance management mechanisms. No substantiated complaints concerning breaches of customer privacy or losses of customer data were identified or reported.

Additionally, we have established a joint venture agreement with Agalawatte Plantations PLC and Elpitiya Plantations PLC at the group level as part of our efforts to achieve of value addition and strategic collaboration. We jointly utilize processing facilities under the name AEN Palm Oil Processing (Pvt) Ltd (AEN) in order to optimize the value of NPPLC's palm oil output. This joint venture, in which each participating company has a one-third ownership and profit-sharing share, demonstrates our dedication to mutually beneficial relationships and long-term expansion. We hope to improve the value proposition of our joint venture by concentrating on producing higher-quality fresh fruit bunches. This will benefit all parties involved and ensure the longevity and success of our efforts to produce palm oil.

Being part of Namunukula Plantations PLC has been a truly rewarding journey that has helped me grow with confidence, skills, and new experiences. I am delighted to represent our company by welcoming visitors from across the world and sharing the story of our teas in the international market. The exposure I gained through multi-skilled training, language development has opened exciting new pathways in my career, and I am proud and grateful to work for an organization that continues to inspire and empower me.

Ms. Y. Dhanushika
Tea Center Senior Tour Guide –
Kinellan Tea Center

https://drive.google.com/file/d/1qKhcMYXupYhXOZG5H9lVfCfYChtwKHLD/view?usp=drive_link

Social and Relationship Capital

EXTERNAL ASSURANCE ON QUALITY

ISO 22000 – 2018 food safety management certificate
Hindagala, Kinellan, Canavarella and Gonakelle Estates located in Uva range
Baddegama in lower range

MEMBERSHIP ASSOCIATIONS

GRI 2-28

In addition, to further improving our production practices we are interacting with some institutions and have obtained membership from those. NPPLC is a member of,

- The Colombo Tea Traders' Association
- The Planters' Association of Ceylon
- The Colombo Rubber Traders' Association
- The Employers Federation of Ceylon
- Spices and Allied Products Producers
- Traders Association & Palm oil Industry Association of Sri Lanka

Further NPPLC maintains links with key institutes such as,

- Rubber Research Institute of Sri Lanka
- Tea Research Institute
- Coconut Research Institute
- Sri Lanka Tea Board
- University of Peradeniya
- The Institute of Chartered Accountants of Sri Lanka
- The Association of Accounting Technicians of Sri Lanka.
- Sri Lanka Climate Fund
- University of Sri Jayewardenepura

We are pleased to announce that our company is undergoing Greenhouse Gas (GHG) verification in collaboration with the Sri Lanka Climate Fund. This partnership underscores our commitment to environmental sustainability and transparency, as we work together with the Sri Lanka Climate Fund to accurately measure, report, and verify our GHG emissions.

ENSURING CUSTOMER HEALTH AND SAFETY

GRI 416-1/ 416-2

Our tea products are primarily sold through auction systems or directly to buyers, with limited direct interaction with end consumers. However, we recognize the importance of meeting the needs and expectations of our buyers and have proactively invested in obtaining relevant certifications to provide assurances of the quality of our systems and processes across our tea estates and factories. As part of this effort, certain estates within our organization have successfully implemented the ISO 9001-2005 quality management system, Food Safety Management System, which further reinforces our commitment to delivering high-quality products that meet rigorous food safety standards. Further, NPPLC is pleased to confirm that we have recorded no incidents related to non-compliance with health and safety regulations with respect to the production and sale of our products.

This is a testament to our organization's steadfast commitment to ensuring that our operations and products meet the highest standards of safety and quality. Our future goal is, by investing in cutting-edge safety technologies, putting creative ideas into practice, and updating our policies to put health and openness at the forefront of what we do, we are dedicated to improving the health and safety of our customers.

During the reporting period, 100% of the Company's significant product categories (tea products) were assessed for health and safety impacts. The Company is pleased to report that no incidents of non-compliance with health and safety regulations concerning the production and sale of its products were recorded during the reporting period.

RESPONSIBLE INFORMATIVE LABELLING

GRI 417-1/417-2/417-3

100% of the Company's significant product categories (tea products) are covered by and assessed for compliance with established product information and labeling procedures.

All tea products are labeled in accordance with the requirements and guidelines issued by the Sri Lanka Tea Board and the Ceylon Tea Traders Association. Product labels and package markings include all mandatory information required to support customers in identifying the quality and traceability of our teas, including the Company name, MF Number, Garden Mark, Tea Grade, Invoice Number, Net Weight, Tare Weight, and Gross Weight. Compliance with product information and labeling requirements is verified through the Company's quality assurance and packaging procedures prior to product dispatch. During the year under review, there were no incidents of non-compliance with regulations or voluntary codes concerning product and service information and labeling, and no monetary fines or sanctions were incurred.

PRODUCT AND SERVICE INFORMATION AND LABELLING

Our agricultural practices on all estates confirm to the requirements of the Tea

Research Institute of Sri Lanka and other certification requirements. We want going ahead with complying with all these labeling requirements specified by regulatory authorities.

GOVERNMENT AND REGULATORY BODIES

GRI 201-4/415-1

We are the Company which was privatized in 1992 by the Government of Sri Lanka and we are maintaining a good relationship with the Government. We have managed our plantations effectively and generated a positive value fulfilling the purpose of privatization. Some Financial Assistance and Grants are provided by the Government through institutions to achieve national goals such as increasing housing facilities and achieving full employment etc. Financial assistance received from Government is as follows,

Institution	Nature of Grant	2025/2026	2024/2025
RRI	Rubber Replant subsidy (Rs.'000)	**549**	7,811
TDP	Tea Replant subsidy (Rs.'000)	**3,000**	0

Apart from that, our organization maintains a non-partisan stance and does not engage in any political activities. Additionally, we confirm that no financial contributions were made to any political party during the specified period.

OUR INDIRECT ECONOMIC IMPACTS

GRI 203-2

Strengthened the small holder families

Currently, the direct supplier base of tea small holder growers of NPPLC stands at 48 living around our estates. We are always trying to give additional knowledge, advice, supporting services, to improve their life styles to go beyond traditional marketing approaches. Most of our small holders are giving job opportunities to another few families by offering working in their tea fields, plucking, transporting leafs etc. Therefore, our bought leaf operation is creating indirect employment opportunities to approximately 5000 families.

FOREIGN CURRENCY SAVING

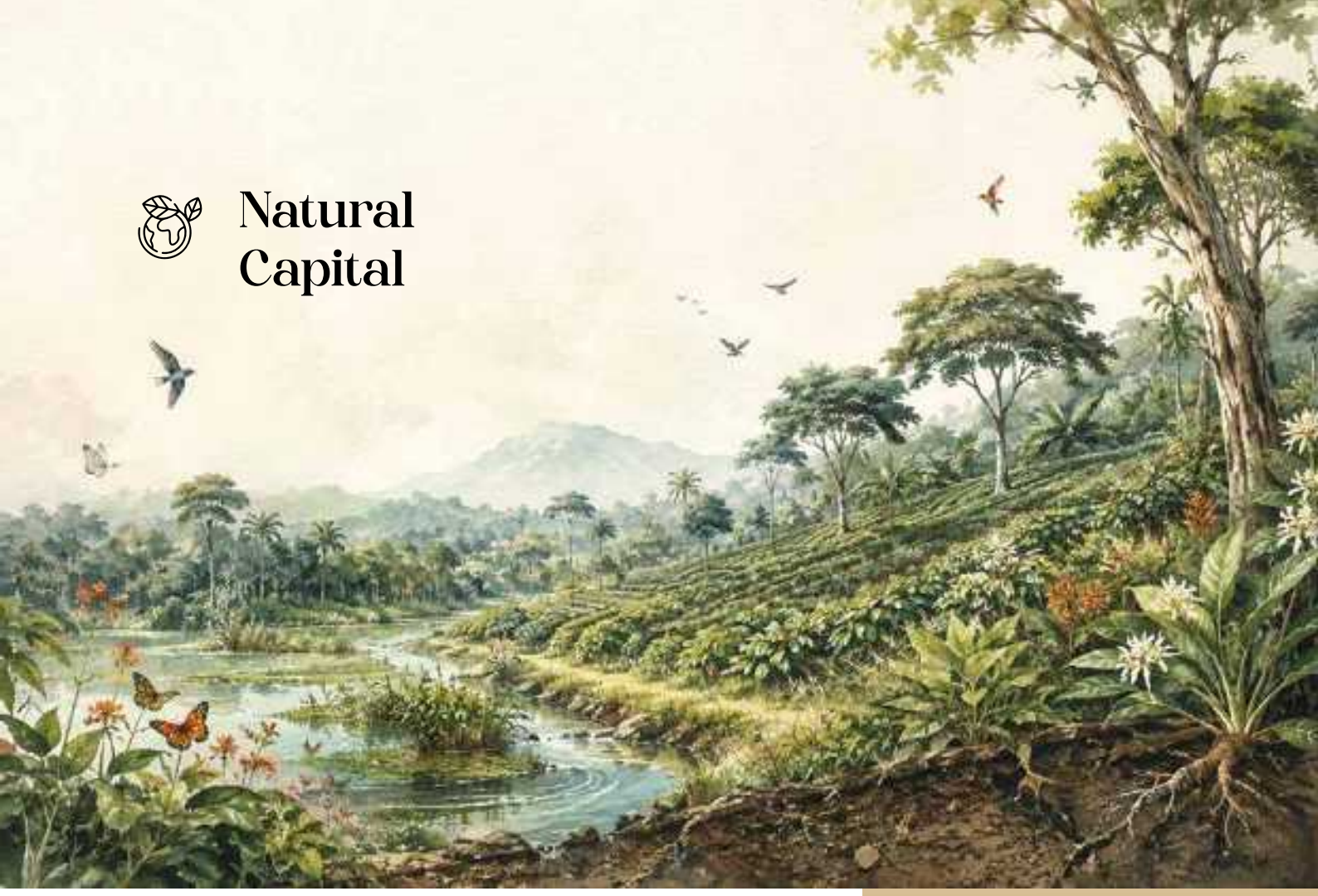
Sri Lankan production of oil palm is not sufficient for Sri Lankan consumption. Therefore, every year we have to use more foreign exchange to import palm oil. As the second highest oil palm producer in Sri Lanka we also contributed to this import reduction and foreign exchange saving of the country by fulfilling local requirement of Oil palm.

Impacts of activities, products and services on biodiversity

GRI 101-4

We are committed to minimizing the significant impacts of our operations, products, and services on biodiversity. We recognize biodiversity conservation not only as an environmental imperative but also as a core social responsibility. Our activities are guided by a sustainability framework that prioritizes the protection and enhancement of natural ecosystems.

We actively assess and manage potential impacts on habitats, species, and ecological processes, taking measures to avoid, reduce, and where necessary, restore affected areas. Through these proactive efforts, we aim to demonstrate responsible environmental stewardship and contribute meaningfully to global biodiversity preservation.



Natural Capital

At Namunukula Plantations, natural capital forms the living foundation of our business and long–term value creation. The vitality of our soils, the availability of clean water, the resilience of ecosystems, and the richness of biodiversity across our estates are intrinsically linked to our productivity, operational continuity, and ability to sustain growth in an evolving environmental landscape.

Our natural capital underpins everything we do, encompassing the renewable and non-renewable environmental resources and ecological processes that sustain our operations and long-term profitability. To build resilience against climate and market volatility, we are diversifying our crop portfolio with high-yield, sustainable crops such as oil palm, tea, rubber, coconut, and cinnamon, an approach that strengthens our agricultural system and reduces exposure to risk. We reinforce this commitment by aligning with recognized international sustainability standards and investing in the communities around us through education, skills development, and economic opportunities. By actively managing natural resources, energy consumption, waste, and effluent discharge, we protect the environment while securing sustainable growth, thereby creating lasting value for our company, our communities, and future generations.

- New Planting Extent **5.5** Ha
  Expanding sustainable land use
- Replanting Extent **325.97** Ha
  Improving yield & Biodiversity
- Total conservative areas **277.5** Ha
  Strengthening ecosystem resilience and biodiversity stewardship
- New Planting & Replanting Cost **134.4** Mn
  Investment in long-term asset base
- Purified liters of water **0.75** ML
  Resource efficiency & stewardship
- Electricity Consumption **-6.1** %
  Energy reduction initiatives
- Fertilizer Consumption **-11.1**%
  Optimizing inputs, reducing runoff
- Fuel Consumption **+25.9** %
  Managing energy demand growth through planned efficiency initiatives.

SDG's

Natural Capital

Management Approach

Sri Lankan environmental laws, rules, regulations, standards, and policies established by the Central Environmental Authority and other regulatory agencies are all adhered to by our management approach to natural capital. We follow best practices from internationally recognized certification programs, such as the Rainforest Alliance Sustainable Agriculture Network. We adhere to the UN Global Compact (UNGC) principles and strive to achieve sustainable development goals.

During the implementation of corporate strategies, procedures, and systems, the company prioritizes environmental sustainability and protecting the usage of natural resources. The Company actively manages and monitors its natural capital, including water usage, non-renewable energy use, material use, carbon footprint, waste management, and climate change impact, to minimize negative environmental impact from estate activities. We prioritize sustainable methods and policies for our palm oil plantations, resulting in high-quality goods while protecting natural resources.

We manage over 11779 hectares of land and prioritize environmental protection on our estates. As a plantation company, we rely on natural resources, and the climate has a direct impact on our operations and sustainability. Protecting the environment is a vital responsibility that benefits both the current and future communities, as well as the business's sustainability. NPPLC's environmental strategy prioritizes minimizing environmental effect and ongoing improvement. All corporate budgets include a considerable amount of funding for environmental expenditure, as well as adequate standards for estate-level execution.

NPPLC understands that appropriate estate management costs are offset by stated benefits. Our benefits include lower manufacturing costs, enhanced output, improved product quality, and improved marketability through alliances built on a clean public image.

Value Creation through Natural Capital

The Company is aware that financial performance and business growth are dependent upon our ability to sustain strong relationships with these external stakeholders and hence, we create an operating climate which enables meeting these stakeholders' expectations in the long term.

OUR COMMITMENT

We are committed to responsible stewardship of natural capital resources and to create long-term value by operating within planetary boundaries while supporting resilient ecosystems and communities.

Protect
Minimize our Environmental Footprint

Conserve
Use natural resource responsibly

Collaborate
Engage Stakeholders for shared stewardship

Enhance
Restrore and Enhance Ecosystems

Strategic Responses for 2025/26

Protect

- Manage and reduce environmental footprint to mitigate the potential risks towards the environment.
- Strive towards reducing variables that impact the environment negatively through managing waste.
- Adhering to established environmental policies to outline business activities with a minimum environmental impact.

Conserve

- Satiate water requirements from sustainable sources to ensure the optimal utilization.
- Following sustainable procurement practices that prioritize environmentally friendly products and services.

Enhance

- Invested on environmental initiatives to protect and conserve biodiversity.

Collaborate

- Engage with stakeholders, including the local community, to build support for environmental initiatives and gather feedback on the business's environmental performance for continuous improvement.

Our Natural capital focus on,

- **Material Management**
  Non Renewable material used
  Renewable material used
- **Energy Management**
  Nonrenewable sources used
  Renewable sources used
- **Forest Management & Bio Diversity Conservation**
  Tree Planting Projects
- **Water Management**
  Water and Effluent management
  Water withdrawal
  Water Consumption
  Water Discharge
- **Waste Management**
  Domestic waste management systems
- **Green House Gas emission**

MATERIAL MANAGEMENT

GRI 301-1/301-2/301-3

At Namunukula Plantations PLC (NPPLC), we recognize the significant environmental impact of our operations due to the extensive use of materials throughout our planting, manufacturing, and transportation processes. From seed planting to delivering products to the auction market, meticulous planning, efficient resource allocation, and careful management are essential to maintaining quality standards and ensuring timely delivery. The scale and volume of materials consumed across our operations further emphasize the importance of efficiency, responsible resource utilization, and sustainable management practices in driving long-term operational and environmental sustainability.

Through careful monitoring and strategic decision-making, NPPLC strives to maximize efficiency and minimize wastage in its operations through the responsible use of resources and continues waste reductions initiatives. During 2025/26, NPPLC focused on optimizing material consumption by reducing the usage of several key material including fertilizer, firewood packaging materials, and paper while promoting sustainable operational practices and resource efficiency across its plantations & factories. Given that many such materials are manufactured using scarce natural resources, we must be responsible in their usage. We believe that sustainable material management is an important part of conserving natural resources, reducing waste, and minimizing our ecological footprint. So the following initiatives were implemented to keep up with that responsibility:

The Company does not have operational control over products or packaging after they are transferred to customers. Consequently, no products or packaging materials were reclaimed during the reporting period.

Namunukula Plantations PLC's primary products are manufactured using freshly harvested green tea leaves, which are agricultural raw materials and are not derived from recycled inputs. During the reporting period, the Company did not incorporate recycled materials into the manufacture of its primary tea products. Accordingly, the percentage of recycled input materials used in manufacturing the Company's primary products was 0%.

While recycled materials are not used as product inputs, the Company seeks to reduce its environmental footprint through the procurement of recyclable and recycled packaging materials where commercially feasible, responsible waste management practices, and initiatives to improve resource efficiency across its operations.

Material Management Initiatives

OUR KEY INITIATIVES

1. **Paper Waste Reduction:** Reuse single-sided paper across administrative functions to minimize paper consumption and waste.
2. **Controlled Procurement of Office Supplies:** Implementing an approval process for office supply orders to ensure prudent use of resources and prevent over-procurement.
3. **Adoption of Sustainable Agricultural Inputs:** Shift to natural alternatives, including compost and organic fertilizers, to reduce reliance on synthetic materials and lower environmental impact.
4. **Employee Engagement on Resource Efficiency:** Conducted awareness programs to promote mindful consumption practices among employees and reinforce responsible material use.
5. **Equipment Modernization for Material Efficiency:** Replaced outdated and inefficient machinery to improve process efficiency and reduce material loss during production.
6. **Sustainable Packaging Practices:** Adopted reusable sacks for tea packing to reduce single-use packaging waste and support circular material use.

Natural Capital

OUR CONTINUOUS COMMITMENT

We are continuously improving strategies to minimize non-renewable materials and encourage the use of recycled materials. As a result, we implemented a system to use refused tea for tea cultivation to fertilize the lands. This innovative approach not only reduces waste but also enhances soil fertility, aligning with our commitment to sustainable agriculture.

Non-Renewable material used

	Source	Units	2025/26	2024/25	Change	
Fertilizer	External	Kg	**1,650,584**	2,131,539	22.56%	↓
Dolomite	External	Kg	**364,674**	135,758	168.6%	↑

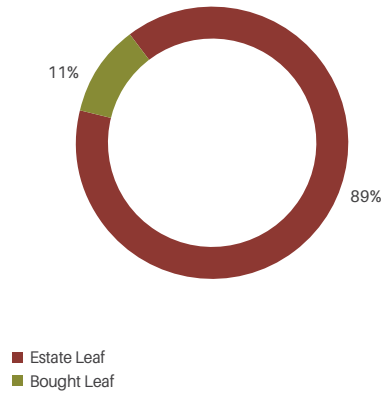
Renewable material used

	Source	Units	2025/26	2024/25	Change	
Bought leaf	External	Kg	**633,950**	445,072	42%	↑
Estate leaf	Internal	Kg	**5,123,621**	5,632,573	9%	↓
Rigid tea sacks	External	No.of bags	**28,553**	29,853	4%	↓
Multi paper sacks	Supplier	No.of bags	**12,001**	13,152	8%	↓
Firewood	Internal/ External	M3	**7,565**	8,299.74	9%	↓

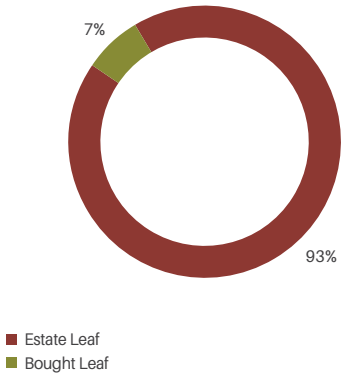
Material consumption trends during FY 2025/26 reflect the Company's commitment to resource efficiency and responsible material management. While bought leaf usage increased by 42% to meet production requirements, the consumption of several supporting materials, including tea sacks, paper sacks, and firewood, recorded reductions compared to the previous year. The 9% reduction in firewood consumption and lower usage of packaging and office materials highlight the Company's continued efforts to optimize resource utilization and reduce its environmental footprint while maintaining operational effectiveness.

Leaf Sourcing Mix 2024/25 Vs 2025/26

2025/26



2024/25



Green leaf remains our largest renewable material input and a core focus of our sustainability strategy. We strategically diversified our leaf sourcing mix to strengthen supply resilience. While estate leaf continued to contribute the majority of total intake, we increased bought leaf volumes to complement estate production and meet overall demand. This flexible sourcing approach helps us maintain consistent input quality.

ENERGY MANAGEMENT

GRI 302-1/2/3/4/5

We recognize that efficient energy management is not only a wise business move but also a crucial step towards sustainability. The majority of our energy costs are associated with the withering and drying processes, where trees grown for burning provide thermal energy. However, we have transitioned towards more sustainable practices by implementing strategies for efficient energy utilization. Our manufacturing processes involve numerous electrical and mechanically powered machines that consume both renewable and non-renewable energy sources, making energy management a vital component of our operations.

To ensure efficient energy consumption across our operations, we have implemented several initiatives:

- Replacing traditional lighting with LED bulbs and efficient accessories in buildings.
- Designing factories to maximize natural light, thus minimizing artificial lighting needs
- Utilizing energy-efficient machines and equipment
- Cultivating trees for firewood to promote sustainable forestry and protect valuable trees
- Conducting awareness programs to educate employees and the community on mindful energy consumption.
- Maintaining air conditioning systems at standard temperatures.
- Monitoring electricity and fuel consumption across estates
- Vehicle fleet Monitoring for Energy Efficiency
- Taking continuous actions to reduce greenhouse gas emissions by using renewable energy and improving energy efficiency

These effort contribute to a

6.1% Reduction in Electricity Consumption

10.2% Reduction in Firewood consumption

FUTURE ENERGY TARGETS

SHORT TERM (1-2 YEARS)

Initiatives

- Expand LED lighting to all buildings and worker housing.
- Strengthen monitoring of electricity and fuel consumption.
- Continue awareness programs for employees and the community.

MEDIUM TERM (3-5 YEARS)

Initiatives

- Improve energy efficiency of machines and equipment.
- Increase use of renewable energy (biomass, solar) in operations.
- Further optimize factory design and processes to reduce energy use.

LONG TERM (BEYOND 5 YEARS)

Initiatives

- Achieve a low-carbon and energy-efficient operation.
- Continue investing in clean energy technologies and innovations.
- Contribute to national goals on climate change and carbon neutrality.

Target By 2027

LED Coverage 100%

Maintain electricity consumption reduction ≥ 5% from 2025/26

Target by 2030

Increase renewable energy share to ≥ 45% of total energy.

Reduce energy intensity to ≤ 2.20 GJ per hectare.

Target by 2035

Reduce energy intensity by ≥ 20% compared to 2025/26.

Move towards carbon neutral operations.

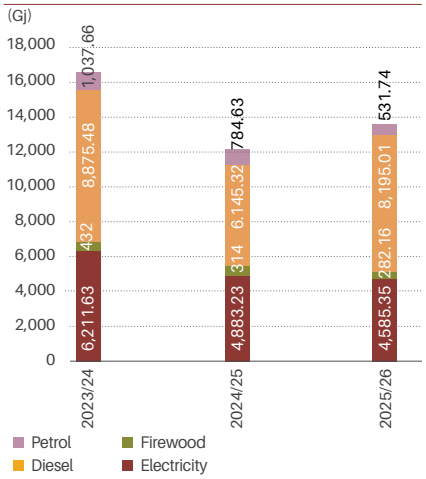
Fuel & energy consumption

Non-Renewable sources	Unit	2025/26	2024/25	
Petrol	GJ	**531.74**	784.63	⌄
Diesel	GJ	**8195.01**	6145.32	⌃
Renewable sources				
Firewood	GJ	**282.1**	314	⌄
Electricity consumption	GJ	**4585.35**	4883.23	⌄
Total energy consumed	GJ	**13594.27**	12127.18	⌃
Total area (ha)		**5,226**	5182.6	
Energy intensity ratio (gigajoules per hectare)		**2.6**	2.34	

Natural Capital

(The Company has adopted FY2024/25 as the baseline year for measuring reductions in energy consumption. Establishing FY2024/25 as the baseline enables meaningful year-on-year comparison of energy performance and supports the tracking of progress towards the Company's long-term energy efficiency and climate objectives.)

Annual Energy Mix Trend



As a company operating in the plantation sector, we are committed to sustainability and energy efficiency by continuously monitoring, managing, and optimizing energy consumption across our operations. However, it is important to acknowledge that our opportunities to significantly reduce the energy requirements of our products are limited. The inherent nature of our operations, which include cultivation, harvesting, and processing, often requires a substantial energy input. While we continually explore innovative practices and technologies to enhance our energy efficiency, the biological and operational constraints associated with plantation farming mean that our potential for major reductions in energy consumption is constrained. We remain dedicated to optimizing our processes where possible and seek to balance our energy needs with our sustainability goals.

Energy consumption has been calculated using actual operational data obtained from electricity invoices, fuel purchase records, and estate consumption logs. All energy sources have been converted to gigajoules (GJ) using internationally recognized calorific values and conversion factors. The calculation methodology is based on the requirements of GRI 302: Energy 2016 and is aligned with the GHG Protocol Corporate Standard and the IPCC 2006 Guidelines (2019 Refinement).

Energy consumption outside the organization relates to activities occurring beyond the Company's operational boundary, including upstream and downstream transportation and distribution, employee commuting, and purchased goods and services.

Energy consumption was estimated using activity data obtained from internal records and third-party service providers, together with internationally recognized conversion factors where applicable.

The Company measures energy intensity by relating total energy consumption to the volume of made tea produced, enabling consistent performance evaluation over time and supporting informed operational decision-making.

The primary energy intensity ratio is expressed as gigajoules (GJ) of energy consumed per metric tonne (MT) of made tea produced. The reported energy intensity ratio covers energy consumed within the organizational boundary, including energy used in tea factories and estate operations.

4R Nutrient Stewardship Framework

The plantation sector plays a critical role in supporting agricultural economies and ensuring sustainable crop production. Recognizing the increasing need for environmentally responsible practices, we have embraced the 4R Nutrient Stewardship framework as a guiding principle to optimize nutrient use, enhance soil health, and safeguard ecosystems.

Right Source

Match fertiliser formulation to crop needs

- We source fertilizers only from reputable suppliers to ensure quality and sustainability.
- We review laboratory reports for every batch of fertilizer to maintain transparency and product integrity.

Right Time

Makes nutrients available when crops need them

- Timing is crucial in our fertilizer management practices.
- We apply fertilizers two to three times a year, depending on crop growth stages.
- Applications are scheduled to align with favorable weather conditions.
- We avoid rainy seasons to prevent nutrient runoff.
- This ensures effective absorption of fertilizers by soil and plants.

Right Place

Keep nutrients where crops can use them

- Proper nutrient placement is crucial for efficient use and minimizing environmental losses.
- Fertilizers are strategically applied near the root zones of crops like oil palm and tea for better absorption.
- Applications are avoided near waterways to reduce nutrient leaching and protect ecosystems.
- This targeted approach maximizes fertilizer benefits and supports sustainable agriculture.

Right Rate

Matched amount of fertiliser type crop needs

- We follow a meticulous schedule to determine fertilizer needs for crops like oil palm and tea.
- This ensures tailored nutrient application for each plantation, preventing over-application and wastage.
- Applying optimal fertilizer quantities enhances productivity while preserving soil health and reducing environmental impact.

WATER & EFFLUENT MANAGEMENT

GRI 303-1/5/303-3

Water is often referred to as the blood of life because it is essential for the survival of all living beings. Just as blood is crucial for the functioning of the human body, water is necessary for various biological processes to take place. Without water, life as we know it would not be possible. In the context of a plantation company like NPPLC, water plays a critical role in ensuring the growth and survival of crops. Plants require water for photosynthesis, nutrient uptake, and overall growth and development. Without an adequate water supply, plants would wither and die, resulting in a loss of productivity for the company. The business processes of NPPLC are heavily influenced by natural environmental conditions, particularly the availability and quality of water sources. The company relies on water for irrigation, processing of crops, and other agricultural activities. The interaction of water with the soil, air, and sunlight also plays a crucial role in determining the success of the company's operations. Overall, water is fundamental to the existence of living beings and the success of NPPLC as a plantation company. Recognizing the importance of water and managing water resources effectively is essential for the sustainability and profitability of the business.

Also, as an ethical business entity, we believe in the concept of sustainability. Therefore, NPPLC withdraws, consumes, and discharges water with care about the ecological balance and the quality of life of the local communities in the areas where our operations are carried out. Even though the essentiality of water is less in the tea manufacturing process, the rubber manufacturing process is based on the presence of water. We withdraw water for our usage from the following sources:

	2025/26		2024/25	
	All Areas	Areas with Water Stress	All Areas	Areas with Water Stress
Water withdrawal :				
Groundwater (total)				
Freshwater	11.6 ML	Nil	12.7 ML	Nil
Total water withdrawal	**11.6 ML**	**Nil**	**12.7 ML**	**Nil**

	2025/26		2024/25	
	All Areas	Areas with Water Stress	All Areas	Areas with Water Stress
Water consumption:				
Total Water Consumption	4.73 ML	Nil	5.1 ML	Nil
Change in water storage, if water storage has been identified as having a significant water-related impact	Nil			
Water Discharge :				
Water discharge by freshwater and other water:				
Freshwater - Groundwater	6.9 ML	Nil	7.5 ML	Nil
Other water	Nil	Nil	Nil	Nil
Water discharge by destination				
Groundwater	6.9 ML	Nil	7.5 ML	Nil
Total water discharge	**6.9 ML**	**Nil**	**7.5 ML**	**Nil**

Water Performance Overview (Megaliters)

Total Water Withdrawn

2025/26	2024/25	Variance
11.6	12.7	8.6%

Total Water Consumption

2025/26	2024/25	Variance
4.7	5.1	7.8%

Total Water Discharge

2025/26	2024/25	Variance
6.9	7.5	8%

Natural Capital

Key Assumptions used to calculate above figures

- Daily water usage

Assumptions	Workers	Estate Managers	Estate Staff	H/O Staff	Manufacturing of One Litre of Latex
Water Consumption (L)	4	50	15	15	2
Water Discharge (L)	6	50	25	25	3
Water Withdrawal (L)	10	100	40	40	5

- Average working days per year

Employee Category	Average Working Days
Workers	260
Estate Managers	365
Estate Staff	286
Head Office Staff	260

GRI 303-3/4/5

We believe that working with stakeholders such as pressure groups, researchers, the government, and the general public is critical for us to steward water as a shared resource and account for the needs of other water users in the catchment. However, for now, there is no shortage of fresh water resources in operational regions, and there are no difficulties in meeting the demand for water for human and ecological demands in our estates. Further, NPPLC is carrying out its business operations concerning the potential risks associated with water scarcity, quality, and access to water sources in the region, and we have arranged discussions with those stakeholders to get their heads together for an exchange of ideas and information.

We see this as the process of not only allocating and using water as a resource in a sustainable and efficient manner but, more importantly, developing and improving our resources through improved water retention techniques. Our crops do not depend on irrigation for their survival but basically depend on inherent ground moisture levels and, to that extent, the retention, preservation, and revitalization of groundwater levels. This is paramount in regularizing the flow of water in our streams, waterways, and springs and preventing them from drying out, especially at a time when their active flow becomes critical at times of dry weather in meeting the needs of our resident population.

Hence, our focus has been to reduce ground temperatures as far as possible, improve the permeability and water retention capacity of our soils, and improve recharge structures so as to reduce or eliminate the surface flow of water directly into the ravines and rivers. Continuous surface flow can be very destructive and environmentally unfriendly, doing absolutely no favor to what we strive for.

We carry out a range of initiatives to watershed management mentioned as follows,

- The Company seeks to fulfill part of its requirement from green water sources through rainwater harvesting. Under this resorting to deep draining is used to maximize the harvest of rain water while founding tanks and ponds for water harvesting at strategic locations.
- NPPLC uses water reuse and purification procedures to bring wastewater back into original condition.
- Promote awareness and culture of water saving among employees.
- Forest and tree conservation for watershed protection. NPPLC manage all forest plantations and individual trees set aside for environmental protection strictly for conservation purposes. These areas are maintained to protect water catchment Zones, and sustain natural water flow for downstream communities and ecosystem.

Wastewater Purification Systems

GRI 303-2/303-4

Rubber manufacturing is inherently water-intensive, requiring significant volume of water for production processes. At NPPLC, sustainability is a core principle guiding our operations, particularly in water management. Through innovative reuse and purification practices, we ensure that wastewater is treated to its original condition and then reintegrated into production and operational activities, minimizing environmental impact. In compliance with Rainforest Alliance (RA) requirements, soak pits have been constructed across our estates to cleanse water before its release into the environment. These pits also handle chemical-laden water through rigorous purification procedures to mitigate pollution risks. Dedicated wastewater purification projects are operational in Pallegoda Estate. These projects further enhance our commitment to sustainable water management by ensuring treated water meets environmental standards. During the financial year 2025/26, NPPLC successfully discharged 0.75 Megaliters of purified water from its rubber processing factory. This underscores our dedication to reducing environmental footprints while maintaining operational efficiency.

Wastewater Treatment Practices

At Namunukula Plantations PLC, sustainability is a key focus in managing environmental impacts, particularly in wastewater treatment. The wastewater treatment practices in our crepe rubber factories may vary according to the volume of rubber processed daily, ensuring efficient and environmentally responsible operations. Each processing plant is designed to accommodate the maximum volume of latex processed daily, ensuring that wastewater treatment systems are equipped to handle peak loads effectively. These practices prioritize water treatment as the primary environmental concern, while air pollution and solid management remain minimal challenges.

End of Process Treatment

Effective wastewater treatment is a cornerstone of sustainable operations in the rubber industry, ensuring environmental protection while maintaining compliance with regulatory standards. The wastewater treatment process is divided into three key stages: pretreatment, secondary treatment, and tertiary treatment.

Pretreatment

- **Effluent Collection**
  Incoming effluent from production processes.
- **Rubber Traps**
  Removal of suspended solids (40% to 60% reduction).
- **Holding Tanks**
  Minimum 12-hour capacity with baffles for up-and-down flow.
- **Equalization Tanks**
  One-day detention time for flow variation management.
  Larger factories may utilize two tanks.
- **Stabilization of Water Quality**
  Prepares water for secondary treatment

Secondary Treatment

- **Extended Aeration**
  Aerated biological treatment performed throughout the day.
  Oxygen provided for biodegradation of remaining digestible properties.
- **Reduction of Pollutants**
  Significant reduction in BOD and suspended solids.
- **Secondary Settling Tank**
  Biologically treated effluent settles
- **Aerobic Ponds**
  Treated water remains for 15-16 days.
  Further treatment to eliminate discharge water risks.
- **Distance from Natural Water Source**
  Ponds built to prevent contamination

Tertiary Treatment

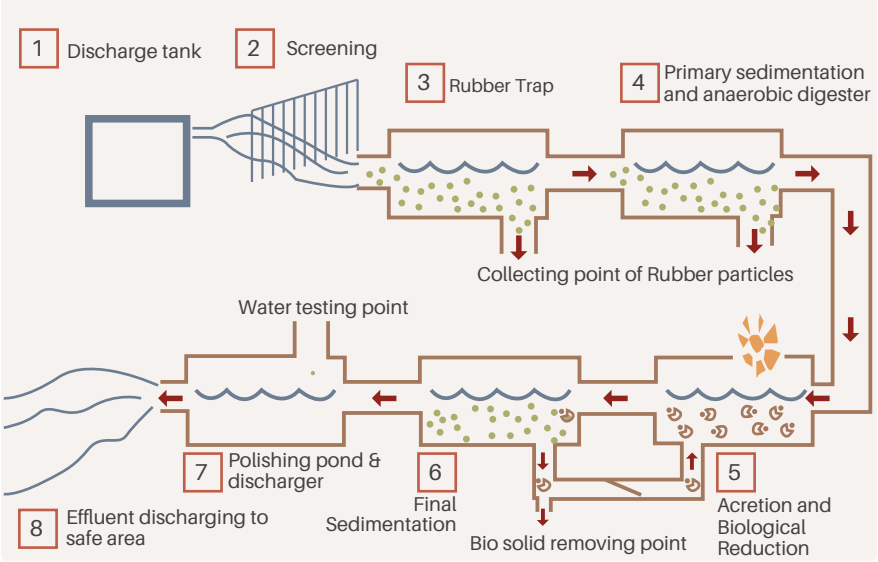
- **Tertiary Treatment Tank**
  Observation of remaining sludge and chemical conditions.
- **Periodic Checks**
  Monitoring COD and BOD levels.
- **Meeting Required Standard**
  Ensuring water quality meets environmental standards.
- **Final Release or Reuse**
  Treated water is either released into the environment or reused in operations.

Especial arrangement for chemical users to clean their attire without waste water releasing

The field of water resources management faces unprecedented challenges due to the growing uncertainties of global climate change. Rising temperatures, shifting precipitation patterns, and extreme weather events are disrupting the availability and allocation of water, making decision-making more complex than ever before. It is likely that ongoing climate change will lead to situations that have not been encountered before. As a result, new management strategies will have to be implemented in order to avoid setbacks in the future.

By integrating these practices, Namunukula Plantations PLC is setting a benchmark for sustainable rubber production in Sri Lanka. The company's approach not only protects sensitive ecosystems but also ensures the long-term viability of its operations, aligning economic interests with environmental stewardship. The company's efforts in wastewater management and ecosystem protection align with the growing need for sustainable practices in rubber production, addressing concerns raised about the environmental impacts of rubber manufacturing in Sri Lanka. These initiatives demonstrate a proactive approach to mitigating potential environmental issues associated with rubber production, such as water pollution and ecosystem degradation.

Rubber Crepe Factory Effluent Treatment Plant Diagram



Natural Capital

Water Management Risks and Mitigation Strategies

Water is a shared natural resource that is increasingly vulnerable to the impacts of climate change, changing rainfall patterns, and growing demand from agriculture, industry, and local communities. Although Namunukula Plantations PLC currently operates in regions where freshwater resources are generally sufficient to meet both operational and community needs, responsible water stewardship requires the Company to proactively identify, assess, and manage potential water-related risks.

As a plantation company engaged in tea and rubber cultivation and processing, our business is directly dependent on the availability and quality of water. Variations in rainfall, prolonged dry periods, excessive precipitation, contamination of natural water sources, and changes in catchment conditions could adversely affect agricultural productivity, rubber manufacturing processes, surrounding ecosystems, and the well-being of neighboring communities. In addition, increasingly stringent environmental regulations and stakeholder expectations require responsible water use and effective wastewater management throughout our operations.

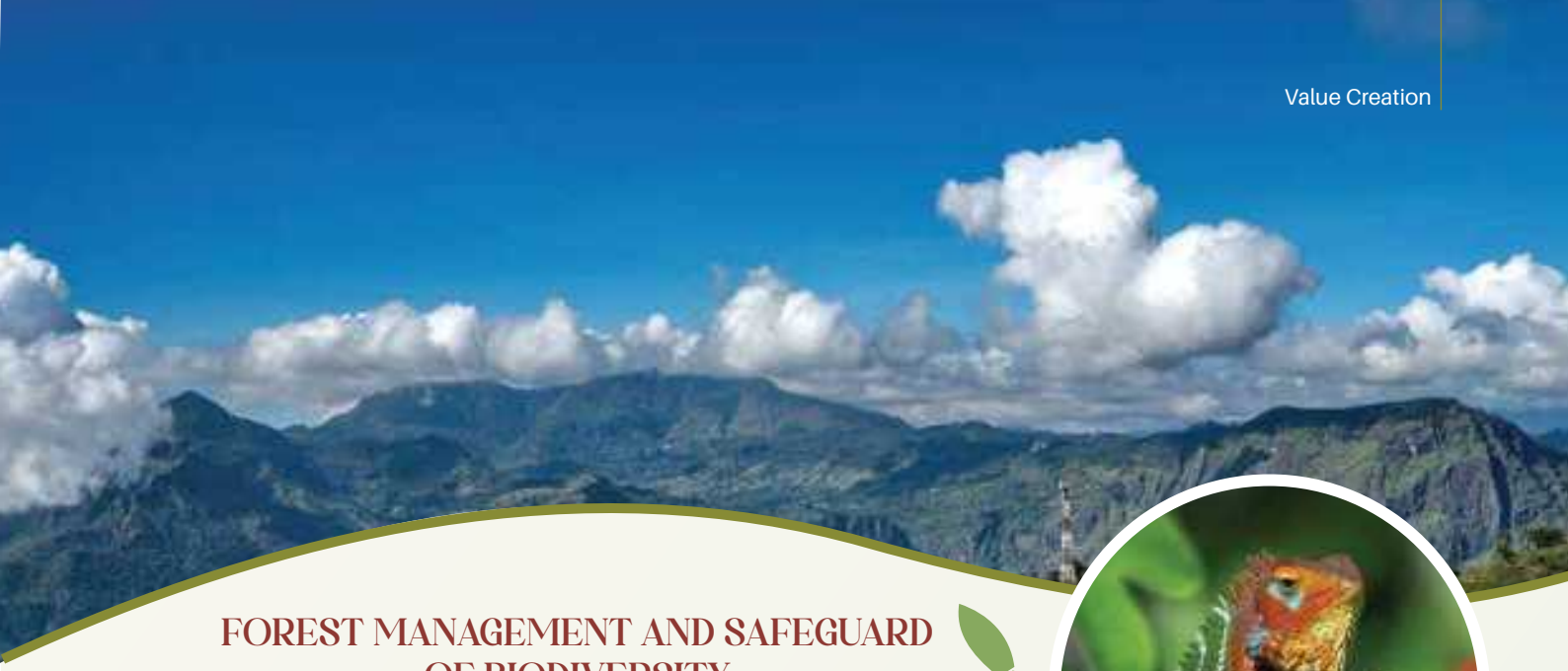
Recognizing these challenges, NPPLC adopts a preventive and risk-based approach to water management. Our strategy focuses on protecting natural water resources, improving water-use efficiency, minimizing pollution, and strengthening the resilience of our estates to future climate-related water risks.

Key Water Management Risks and Our Mitigation Strategies

Water Management Risk	Potential Impact	NPPLC Mitigation Strategy
Climate variability and prolonged dry periods	Reduced soil moisture, lower crop productivity, and pressure on water availability	Maintain healthy ground vegetation promote water retention practices, and protect natural catchment areas to enhance groundwater recharge.
Intense rainfall and surface runoff	Soil erosion, loss of fertile topsoil, sedimentation of waterways, and reduced groundwater recharge	Establish drainage management systems, improve soil permeability, maintain vegetation cover
Water pollution from rubber processing activities	Deterioration of surface and groundwater quality and potential ecological impacts	Operate wastewater treatment and purification systems, utilize soak pits compliant with Rainforest Alliance requirements, monitor discharge quality, and reuse treated water where practicable.
Operational inefficiencies and excessive water consumption	Increased operational costs and unnecessary resource consumption	Monitor water withdrawal and consumption, encourage efficient water use across estates and factories, and continuously improve water management practices through awareness and operational controls.
Future climate change impacts	Increased uncertainty in water availability and changing hydrological conditions	Integrate climate considerations into long-term estate management, strengthen ecosystem conservation initiatives, and continuously review water management strategies to improve resilience.

Our wastewater purification facilities at Pallegoda Estate play a significant role in mitigating water pollution risks by ensuring that wastewater generated during rubber processing is treated to acceptable environmental standards before discharge or reuse. In addition, soak pits and natural filtration systems across our estates further reduce the environmental impact of operational activities while supporting groundwater recharge.

Although no material water stress has currently been identified within our operational areas, the Company remains committed to continuously strengthening its water stewardship practices. By protecting watersheds, conserving natural ecosystems, improving wastewater treatment, and promoting efficient water use, NPPLC seeks to safeguard water resources for future generations while ensuring the long-term sustainability of its plantation operations.



FOREST MANAGEMENT AND SAFEGUARD OF BIODIVERSITY

GRI 101-1/3/4/5

NPPLC recognizes biodiversity conservation and forest stewardship as integral components of its natural capital management approach. The Company maintains 277.5 hectares of designated conservation areas across its estates, preserving natural habitats and supporting ecosystem resilience. Several estates in the Uva Region, including Gonakelle, Cannavarella, Kandahena, Pingarawa, Hindagalla, and Kinnellan, together with the low-grown agricultural areas, are situated within ecologically sensitive landscapes that support diverse flora and fauna. Through the protection of natural forest patches, sustainable land management practices, and the prevention of habitat degradation, NPPLC remains committed to safeguarding biodiversity, maintaining ecosystem services, and enhancing the long-term environmental sustainability and climate resilience of its plantation landscapes

We closely monitor the state of ecosystems that are impacted by our production and planting operations. Our employees have received extensive training on handling wasp assaults. As a result, their innate desire to preserve the environment compels them to do so. Because of this, we preserve wasp nests on our estates as a practice. Wasps are typically threatened by humans in these locations. The business's operations are closely related to minor waterfall bank lines and streams of water, where they observe the growth of trees and shrubs. We monitor our background environmental conditions in connection with the impact of our activities, which help to minimize our impact on the natural environment.

We continuously assess our operations to ensure they align with best practices and strive to implement measures that protect and enhance local ecosystems. Tea estates located in biodiversity-sensitive areas of the Uva region were identified as key areas requiring enhanced biodiversity management due to their reliance on natural resources and potential impacts arising from cultivation activities. The Company also assesses upstream supply chain activities, including agricultural inputs, packaging materials, and transportation, to identify potential biodiversity-related risks.

At our plantations in Palawatte, Hindagala, Pingarawa and Kandahena, we recognize the rich biodiversity that coexists within our estates, including various mammals, amphibians, birds, and reptiles. We are committed to ensuring that our operational activities do not harm these species. The ecosystem of a stream or river can be viewed as a system operating in the natural environment and includes living interactions among plants, animals, and micro-organisms, as well as (non-living) physical and chemical interactions. These streams are ecologically important to maintain the trade of the plantations and the natural environment, as well as fulfill the water requirements.

Further, NPPLC manages timber plantations across its Uva estates under a structured Forestry Management Plan, where plantation growth and management practices are guided by the prevailing natural environment, climatic conditions, topography, and soil characteristics. Through these initiatives, the Company continues to strengthen biodiversity conservation, maintain ecosystem services, and enhance the long-term resilience and sustainability of the landscapes in which it operates.

Natural Capital

NPPLC complies with applicable Sri Lankan biodiversity and environmental regulations. The Company cultivates commercially established tea varieties and does not utilize wild genetic resources or undertake activities requiring formal access and benefit-sharing agreements. Planting materials are sourced through authorized suppliers, and no non-compliance with ABS regulations was identified during the reporting period.

These voluntary actions contribute to the long-term protection of biodiversity and demonstrate the Company's commitment to responsible environmental management beyond minimum legal requirements.

Nature Ecosystem Conservation & Biodiversity Management

GRI 101 -2/6/7/8

We actively implement conservation strategies to protect and sustain local wildlife habitats. By aligning our agricultural practices with ecosystem preservation, we foster a harmonious relationship with the natural environment. This allows us to enhance biodiversity, contribute positively to the environment, and maintain the operational integrity of our estates.

At Namunukula Plantation, biodiversity conservation is integrated into our environmental management practices. We are committed to protecting natural ecosystems, conserving wildlife, restoring habitats, and promoting sustainable land management to ensure the long-term health and resilience of the landscapes in which we operate. Through proactive conservation measures and responsible stewardship of natural resources, we strive to minimize our environmental footprint and contribute to the protection of biodiversity for future generations.

Namunukula Plantations PLC aims to enhance biodiversity conservation within plantation landscapes by protecting natural habitats, promoting sustainable land management practices, and maintaining ecosystem services. This target is informed by the objectives of the Kunming-Montreal Global Biodiversity Framework (GBF), national biodiversity priorities, and scientific principles related to ecosystem conservation. The baseline year for measuring progress is 2025/26, with the objective of achieving continuous improvements towards 2030.

Summary of Our Biodiversity Commitment

Requirement	Our Commitment
Conversion of natural ecosystems	No conversion of protected natural ecosystems during the reporting period
Conversion of modified ecosystems	Replanting confined to existing cultivated tea lands
Wild species harvested	None
Water withdrawal and consumption	Reported under Water Management disclosures
Pollutants generated	GHG emissions, wastewater, agricultural runoff, and solid waste managed through environmental controls
Invasive alien species	Monitoring and preventive management implemented; preference for native vegetation
Supply chain biodiversity impacts	Responsible sourcing practices adopted; supplier biodiversity assessments to be strengthened

Our conservation commitments

Forest and Habitat Protection

- Zero deforestation across managed lands.
- Protection and maintenance of existing natural vegetation and forested areas.
- Reforestation and enrichment planting in areas requiring additional tree cover.
- Prevention of soil erosion in hilly areas through the retention of existing trees and targeted tree planting programmes.
- No harvesting of forest plantations or individual trees situated above 5,000 feet mean sea level (MSL) to protect environmentally sensitive highland ecosystems.

Wildlife Conservation

- Strict prohibition of wildlife hunting, trapping, capture, trade, or captivity within company-managed areas.
- Ensuring no open pits or excavations are left unattended to prevent injury or mortality to wildlife.

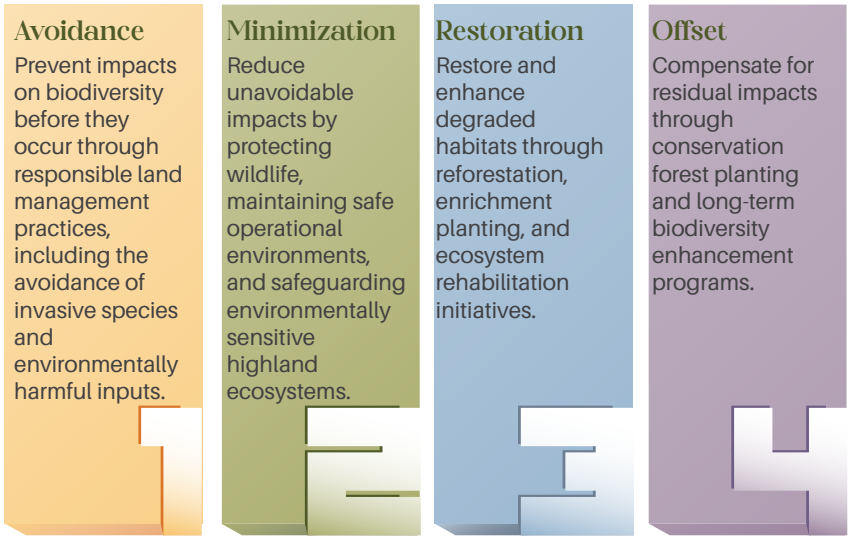
Sustainable Land Management

- No use of agrochemicals prohibited or banned by regulatory authorities.
- Adoption of environmentally responsible land management practices to minimize impacts on ecosystems.

Protection of Native Biodiversity

- No introduction of exotic invasive species in replanting or restoration activities.
- Preference for native or non-invasive species that support ecosystem health and biodiversity conservation.

Systematic approach to preventing biodiversity loss



Together, these efforts reflect our commitment to safeguarding biodiversity while sustaining agricultural productivity and the integrity of the surrounding ecosystem. We remain committed and comply with all the guidelines laid out by the Central Environmental Authority and are engaged in obtaining the certificate of the code of ethics of the Rainforest Alliance.

Strategic Measures

- Educating employees and increasing the awareness to protect biodiversity
- Ongoing tree planting projects
- Promoting value of Biodiversity using signposts
- No fire & No hunting policies

Ongoing tree planting project

The finest approach of offering gratitude for the precious value added by the nature is gifting her with new trees. Therefore, NPPLC is constantly promoting forest coverage by planting new trees, going beyond commercial objectives to create a lasting positive impact on the environment. In addition to planting main crops, NPPLC has implemented lodging shade and green manure trees, fruits and native plants. Hence NPPLC's effort drives beyond the commercial purpose as NPPLC expects lower local temperatures change the micro climate and conserve water sources through the project.

Tree planting projects contribute to restoring degraded landscapes and improving soil health, ensuring long-term ecological balance. By gifting nature with new trees and fostering biodiversity, we not only honor her value but also secure a sustainable future for generations to come. The tree planting programme improves habitat connectivity, enhances carbon sequestration, conserves water resources, reduces soil erosion, and increases native vegetation cover.

Invest during the year 2025/26	Rs
Tea	2,240,370.00
Rubber	52,195,541.00
Oil Palm	23,851,799.00
Coconut	10,039,825.69

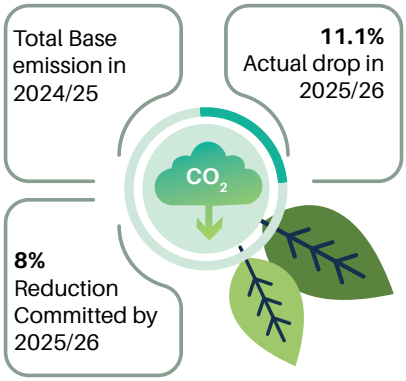
Coffee Under planting Pilot Project

During the financial year 2025/26, NPPLC planned a coffee underplanting project as part of its commitment to sustainable land management and biodiversity enhancement. The initiative has since been implemented as a pilot project in a low-grown estate, specifically Eladuwa Estate, where coffee plants have been introduced beneath existing tree cover.

This integrated agroforestry approach enhances vegetation density, improves soil conservation, supports biodiversity, and promotes the sustainable utilization of plantation land. The outcomes of the pilot project will be evaluated, and subject to its success, the initiative will be expanded to other low-grown estates in the future.

Greenhouse Gas Emissions Management Strategies

GRI 305-1/2/3



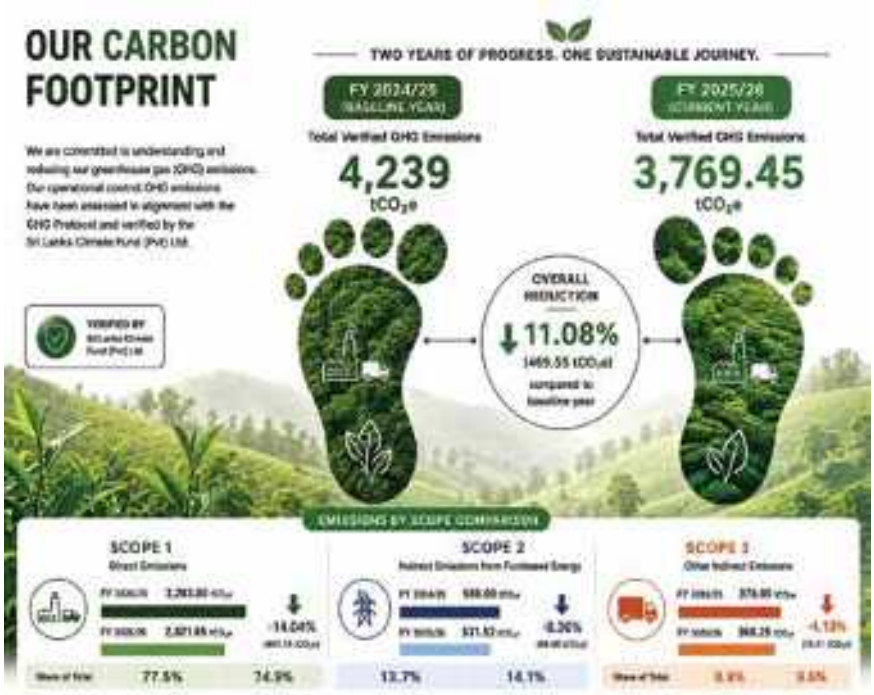
Natural Capital

As part of our commitment to responsible and climate-conscious operations, Namunukula Plantations PLC has established a structured approach to managing and reducing our greenhouse gas emissions. Following the completion of our baseline GHG inventory for 2024/25, we are now focusing on identifying key emission hotspots, setting measurable reduction targets, and integrating low-carbon practices across our estates.

Our strategy aligns with global reporting standards and national climate objectives, ensuring that emission reduction remains integral to our long-term operational and sustainability goals.

This marks the second consecutive year of our organizational GHG Emissions Inventory. Following the first assessment in 2024/25, the 2025/26 inventory covered all 18 estates and was independently verified by **Sri Lanka Climate Fund (Pvt) Ltd.**

Namunukula Plantations PLC quantifies and reports its direct (Scope 1) greenhouse gas (GHG) emissions using the operational control approach, consistent with the GHG Protocol Corporate Accounting and Reporting Standard.



Namunukula Plantations PLC remains committed to reducing its environmental footprint through effective greenhouse gas (GHG) emissions management. During FY 2025/26, the Company's total verified GHG emissions decreased to **3,769.45 tCO_2e**, compared to the FY 2024/25 baseline of **4,239.00 tCO_2e**, representing an overall reduction of **11.08%** (469.55 tCO_2e). This reduction was driven primarily by a 14% decrease in Scope 1 emissions from stationery and mobile combustion sources, supported by continued improvements in energy efficiency under scope 2.

The overall trend demonstrates the Company's continued efforts to optimize resource use and strengthen emissions reduction practices across estate operations, aligning with its broader commitment to climate change mitigation and sustainable plantation management.

(For further details, refer to the Sustainability Disclosures on page 112 to116)

SCOPE 1 EMISSIONS REDUCTION STRATEGY AND PERFORMANCE

As part of our commitment to climate action and responsible environmental stewardship, Namunukula Plantations PLC has established both short-term and long-term strategies to reduce Scope 1 greenhouse gas (GHG) emissions, which represent the largest proportion of the Company's operational carbon footprint.

Scope 1 emissions are direct emissions from sources owned or controlled by NPPLC, primarily from fuel combustion in vehicles, machinery, generators and factory operations. NPPLC's Scope 1 emissions remain the largest source of our carbon footprint, approximately 75% of total emissions.

OUR STRATEGY TO REDUCE SCOPE 1 EMISSIONS

SHORT-TERM STRATEGY (1–3 YEARS)	LONG-TERM STRATEGY (3+ YEARS)
Improve operational efficiency through regular maintenance of machinery and vehicles.	Transition to lower-carbon technologies and cleaner fuel alternatives.
Optimise fuel use to reduce unnecessary fuel consumption and promote fuel-efficient driving.	Explore renewable energy opportunities across our operations.
Monitor and manage fuel consumption across estates with strong operational controls and GHG monitoring.	Modernise factories and improve process efficiency.
Gradually replace ageing equipment with more energy-efficient alternatives.	Integrate climate considerations into operational planning and capital investment decisions.

Progress towards Scope 1 Emission reduction

GRI 305-5

Scope d1 GHG Emissions

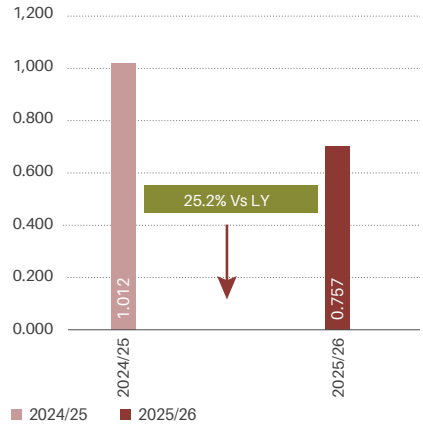
	2024/25	2025/26
Baseline Year 100%		
Current Year 14.04%		
Target Status	✓ Achived	

NPPLC remains committed to continuous improvement and long-term emissions reductions by strengthening its Scope 1 emissions reduction programme. This includes setting annual reduction targets, monitoring performance through verified GHG inventories, and implementing continuous improvement initiatives to support its long-term climate commitments and sustainable plantation management objectives.

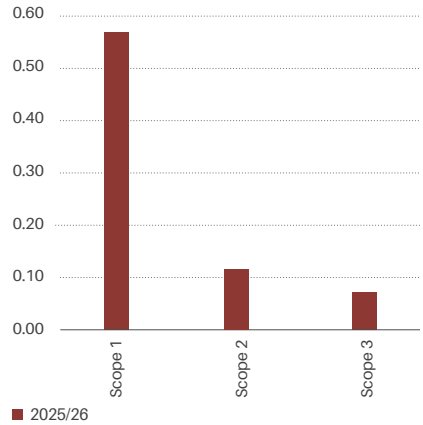
GRI 305-4

GHG emission intensity 2024/25 Vs 2025/26

Intencity Ratio



GHG Intencity Ratio by Scopes



Waste Management

GRI 306-1/2 (2020)/3/4/5

As a responsible corporate citizen, NPPLC recognizes waste as one of the Company's primary negative effects. As a result, it strives to reduce, reuse, and replenish resources whenever possible. We acknowledge trash generation points as part of our responsibility to reduce the harmful environmental impacts of waste disposal from our factories. Reported waste data covers all tea manufacturing factories and estate operations under the Company's operational control.

We have extended our commitment to waste management by installing domestic waste management systems at the community level. The objective was to purify the soil and the environment, which are polluted by community activities, within the operational boundaries. The company has introduced several initiatives to manage hazardous and non-hazardous waste. Hazardous waste is classified in accordance with applicable Sri Lankan environmental regulations, while all other waste streams are classified as non-hazardous.

- Office premises including estate office & head office consist dustbins to collect waste items and unnecessary items divided into three categories as polythene, foods & glass, and the head office waste is discharged through municipal council cleaning services and at estate level they are used to compost preparations.

- Established compost pits are used to produce organic fertilizer from appropriate waste items to refrain from artificial fertilizers.
- Refused tea waste generated from tea processing effectively utilizes as a substitute for the fertilizers tea for the tea cultivation.
- Transforming wastes into marketable products.
- Re use of paper as much as possible.
- Educating employees to increase awareness.

Waste	Waste Type	2025/26
Packing Material Waste- BStock (metric tons)	Non-hazardous	-
Firewood Ash (metric tons)	Non-hazardous	3
Total Waste Generation (metric tons)		**3**

Waste directed to disposal	Hazardous (MT)	Non-Hazardous (MT)
Landfill	0	3
Incineration	0	0
Other disposal	0	0
Total	**0**	**3**

During the reporting period, the principal waste stream directed to disposal comprised non-hazardous firewood ash generated from the combustion of sustainably sourced biomass used in tea manufacturing.

During the reporting period, NPPLC did not divert any waste from disposal. Accordingly, no waste was recycled, reused, recovered, composted, or otherwise diverted from disposal. This was primarily because the only quantifiable waste generated during the reporting period was non-hazardous firewood ash produced from the combustion of sustainably sourced biomass used in tea manufacturing.

In line with the Company's waste management procedures and applicable Sri Lankan environmental regulations, this waste stream was disposed of through designated landfill facilities, as no technically feasible or economically viable recovery or recycling options were available for the ash generated. The Company remains committed to identifying opportunities to enhance resource recovery and strengthen waste diversion practices in future reporting periods.

Soil Conservation

To protect land from soil erosion NPPLC always emphasizes better land management structures such as terracing, mulching, weeding, growing Mana (a type of grass that prevents soil erosion), and other plants to prevent soil erosion. Using plants for soil erosion control is an excellent biological method we use to safeguard the landscape and the shape of the land. In our tea plantations, we adopt this method to safeguard the soil on our lands. In every tier or end of the planting areas with a higher slope, we will adopt these methods to prevent soil erosion. By doing so, we can minimize the conditions that promote soil erosion, such as rain, wind, physical disturbance, and overuse, by adapting to those methods. Preventing erosion with native plants is a common ecological practice in our land management. It is a relatively easy way to conserve top soils and prevent open areas from wearing away. Other methods include coir netting, mulching, terracing, and drains. We have also planted wild Sunflowers (Sooriyakantha) in immature oil palm fields, mature oil palm fields, and Cinnamon fields to improve the soil condition.

Environmental Compliance

GRI 101 -3/307-1/2-27

As a company committed to the wellbeing of the environment, NPPLC conducts operations in accordance with its own environmental procedures and Sri Lanka's environmental laws, regulations, rules, standards, and policies set by the Central Environment Authority and other regulatory bodies. We are guided by best practices advocated by internationally acclaimed certifications, including the Rainforest Alliance. We pursue the sustainability principles prescribed by the United Nations Global Compact (UNGC) program and work towards meeting the sustainability goals. NPPLC is fully compliant with all applicable environmental laws and regulations and has not been subjected to monetary or non-monetary fines or sanctions for non-compliance during this year.

Relationship Building for Safeguard of Nature

GRI 308-1/308-2

NPPLC ensures that procurement practices are handled centrally by the procurement department of Richard Peiris Group through a proper evaluation process. Assessment of suppliers at registration and periodic reviews, including site visits and desk reviews, are in place to evaluate our suppliers. Our main suppliers consist of smallholders within our bought-leaf operations, agro-chemical and fertilizer suppliers, packing material, firewood and fuel suppliers, transporters, utility suppliers, and other service providers. We promote green consciousness across our supply chain and engage our new and existing suppliers to ensure that they meet our standards for environmental sustainability.

Therefore, in the evaluation process of selecting suppliers, they are screened based on pre-arranged environmental criteria, prioritizing the suppliers who could pose significant environmental impacts initially and whenever necessary.

Among them, the impact on the environment of the supplier is important. In 2025/26, a few major suppliers were newly added to our supply chain after a careful process of testing. A group of our senior management team representatives visited the new fertilizer suppliers' factories and premises and confirmed the clearance

of the impact on the environment. All our newly joined smallholder suppliers are visited by our respective estate superintendents. Even though there are many supplies from Namunukula Plantations, only the material supplies have been disclosed here.

No of new suppliers	Screened %	No of suppliers assessed for environment impacts
56	100	56

Description	2025/26
Suppliers identified with significant actual or potential negative environmental impacts	0
Significant environmental impacts identified	None
Suppliers with agreed improvement plans	0%
Suppliers with terminated business relationships due to environmental impacts	0%

Our strategic objectives with regard to natural capital

Natural capital targets	Short term initiatives	Medium term expansion	Long term vision
Implement water conservation programs, including rainwater harvesting and efficient irrigation systems, to minimize environmental impact.	Organize workshops and training sessions for staff on water conservation practices and the importance of efficient water use.	Establish a monitoring system to track water usage and conservation outcomes.	Fully integrate water conservation practices into the plantation's operational framework, making them a core aspect of the company's sustainability strategy.
Expand renewable energy use (e.g., solar panels) to power plantation operations.	Installation at Baddegama Tea Factory	Deployment at Baddegama Tea Factory	Expansion to all tea and Rubber Factories
Reducing greenhouse gas emissions.	Reducing greenhouse gas emissions by 8% annually.	Invest in renewable energy sources such as solar or wind for plantation operations.	Reducing emission effect by 20% by 2030 And achieving carbon credits by becoming carbon neutralized organization
Work with plantation companies under RPC Plantations Management services (Pvt) Ltd. to standardize and scale sustainable practices across regions.	Organize workshops and meetings with plantation managers, workers, and local communities to understand their views on sustainability such as reduction of energy consumption.	Launch community engagement initiatives that promote sustainable practices among local farmers and communities and develop education programs focused on environmental conservation and sustainable agriculture with other plantations.	Invest in R&D for sustainable technology and practices.(Eg: Smart Water Management Systems, Research into biofuels and hydrogen fuel)
Maximize land productivity and sustainability through optimized land use, improved soil health, and diversified cropping systems.	Initiate a coffee under-planting pilot project at Eladuwa Estate to assess the feasibility and performance of coffee cultivation within low-grown estates.	Expand coffee under-planting across suitable low-grown estates following successful pilot implementation and performance evaluation	Scale coffee under planting as a standard sustainable cultivation model in low-grown regions and achieve fully optimized land use through integrated cropping systems across all suitable estates.

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INDEPENDENT ASSURANCE REPORT TO THE BOARD OF THE DIRECTORS OF NAMUNUKULA PLANTATIONS PLC ON THE INFORMATION PRESENTED WITH REFERENCE TO THE GRI STANDARDS IN THE INTERGRATED ANNUAL REPORT - 2025/26

Scope

We have been engaged by the management of Namunukula Plantations PLC ("the Company") to perform an independent limited assurance engagement, as defined by the Sri Lanka Standards on Assurance Engagements, on the information presented with reference to the GRI (Global Reporting Initiative) ("Information") in its Integrated Annual Report for the year ended 31 March 2026 (the "Report").

Management's Responsibility

Management of the Company is responsible for preparation and presentation of the information with reference to the GRI Standards. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the information that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. The firm applies Sri Lanka Standards on Quality Management and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

C S Manoharan FCA, T U Jayasinghe FCA, M D B Boyagoda FCA, H A C H Gunarathne FCA, M P M T Gunasekara FCA, N R Gunasekera FCA, M S J Henry FCA, M M R Hilmy FCA, H P V Lakdeva FCA, K M D R P Manatunga ACA, M M M Manzeer FCA, L A C Tillekeratne ACA,
D C A J Yapa ACA

Deloitte.

Our Responsibility

Our responsibility is to express a conclusion on the information presented in Report with reference to the GRI. We conducted our limited assurance engagement in accordance with the Sri Lanka Standard on Assurance Engagements 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information ("SLSAE 3000") issued by the Institute of Chartered Accountants of Sri Lanka. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the information is free from material misstatement.

A limited assurance engagement undertaken in accordance with SLSAE 3000 involves assessing the risks of material misstatement of the information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and were included,

- Comparing of the content of the Report against the GRI Standards.
- Inquiring relevant organization's personnel to understand the process for collection, analysis, aggregation, and presentation of data.
- Cross checking the non-financial data /information presented in the Report with the supporting documents and schedules maintained by the Company.
- Checking the calculations performed by the organization on a sample basis through recalculation.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the information, as defined above, for the year ended 31 March 2026, is not presented, in all material respects, with reference to the GRI Standards.

Deloitte.

Disclosures covered by our Limited Assurance engagement

The selected Sustainability Related Disclosures pertaining to sustainability standards (Notwithstanding the <IR> Framework) covered by our Limited assurance engagement are:

Sustainability Related Disclosures	Namunukula Plantations PLC's sections	Page Number
GRI Standards	GRI Content Index	241 to 252

Other Matter

Our assurance is not extending to the prospective/comparative information, or any other information presented in the Report other than based on the GRI Standards. Further, we do not provide any assurance on the assumptions and achievability of prospective information presented in the Report including forward-looking statements and growth-related projections.

Deloitte Partners.

Deloitte Partners Sri Lanka
Chartered Accountants
Colombo
25th August 2026

Deloitte.

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INDEPENDENT ASSURANCE REPORT TO THE BOARD OF THE DIRECTORS OF NAMUNUKULA PLANTATIONS PLC ON THE INFORMATION PRESENTED WITH REFERENCE TO THE INTEGRATED REPORTING <IR> FRAMEWORK IN THE INTERGRATED ANNUAL REPORT - 2025/26

Scope

We have been engaged by the management of Namunukula Plantations PLC ("the Company") to perform an independent limited assurance engagement, as defined by the Sri Lanka Standards on Assurance Engagements, on the information presented with reference to the integrated reporting <IR> framework ("Information") in its Integrated Annual Report for the year ended 31 March 2026 (the "Report").

Management's Responsibility

Management of the Company is responsible for preparation and presentation of the information with reference to the Integrated Reporting <IR> framework. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the information that is free from material misstatement, whether due to fraud or error.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. The firm applies Sri Lanka Standards on Quality Management and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

C S Manoharan FCA, T U Jayasinghe FCA, M D B Boyagoda FCA, H A C H Gunarathne FCA, M P M T Gunasekara FCA, N R Gunasekera FCA, M S J Henry FCA, M M R Hilmy FCA, H P V Lakdeva FCA, K M D R P Manatunga ACA, M M M Manzeer FCA, L A C Tillekeratne ACA,
D C A J Yapa ACA

Deloitte.

Our Responsibility

Our responsibility is to express a conclusion on the information presented in Report with reference to the Integrated Reporting <IR> framework. We conducted our limited assurance engagement in accordance with the Sri Lanka Standard on Assurance Engagements 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information ("SLSAE 3000") issued by the Institute of Chartered Accountants of Sri Lanka. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the information is free from material misstatement.

A limited assurance engagement undertaken in accordance with SLSAE 3000 involves assessing the risks of material misstatement of the information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the information.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgment and were included,

- Comparing of the content of the Report against the Integrated Reporting <IR> framework and its principles.
- Inquiring relevant organization's personnel to understand the process of presentation of data.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the information, as defined above, for the year ended 31 March 2026, is not presented, in all material respects, with reference to the Integrated Reporting <IR> Framework.

Other Matter

Our assurance is not extending to the prospective/comparative information, or any other information presented in the Report other than based on the Integrated Reporting <IR> framework. Further, we do not provide any assurance on the assumptions and achievability of prospective information presented in the Report including forward-looking statements and growth-related projections.

Deloitte Partners.

Deloitte Partners Sri Lanka
Chartered Accountants
Colombo
25th August 2026

GRI Content Index

Statement of Use	Namunukula Plantations has reported in accordance with the GRI Standards for the period 01st April 2025 - 31st March 2026					
GRI 1 used	GRI 1: Foundation 2021					
Applicable GRI Sector Standard(s)	Agriculture, Aquaculture and Fishing					
GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General Disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	Inner Back Page 11 to 14				
	2-2 Entities included in the organization's sustainability reporting	Page 07				
	2-3 Reporting period, frequency and contact point	Page 07 to 08				
	2-4 Restatements of information	Page 08				
	2-5 External assurance	Page 08				
	2-6 Activities, value chain and other business relationships	Page 51				
	2-7 Employees	Page 184				
	2-8 Workers who are not employees	N/A	(a), (b), (c)	Not Applicable	All Workers are occupied as employees	
	2-9 Governance structure and composition	Page 28 to 29 Page 37				
	2-10 Nomination and selection of the highest governance body	Page 42 Page 273				
	2-11 Chair of the highest governance body	Page 33				
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 33				
	2-13 Delegation of responsibility for managing impacts	Page 34 Page 75 Page 83				

GRI Content Index

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-14 Role of the highest governance body in sustainability reporting	Page 75 Page 83				
	2-15 Conflicts of interest	Page 32				
	2-16 Communication of critical concerns	Page 35 Page 84				
	2-17 Collective knowledge of the highest governance body		Due to confidentiality concerns, the company does not wish to disclose this information.			
	2-18 Evaluation of the performance of the highest governance body					
	2-19 Remuneration policies					
	2-20 Process to determine remuneration					
	2-21 Annual total compensation ratio					
	2-22 Statement on sustainable development strategy	Page 09 to 10				
	2-23 Policy commitments	Page 36 Page 144 Page 187 Page 196				
	2-24 Embedding policy commitments	Page 34 to 36				
	2-25 Processes to remediate negative impacts	N/A	(a), (b), (c), (d), (e)	Not Applicable	No significant negative impacts requiring specific remediation processes were identified during the reporting period.	
	2-26 Mechanisms for seeking advice and raising concerns	N/A	(a)	Not Applicable	No specific mechanisms for seeking advice or raising concerns related to the organization's responsible business conduct were identified for reporting during the period	

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-27 Compliance with laws and regulations	Page 208 Page 234				
	2-28 Membership associations	Page 217				
	2-29 Approach to stakeholder engagement	Page 144 to 147				
	2-30 Collective bargaining agreements	N/A	(a) (b)	Not Applicable	No Distinctive agreements available	
GRI 3: Material topics 2021	3-1 Process to determine material topics	Page 151				
	3-2 List of material topics	Page 155				
MATERIAL TOPICS						
ECONOMICS						
Economic Performance						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 173				
	201-2 Financial implications and other risks and opportunities due to climate change	Page 50				
	201-3 Defined benefit plan obligations & other retirement plans	Page 187				
	201-4 Financial assistance received from government	Page 218				
Market Presence						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 202: Market Presence 2016	202-1Ratios of standard entry level wage by gender compared to local minimum wage	Page 195				
	202-2 Proportion of senior management hired from the local community	Page 187				

GRI Content Index

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Indirect Economic Impacts						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Page 175 to 176				
	203-2 Significant indirect economic impacts	Page 218				
Procurement Practices						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page 175 Page 215				
Anti-corruption						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 205 : Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 196				
	205-2 Communication and training about anti-corruption policies and procedures	Page 196	(a), (b), (c), (d), (e)	Partially Aligned	NPPLC communicates its anti-corruption policies and procedures to relevant employees and stakeholders; however, information on communication and training coverage is not currently disclosed.	
	205-3 Confirmed incidents of corruption and actions taken		Due to confidentiality concerns, the company does not wish to disclose this information			
Anti-competitive Behaviour						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	N/A	(a), (b)	Not Applicable	No Anti-competitive behaviours recorded in the year	

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Tax						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 207 : Tax 2019	207-1 Approach to tax	Page 166				
	207-2 Tax governance, control, and risk management	Page 166				
	207-3 Stakeholder engagement and management of concerns related to tax	Page 144 to 147				
	207-4 Country-by-country reporting	N/A	(a), (b), (c)	Not Applicable	NPPLC does not have operations or tax-related activities requiring country-by-country reporting	
ENVIRONMENT						
Materials						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Page 221				
	301-2 Recycled input materials used	Page 221				
	301-3 Reclaimed products and their packaging materials	Page 221				
Energy						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 302 : Energy 2016	302-1 Energy consumption within the organization	Page 222				
	302-2 Energy consumption outside of the organization	N/A	(a), (b), (c)	Not Applicable	The organization doesn't consume energy outside its operational boundaries	
	302-3 Energy intensity	Page 222				
	302-4 Reduction of energy consumption	Page 175				
	302-5 Reductions in energy requirements of products and services	N/A	(a), (b), (c)	Not Applicable	The organization's products and services don't have significant energy requirements during their use	

GRI Content Index

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Water						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 303: Water 2018	303-1 Interactions with water as a shared resource	Page 225				
	303-2 Management of water discharge related impacts	Page 226				
	303-3 Water withdrawal	Page 225 ot 226				
	303-4 Water discharge	Page 226				
	303-5 – Water consumption	Page 225 to 226				
Biodiversity						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 101 : Biodiversity 2016	101 – 1 Policies to halt and reverse biodiversity loss	Page 229 to 230				
	101- 2 Management of biodiversity impacts	Page 230				
	101-3 Access and benefit-sharing	Page 229 to 230				
	101-4 Identification of Biodiversity impacts	Page 229 to 230				
	101-5 Locations with biodiversity impacts	Page 229 to 230				
	101 -6 Direct drivers of biodiversity loss	Page 230 to 231				
	101-7 Changes to the state of biodiversity	Page 230 to 231				
	101-8 Ecosystem services	Page 230 to 231				
Emissions						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
	305-1 Direct (Scope 1) GHG emissions	Page 231 to 232				

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 305 : Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Page 231 to 232				
	305-3 Other indirect (Scope 3) GHG emissions	Page 231 to 232				
	305-4 GHG emissions intensity	Page 233				
	305-5 Reduction of GHG emissions	Page 233				
	305-6 Emissions of ozone-depleting substances (ODS)	N/A	(a), (b), (c), (d)	Not Applicable	NPPLC does not manufacture, import, or export ozone-depleting substances (ODS), and no significant ODS emissions arise from its operations	
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	N/A	(a), (b), (c)	Not Applicable	NPPLC's operations do not involve significant sources of NOx, SOx, or other significant air emissions	
Effluents and Waste						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
	306-1 Waste generation and significant waste-related impacts	Page 233 to 234				
	306-2 Management of significant waste-related impact	Page 233 to 234				
	306-3 Waste generated	Page 233 to 234				
	306-4 Waste diverted from disposal	Page 233 to 234				
	306-5 Waste directed to disposal	Page 233 to 234				

GRI Content Index

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Environmental Compliance						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 307 : Environmental Compliance 2016	307-1 Non Compliance with environment laws & regulations	Page 234				
Supplier Environmental Assessment						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 308 : Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Page 214 Page 234 to 235				
	308-2 Negative environmental impacts in the supply chain and actions taken	Page 215				
SOCIAL						
Employment						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 401 : Employment 2016	401-1 New employee hires and employee turnover	Page 185 to 186				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 187 to 188				
	401-3 Parental leave	Page 188				
Labour/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Page 197				
Occupational Health and Safety						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 403 : Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 188				

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	403-2 Hazard identification, risk assessment, and incident investigation	Page 188				
	403-3 Occupational health services	Page 188				
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 188				
	403-5 Worker training on occupational health and safety	Page 188				
	403-6 Promotion of Worker Health	Page 188				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 188				
	403-8 Workers covered by an occupational health and safety management system	Page 188				
	403-9 Work-related injuries	Page 189				
	403-10 Work-related ill health	Page 190				
Training and Education						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 404 : Training and Education 2016	404-1 Average hours of training per year per employee	Page 191				
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 191				
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 190				

GRI Content Index

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Diversity and Equal Opportunity						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 405 : Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 185				
	405-2 Ratio of basic salary and remuneration of women to men	Page 187				
Non discrimination						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 406 : Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 183				
Freedom of Association and Collective Bargaining						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 407 : Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 195				
Child Labour						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 408: Child Labour	408-1 Operations and suppliers at significant risk for incidents of child labour	Page 195				
Forced or compulsory labour						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 409 : Forced or compulsory labour	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	N/A	(a), (b)	Not Applicable	NPPLC has not identified operations or suppliers with a significant risk of incidents of forced or compulsory labour	

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Security Practices						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Page 176 to 178				
Rights of Indigenous Peoples						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Page 176				
Local Communities						
GRI 3 : Material topics 2021 material topics	3-3 Management of	Page 155 to 158				
GRI 413 : Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Page 144 to 147 Page 195 Page 210				
	413-2-Operations with significant actual and potential negative impacts on local communities	Page 195				
Supplier Social Assessment						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 414 : Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Page 214				
	414-2 Negative social impacts in the supply chain and actions taken	Page 214 to 215				
Public policy						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 415 : Public policy 2016	415-1 Political contributions	Page 218				

GRI Content Index

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Customer Health and Safety						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 416 : Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Page 217				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Page 217				
Marketing and Labelling						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 417 : Marketing and Labelling	417-1 Requirements for product and service information and labelling	Page 217				
	417-2 Incidents of non-compliance concerning product and service information and labelling	Page 217				
	417-3 Incidents of non-compliance concerning marketing communications	Page 217				
Customer Privacy						
GRI 3 : Material topics 2021	3-3 Management of material topics	Page 155 to 158				
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 215				

Compliance in line with Colombo Stock Exchange Listing Rules – Section 09 on Corporate Governance

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.1.3	A statement confirming compliance with Corporate Governance Rules.	The statement has includes in report of Annual Report of Board of Directors	Complied
9.2	**Policies**		
9.2.1	Policies	The following policies which are mandated by the revised CSE listing rules are currently in place; • Policy on the matters relating to the Board of Directors • Policy on Board Committees • Policy on Corporate Governance, Nominations & Re-election • Policy on Remuneration • Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities • Policy on Risk Management and Internal Controls • Policy on Relations with Shareholders and Investors • Policy on Environmental, Social and Governance Sustainability • Policy on Corporate Disclosures • Policy on Whistle Blowing • Policy on Anti-Bribery and Corruption Aforementioned polices includes in the company website.	Complied
9.2.2	Waivers and Exemptions	At present there are no waivers and exemptions applicable to the Company.	N/A
9.2.3	Disclosures in the Annual Report	Please refer section 9.2.1.	Complied
9.2.4	Availability of Policies to Shareholders	The Company will provide any of the above policies to its shareholders, upon a written request.	Complied
9.3	**Board Committees**		
9.3.1	Establishment of Board Committees	The Remuneration Committee, Audit Committee, Related Party Transactions Review Committee and Nominations and Governance Committee are in place.	Complied
9.3.2	Board Composition, Responsibilities and Disclosures	The composition of existing Committees is in line with the revised CSE listing rules. The Responsibilities of these committees are in line with the rule set out and required disclosures have been made.	Complied
9.3.3	Chairperson of Board Committees	The Chairperson of the Board is not the Chairperson for any of the Sub Committees.	Complied

Compliance in line with Colombo Stock Exchange Listing Rules – Section 09 on Corporate Governance

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.4	**Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders**		
9.4.1	Record maintain	The Company Secretary maintains records of all resolutions and the following information of General Meetings. (The number of Shares in respect of which proxy appointments, number of votes in favour against and number of shares in respect of vote was directed to be abstained).	Complied
9.4.2	Communication and relation with Shareholders and Investors	The Company has a policy on effective communication and relations with shareholders and investors.	Complied
9.5	Policy on matters relating to the Board of Directors		
9.5.1	Availability of policy on governing matters relating to Board of Directors	The Company maintains a Policy on Matters relating to the Board of Directors	Complied
9.5.2	Disclosures in the Annual Report	The Company confirms the existence of policies governing the matters relating to Board of Directors	Complied
9.6	Chairperson and CEO		
9.6.1	Chairperson and CEO	The Chairman and the Chief Executive Officer of the Company are separate individuals and not related by family. Additionally, the Chairman is not an Executive Director.	Complied
9.6.3	Senior Independent Director	The Company does not have a Senior Independent Director (SID).	Complied
9.6.3. (b)	Senior Independent Director	Not Applicable	Complied
9.6.3. (C)	Senior Independent Director	Not Applicable	Complied
9.6.3 (e)	Senior Independent Director	Not Applicable	Complied
9.7	Fitness of Directors and CEOs		
9.7.1 9.7.2 9.7.3	Appointment of "Fit and Proper" Persons	The Company ensures that the Directors and CEO at all times fulfill the fit and proper assessment criteria set out in the Listing Rules	Complied
9.7.4	Annual Declarations from Directors and CEO	The Company ensures annual declarations from Directors and CEO before effective date	Complied
9.7.5	Disclosures in the Annual Report	Annual Report of the Board of Directors from Page 28 to 30 provides the relevant disclosure.	Complied
9.8	Board Composition		
9.8.1	Board at minimum to consist of Five (5) Directors	The Board of Directors of the Company consists of Six (6) Directors as of 31st March 2026.	Complied

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.8.2	Minimum number of independent Directors (Minimum 2 or 1/3 of total number, whichever is higher)	The Company is complied with the minimum number of Independent Directors. The Board of Directors of the Company consists of Four (4) Independent Directors as of 31st March 2026.	Complied
9.8.3 9.8.4 9.8.5	Criteria for determining independence & Declarations	Company assesses the independence of Directors according new revised rules.	Complied
9.9	**Alternate Directors**		
9.9	Appointment of Alternate Directors	No Alternate Directors were appointed to represent Non-Executive Directors.	N/A
9.10	**Disclosures relating to Directors**		
9.10.1	Policy on the maximum number of Directorships	Policy on maximum number of Directorships which a Director can hold in listed companies is 07.	Complied
9.10.2	Appointment of new Director	Disclose the appointments of new Directors to the Colombo Stock Exchange, including a brief resume, their Directorship capacity, and any relevant interest in shares of the Listed Entity. Please refer pages 28 to 30 for the brief resume of each Director.	Complied
9.10.3	Changes to the Composition	The Company will make an immediate announcement regarding any changes to the composition of the Board Committees referred to Rule 9.3.	Complied
9.10.4	Disclosures in the Annual Report	Please refer page 28 to 30 for profiles of Directors, names of Companies in which the Director serves in Directorships, names of committees in which the Director serves as Chairperson, the nature of Director's expertise. Please refer page 35 for details of meeting attendance.	Complied
9.11	**Nominations & Governance Committee**		
9.11.1	Nominations & Governance Committee	The Company has the Nominations & Governance Committee.	Complied
9.11.2	Formal Procedures	Company has a formal procedure for the appointment of new Directors and re-election of Directors to the Board.	Complied
9.11.3	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties in compliance with the revised CSE listing rules.	Complied
9.11.4	Composition	The Committee comprises of three Independent Non-Executive Directors.	Complied

Compliance in line with Colombo Stock Exchange Listing Rules – Section 09 on Corporate Governance

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.11.5	Functions	The Company has documented the functions of the Committee in Terms of Reference. All functions are effectively discharged by the Committee.	Complied
9.11.6	Disclosures in the Annual Report	Disclosure requirements are covered in the Remuneration Committee Report given on page 40.	Complied
9.12	**Remuneration Committee**		
9.12.1	Definition of Remuneration	The Company has established a formal and transparent policy on remuneration. The remuneration is defined in terms of cash and non-cash benefits.	Complied
9.12.2	Remuneration Committee	The Company's has Remuneration Committee which determines the remuneration for Executive and Non - Executive Directors.	Complied
9.12.3 9.12.4	Remuneration Policy - Executive Directors/ Non- Executive Directors	The remuneration Committee has established a formal and transparent procedure for fixing the Executive Directors' remuneration. The remuneration of Non-Executive Directors is based on the principal of non-discriminatory pay practices ensuring their independence is not impaired.	Complied
9.12.5	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties in compliance with the revised CSE listing rules.	Complied
9.12.6	Composition	The Committee comprises of three Independent Non-Executive Directors.	Complied
9.12.7	Functions	The Company has documented the functions of the Committee in Terms of Reference. All functions are effectively discharged by the Committee.	Complied
9.12.8	Disclosures in the Annual Report	Disclosure requirements are covered in the Remuneration Committee Report given on page 40.	Complied
9.13	**Audit Committee**		
9.13.1	Audit and Risk Committees	The Company has established Audit Committee to perform the Audit and Risk Functions.	Complied
9.13.2	Terms of Reference	The Committee has adopted a Terms of Reference which define the scope, authority and duties.	Complied

Code Ref.	Requirement	Extent of Compliance and Comments	Complied
9.13.3	Composition	The Audit Committee comprises of three Independent Non-Executive Directors. The Audit Committee met nine times during the year. The Head of Finance and Group Internal Audit Manager of the Company attend the Committee meeting by invitation. The Chairman of the Audit Committee is a Senior Chartered Accountant.	Complied
9.13.4	Functions	The Functions of the Committee are effectively summarized in the Audit Committee Report on page 38 & 39.	Complied
9.13.5	Disclosures in the Annual Report	Please refer to the Audit Committee in page given 38 & 39.	Complied
9.14	**Related Party Transactions Review Committee**		
9.14.1	Availability of Related Party Transactions Review Committee	The Company has Related Party Transactions Review Committee.	Complied
9.14.2 (1) & (2)	Composition	The Committee comprises of two Independent Non-Executive Directors and one Non-Independent Non-Executive Director.	Complied
9.14.3	Functions	The Functions of the Committee are effectively summarized in the Related Party Committee Report on page 41.	Complied
9.14.4	General requirements	The Related Party Transaction Committee met six times during the year.	Complied
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	The Committee takes into account the provision of the said CSE listing rules when reviewing related party transactions.	Complied
9.14.6	Shareholder Approval	A situation to obtain the shareholder approval as per revised CSE listing rules has not arisen during the year.	Complied
9.14.7	Immediate Disclosures	A situation has not arisen where immediate disclosure is required to be made as per revised CSE listing rules.	Complied
9.14.8	Disclosures in the Annual Report	The Related Party Transactions are disclosed in note no.32 of the Pages 323 to 325. Disclosure requirements are covered in the Related Party Transactions Review Committee Report given on page 41.	Complied
9.14.9	Acquisition and Disposal of assets from/ to related parties	There were no such transactions that required shareholder approval.	Complied
9.14.10	Exempted Related Party Transactions	The provisions of the sections are considered when evaluating the Related Party Transactions by the Committee.	Complied
9.16	**Additional Disclosures**		
9.16	(i) Declaration of all material interest (ii) Review of internal controls and compliance controls (iii) Compliance with laws, rules and regulations (iv) Material Non-Compliances	Disclosure requirements are covered in the Annual Report of the Board of Directors given on pages 28 to 42. Material non-compliance with any Law or Regulation has not arisen during the year 2025/26.	Complied

Code of Best Practice on Corporate Governance Issued by the Institute of Chartered Accountants of Sri Lanka In 2023

Code of Best Practices Ref	Requirement	Refrence with the Report	Page
A. Directors			
A.1 THE BOARD			
A.1	An effective Board, which should direct, lead and control the company.	The Board of Directors	28 to 30
A.1.1	Regular Basis Board Mattings to execute responsibilities and provide structured information Financial Operational & Key Matters	Meetings of the Directors	35
A.1.2	Roles and responsibilities of the board.	Statement of Directors' Responsibility	276
A.1.3	Comply with the laws & Regulations of the country collectively and individually	Compliance	35 & 276
A.1.4	Access to the advice and services of the company secretary	Board Secretary	33
A.1.5	Directors' Independent Judgments	The Board of Directors / Board Meetings	32 to 35
A.1.6	Dedicate adequate time and effort to matters of the board and the company Duties and responsibilities	Board Meetings	35
A.1.8	Training & development program for directors	Nomination & Governance Committee	42
A.2 CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CEO)			
A.2	Chairman & Chief Executive Officer	Board of Directors and Our Management Team	28 to 31
A.3 CHAIRMAN'S ROLE			
A.3	chairman's role in preserving good corporate governance	Role of Chairman in overseeing the management of impact	33
A.4 FINANCIAL ACUMEN			
A.4	sufficient financial acumen and knowledge to offer guidance on matters of finance	The Board of Directors	28 to 30
A.5 BOARD BALANCE			
A.5	Board Balance (balance of executive and non-executive directors)	The Board of Directors	32 & 33
A.5.1	Board Composition: Ensuring Sufficient Calibre and Independence Through Non-Executive Directors	Section 9 of the CSE Listing Rules – Complied; relevant Board composition requirement under the Code of Best Practice – Not complied	
A.5.2 A.5.3	Independence of Directors		
A.5.4	Annual Declaration of Independence by Non-Executive Directors	The Board of Directors	32 & 33
A.5.6	Alternative Director	N/A	
A.5.7 A.5.8	Senior Independent Director	The Chairman and the Chief Executive Officer of the Company are separate individuals and not related by family. Additionally, the Chairman is not an Executive Director.	
A.5.9	Meetings with Non-Executive Directors	Meetings held with NEDs	

Code of Best Practices Ref	Requirement	Refrence with the Report	Page
A.6 SUPPLY OF INFORMATION			
A.6	Supply of Information	The Board of Directors and Meetings of the Board of Directors	32 to 36
A.7 APPOINTMENT TO THE BOARD : NOMINATION COMMITTEE			
A.7.1	Composition of the Nomination Committee	Nomination Committee	42
A.7.2	Annual assessment of Board composition	Nomination Committee	42
A.7.3	Succession plan for CEO & KMPs	Nomination Committee	42
A.7.4	Disclosures on appointment of new directors	The Board of Directors (Disclose the appointments of new Directors to the CSE, including a brief resume, their directorship capacity, and any relevant interest in shares of the Entity)	
A.7.5	Work of the Nomination Committee and the Board Appointment Process	Nomination Committee	42
A.8 RE- ELECTION			
A.8	Directors to submit themselves for re-election		Complied
A.10 DISCLOSURE OF INFORMATION IN RESPECT OF DIRECTORS			
A.10	Annual report Disclosure of directors profile	Board of Directors	28 to30
B. DIRECTORS' REMUNERATION			
B 1. REMUNERATION PROCEDURE			
B.1	Formal and transparent procedure for developing policy on executive remuneration	Remuneration Committee	40
B.2 .REMUNERATION COMMITTEE			
B.2	remuneration of both executive and non-executive directors should be sufficient to attract and retain the directors needed to run the company successfully	Note 09	302
B .3 .DISCLOSURE OF REMUNERATION			
B.3	Annual report disclosure of statement of remuneration policy and details of remuneration of the board	Note 09	302
C.RELATIONS WITH SHAREHOLDERS			
C.1 CONSTRUCTIVE USE OF THE ANNUAL GENERAL MEETING (AGM) AND CONDUCT OF GENERAL MEETINGS			
C.1 C.2	Communicate AGM to Shareholder encouragement of participation & Effective communication with Shareholders	Notice of Meeting - AGM	354 to 356
C.3	Disclose to shareholders all proposed material transactions	No Major Material Transactions During the Year	

Code of Best Practice on Corporate Governance Issued by the Institute of Chartered Accountants of Sri Lanka In 2023

Code of Best Practices Ref	Requirement	Refrence with the Report	Page
D. ACCOUNTABILITY AND AUDIT			
D.1 FINANCIAL AND BUSINESS REPORTING (THE ANNUAL REPORT)			
D.1	Present a balanced and understandable assessment of the company's financial position, performance, business model, governance structure, risk management, internal controls	Financial Statements & Corporate Governance Structure	
D.1.1	Present an annual report including financial statements that is true and fair, balanced, and understandable and prepared in accordance with the relevant laws and regulations	Independent Auditors' Report & Financial Statements	277 to 328
D.1.2	present a balanced and understandable assessment	Financial Calendar	270
D.1.4 D.1.5	Directors responsibility of preparation and presentation of financial statements, together with a statement by the auditors about their reporting responsibilities	Directors Responsibility	276
D.1.6	Management discussion & analysis	Value Creation	118 to 129
D.1.7	If a company's net assets fall below 50% of its shareholders' funds, the directors must call an extraordinary general meeting to inform shareholders and report progress on remedial actions.	No Serious of loss Condition	
D.1.8	No Serious of loss Condition	Note to FS (Note 32)	323 to 325
D 2 RISK MANAGEMENT AND INTERNAL CONTROL			
D.2	Risk Management with Internal controls	Risk Management Chapter	43 to 65
D.2.1	Risk Management Framework	Risk Governance Framework	44
D.2.1.2	Describe the risk management framework, processes, and responsibilities and explain in the annual report how they are being managed or mitigated.	Risk Management Chapter	43 to 65
D.2.1.3	Board Responsibility for Risk Management and the Establishment of a Risk Committee	Risk Management	38 & 39
D.2.1.5	Composition of Risk Committee	Risk Management	38 & 39
D.2.1.6 D.2.1.7	Inclusion of a Risk Committee Report in the Annual Report Outlining Its Role and Discharge of Responsibilities	Risk Management	38 & 39
D 3 AUDIT COMMITTEE			
D.3	Audit Committee	Audit Committee Report	38 & 39
D.3.1	Composition of Audit Committee	Audit Committee Report	38 & 39
D.3.2	Authority & Duties of Audit Committee	Audit Committee Report	38 & 39
D.3.3	Work of the Audit Committee in Discharging Its Responsibilities	Audit Committee Report	38 & 39

Code of Best Practices Ref	Requirement	Refrence with the Report	Page
D 4 RISK COMMITTEE			
D.4	Risk Committee	Risk Management	38 & 39
D 5 RELATED PARTY TRANSACTION REVIEW COMMITTEE			
D.5	Related Party Transaction Committee	Related Party Transactions Review	41
D.6 CODE OF BUSINESS CONDUCT & ETHICS			
D.6	Code of business conduct for directors, key management, and employees, addressing issues like share dealings, listing rules, bribery, corruption, confidentiality, and reporting unethical behavior.	Against Corruption	196
E. INSTITUTIONAL INVESTORS			
E. SHAREHOLDER VOTING			
E.1	Communication with Shareholders	The Company has a Shareholder Communication and Relations policy andIt is published on the Group website. (www.arpico.com)	
G. INTERNET OF THINGS AND CYBERSECURITY			
G.1 INTERNET OF THINGS AND CYBERSECURITY			
G.1	The board should identify cyber security risks associated with IT devices connecting to the organization's network, as these devices can be embedded in everyday objects.	In-house Developed Information Systems	204
H .SUSTAINABILITY: ESG RISK AND OPPORTUNITIES			
H .1 SUSTAINABILITY: ESG RISK AND OPPORTUNITIES			
H.1	Consideration of Sustainability and ESG Risks and Opportunities in Business Model, Operations, Planning, and Long-Term Strategy	Sustainability Reporting	74 to116
I .SPECIAL CONSIDERATIONS FOR LISTED ENTITIES			
I.1 ESTABLISHMENT AND MAINTENANCE OF POLICIES			
I.1	Establish and maintain policies relating to its governance and disclose the fact of existence of such policies	Corporate Governance	
I.2 POLICY ON MATTERS RELATING TO THE BOARD OF DIRECTORS			
I.2	Formal policy governing matters relating to the board of directors.	Corporate Governance	

S1 & S2 Index

S1 Index

Core Elements		Recommended Disclosures	Page Reference	Page Number
Governance	1	(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities.	SLFRS S1 & S2 Financial Disclosures, Governance Chart , Sustainability Chapter	Page 83 Page 98
	2	(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities	SLFRS S1 & S2 Financial Disclosures, Governance Chart , Sustainability responsibility Chapter	Page 84 Page 98 to 100
Strategy	3	"(a) the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects "	SLFRS S1 & S2 Financial Disclosures, Risk Management	Page 67 to 71 Page 100
	4	Sustainability related risks and opportunities	SLFRS S1 & S2 Financial Disclosures, Risk Management, Sustainability Chapter	Page 67 to 71 Page 100
	5	Business model and value chain	Value chain Page	Page 158 to 159
	6	(b) the current and anticipated effects of those sustainability-related risks and opportunities on the entity's business model and value chain	Sustainability Chapter / Sustainability Agenda	Page 100 to 106
	7	(c) the effects of those sustainability-related risks and opportunities on the entity's strategy and decision making	SLFRS S1 & S2 Financial Disclosures, Risk Management, Sustainability Chapter	Page 100 to 106
	8	(d) an entity shall disclose quantitative and qualitative information about the effects of those sustainability related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those sustainability-related risks and opportunities have been factored into the entitys financial planning , Financial position, financial performance and cash flows.	Risk Management chapter , Sustainability Chapter Metrics table , Finance capital Value added statetement , Accounts Set	Page 100 to 106 Page 172 Page 280 to 328
	9	(e) the resilience of the entity's strategy and its business model to those sustainability-related risks	SLFRS S1 & S2 Financial Disclosures, Risk Management, Sustainability Chapter	Page 101 to 111
Risk Management	10	(a) the processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about:	SLFRS S1 & S2 Financial Disclosures, Risk Management, Sustainability Chapter	Page 111 to 112
	11	(b) the processes the entity uses to identify, assess, prioritise and monitor sustainability-related opportunities	SLFRS S1 & S2 Financial Disclosures, Risk Management, Sustainability Chapter	Page 45 to 47 Page 111 to 112
	12	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities are integrated into and inform the entity's overall risk management process.	SLFRS S1 & S2 Financial Disclosures, Risk Management, Sustainability Chapter	Page 45 to 47 Page 111 to 112

Core Elements		Recommended Disclosures	Page Reference	Page Number
Metrics and Targets	13	(a) An entity shall disclose, for each sustainability-related risk and opportunity that could reasonably be expected to affect the entity's prospects:	SLFRS S1 & S2 Financial Disclosures, Risk Management, Sustainability Chapter	Page 48 to 65 Page 100 to 106
	14	(b) the specific quantitative or qualitative target the entity has set or is required to meet	Sustainability Chapter Metrics table	Page 86 Page 112 to 116
	15	(c) the period over which the target applies	Sustainability Chapter Metrics table	Page 86 Page 112 to 116
	16	(d) the base period from which progress is measured	Sustainability Chapter Metrics table	Page 86 Page 112 to 116
	17	(e) any milestones and interim targets	Sustainability Journey and Current Projects	Page 86 Page 112 to 116
	18	(f) performance against each target and an analysis of trends or changes in the entity's performance	Sustainability Chapter Metrics table	Page 86 Page 112 to 116
	19	(g) any revisions to the target and an explanation for those revisions	Sustainability Chapter Metrics table	Page 86 Page 112 to 116

S1 & S2 Index

S2 Index

Core Elements		Recommended Disclosures	Page Reference	Page Number
Governance	1	(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of Climate -related risks and opportunities.	SLFRS S1 & S2 Financial Disclosures, Sustainability Management, Risk Management, Climates risk Management	Page 83 Page 98
	2	(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee Climate-related risks and opportunities	SLFRS S1 & S2 Financial Disclosures, Sustainability Management, Risk Management, Climates risk Management	Page 84 Page 98 to 100
Strategy	3	"(a) the Climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects"	SLFRS S1 & S2 Financial Disclosures, Risk Management, Climates risk Management	Page 67 to 71 Page 100
	4	Climate related risks and opportunities	SLFRS S1 & S2 Financial Disclosures, Risk Management, Climates risk Management	Page 67 to 71 Page 104 to 106
	5	Business model and value chain	Value chain page	Page 158 to 159
	6	"(b) the current and anticipated effects of those Climate-related risks and opportunities on the entity's business model and value chain"	SLFRS S1 & S2 Financial Disclosures, Risk Management, Climates risk Management	Page 104 to 106
	7	(c) the effects of those Climate-related risks and opportunities on the entity's strategy and decision making and entity's Transition plan	SLFRS S1 & S2 Financial Disclosures, Risk Management, Climates risk Management	Page 104 to 106
	8	(d) an entity shall disclose quantitative and qualitative information about the effects of those Climate related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those Climate-related risks and opportunities have been factored into the entity's financial planning , Financial position, financial performance and cash flows.	Accounts set , Natural capital GHG Metrics page	Page 104 to 106 Page 172 Page 280 to 328
	9	(e) the resilience of the entity's strategy and its business model to those Climate-related risks	SLFRS S1 & S2 Financial Disclosures, Risk Management, Climates risk Management	Page 107 to 111
Risk Management	10	(a) the processes and related policies the entity uses to identify, assess, prioritise and monitor Climate-related risks, including information about:	SLFRS S1 & S2 Financial Disclosures, Sustainability Management, Risk Management, Climates risk Management	Page 111 to 112
	11	(b) the processes the entity uses to identify, assess, prioritise and monitor Climate-related opportunities	SLFRS S1 & S2 Financial Disclosures, Sustainability Management, Risk Management, Climates risk Management	Page 45 to 47
	12	(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring Climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	SLFRS S1 & S2 Financial Disclosures, Sustainability Management, Risk Management, Climates risk Management	Page 45 to 47 Page 111 to 112

Core Elements		Recommended Disclosures	Page Reference	Page Number
Metrics and Targets	13	(a) An entity shall disclose, for each Climate-related risk and opportunity that could reasonably be expected to affect the entity's prospects:	SLFRS S1 & S2 Financial Disclosures, Sustainability Management, Risk Management, Climates risk Management, Natural capital GHG Metric page	Page 86 Page 112 to 116
	14	(b) the specific quantitative or qualitative target the entity has set or is required to meet		
	15	(c) the period over which the target applies		
	16	(d) the base period from which progress is measured		
	17	(e) any milestones and interim targets		
	18	(f) performance against each target and an analysis of trends or changes in the entity's performance		
	19	(g) any revisions to the target and an explanation for those revisions		

Sustainability Standards Accounting Standards Board (SASB) Index

Agricultural Products - Version: 2013-12

Table 1: Sustainability Disclosure Topics & Metrics

Topic	Metric	Category	Unit of Measure	Code	Disclosure / Page Reference
Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tonnes (tCO_2e)	FB-AG-110a.1	2,821.85
	Discussion of long and short term strategy or plan to manage Scope 1 emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	FB-AG-110a.2	Page 232 to 235 (Natural Capital)
	Fleet fuel consumed, percentage renewable	Quantitative	Gigajoules (GJ) Percentage (%)	FB-AG-110a.3	0%
Energy Management	(1) Operational energy consumed, (2) Percentage grid electricity and (3) Percentage renewable	Quantitative	Gigajoules (GJ Percentage (%)	FB-AG-130a.1	1) 13296.95 GJ 2) 34.48% 3) 36.6%
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres(m^3), Percentage (%)	FB-AG-140a.1	1) 13,500 m^3 2) 0%
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and Analysis	N/A	FB-AG-140a.2	Page 232 to 233 (Natural Capital)
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	FB-AG-140a.3	0
Food Safety	Global Food Safety Initiative (GFSI) audit (1) non-conformance rates and (2) associated corrective action rates for (a) major and (b) minor non-conformances	Quantitative	Rate	FB-AG-250a.1	(Maintain ISO 22000:2018 as food safety management system)
	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognised food safety certification programme	Quantitative	Percentage (%) by cost	FB-AG-250a.2	
	(1) Number of recalls issued and (2) total amount of food product recalled1	Quantitative	Number, Metric tonnes (t)	FB-AG-250a.3	

Topic	Metric	Category	Unit of Measure	Code	Disclosure / Page Reference
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contact employees	Quantitative	Rate	FB-AG-320a.1	1) 1 2) 0 3) N/A
Environmental & Social Impacts of Ingredient Supply Chain	(1) Percentage of agricultural products sourced that are certified to a third-party environmental or social standard, and (2) percentage by standard	Quantitative	Percentage (%) by cost	FB-AG-430a.1	0% (No agricultural products purchased externally are certified to a third party)
	Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	Quantitative	Rate	FB-AG-430a.2	0 (No non-conformances)
	Discussion of strategy to manage environment and social risks arising from contract growing and commodity sourcing	Discussion & Analysis	N/A	FB-AG-430a.3	Page 208 to 209 (Social & Relationship Capital)
GMO Management	Discussion of strategies to manage the use of genetically modified organisms (GMOs)	Discussion & Analysis	N/A	FB-AG-430b.1	NPPLC does not use GMO for its production
Ingredient Sourcing	Identification of principal crops and description of risks and opportunities presented by climate change	Discussion & Analysis	N/A	FB-AG-440a.1	Refer to strategy part on S1 & S2 financial disclosures
	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by cost	FB-AG-440a.2	0%

Table 2: Activity Metrics

Activity Measure	Category	Unit of Measure	Code	Disclosure/ Page Reference
Production by principal crop[2]	Quantitative	Metric tonnes (t)	FB-AG-000.A	Tea - 1,345 Oil Palm - 32019.2 Rubber - 305.171 Coconut - 561.888 Cinnamon - 2.156
Number of processing facilities[3]	Quantitative	Number	FB-AG-000.B	6
Total land area under active production	Quantitative	Hectares (ha)	FB-AG-000.C	5,225.67
Cost of agricultural products sourced externally	Quantitative	Presentation currency	FB-AG-000.D	1,152.25 Mn

Financial Information

Defining the Monetary Vista; A focus on Disciplined Growth, Refined Results, and Prudent Financial Leadership

Financial Calendar 2025/2026

ANNOUNCEMENTS OF RESULTS

	2025/26	2024/25
First Quarter ended 30th June	August 07, 2025	July 31, 2024
Second Quarter ended 30th September	November 07, 2025	November 06, 2024
Third Quarter ended 31st December	February 13, 2026	February 10, 2025
Fourth Quarter ended 31st March	May 29, 2026	May 29, 2025

PUBLISHED ANNUAL REPORT AND FINANCIAL STATEMENTS

	2025/26	2024/25
Annual Report and Accounts for the year signed	On August 25, 2026	On August 28,2025
Release to CSE and circulated to the Shareholders	On August 31, 2026	On September 01,2025
Annual General Meeting to be held/hold	On September 25, 2026	On September 26,2025

DIVIDEND

	2025/26	2024/25
Dividend per Share	Rs. 2.00	Rs.15.00
Announcement	On March 30, 2026	On February 21, 2025
Payment Date	On April 30, 2026	On March 25, 2025

MOST RECENT PREVIOUS ANNUAL GENERAL MEETINGS

18th Annual General Meeting	30th June 2011
19th Annual General Meeting	29th June 2012
20th Annual General Meeting	28th June 2013
21st Annual General Meeting	30th June 2014
22nd Annual General Meeting	30th June 2015
23rd Annual General Meeting	30th June 2016
24th Annual General Meeting	30th June 2017
25th Annual General Meeting	29th June 2018
26th Annual General Meeting	26th July 2019
27th Annual General Meeting	12th February 2021
28th Annual General Meeting	11th Jan 2022
29th Annual General Meeting	29th Sep 2022
30th Annual General Meeting	27th Sep 2023
31st Annual General Meeting	27th Sep 2024
32nd Annual General Meeting	27th Sep 2025

Annual Report of the Board of Directors

1. General

The Board of Directors of Namunukula Plantations PLC has pleasure in presenting the Integrated Annual report together with the Audited financial statements of the company for the year ended 31st March 2026 and the Auditor's Report on these Financial Statements conforming to all statutory requirements. This report was approved by the Board of Directors on 25th August 2026.

The details set out herein provide pertinent information required by the Companies Act No. 7 of 2007, Listing Rules of the Colombo Stock Exchange, Securities Exchange Commission and are guided by recommended best accounting practices.

Information required to be disclosed as per the companies act no. 07 of 2007.		Reference to the companies Act.	Annual report page reference for compliance.
(i)	The nature of the business of the company and any change thereof during the accounting period.	Section 168 (1) (a)	Refer item 2.1 On page 271
(ii)	Signed financial statements of the company for the period completed.	Section 168 (1) (b)	Refer item 3.1 On page 272
(iii)	Auditors' report on financial statement of the company.	Section 168 (1) (c)	Refer item 5.1 On page 274
(iv)	Accounting policies and any changes therein.	Section 168 (1) (d)	Refer item 3.2 On page 272
(v)	Particulars of the entries made in the interests register during the accounting period.	Section 168 (1) (e)	Refer item 4.2 On page 273
(vi)	Remuneration and other benefits paid to directors of the company during the accounting period.	Section 168 (1) (f)	Refer item 4.4 On page 274
(vii)	Total amount of donations made by the company during the accounting period.	Section 168 (1) (g)	Refer item 8 On page 275
(viii)	Information on directorate of the company during period.	Section 168 (1) (h)	Refer item 4 On page 273
(ix)	Separate disclosure on amounts payable to the Auditors as Audit Fees and Fees for other services rendered during the accounting period.	Section 168 (1) (i)	Refer item 5.3 On page 274
(x)	Auditors' relationship or any relationship with company.	Section 168 (1) (j)	Refer item 5.4 On page 274
(xi)	Acknowledgement of the contents of this report/signatures on behalf of the board.	Section 168 (1) (k)	Refer page 275

2. Review of Business

The Company's Vision, Mission and Values are exhibited in page 09 of this Annual Report.

2.1 Principal business activities of the company

The principal activity of the company is cultivation and processing of Black Tea, Rubber, Oil Palm, Coconut and other crops and remains unchanged from the previous year.

Namunukula Plantations PLC manages 18 estates with an extent of 11,779 Ha. Unchanged from the previous year.

The company continues to be managed by RPC Plantations Management Services (Pvt) Ltd. The basis of computation of Management Fees was same as that of the previous year and was in accordance with the agreement signed between both parties.

2.2 Review of operations of the company

An overall assessment of the Company's financial position and performance during the year 2025/26, with comments on financial results and special events that took place is contained in the "Chairman's Review" on pages 13 & 14, "Review of Operations" and "Management discussion & Analysis" on pages 118 to 129, together with Audited Financial statements provide an overall assessment on the financial performance and financial position of the company as required by the section 168 of the companies act no. 07 of 2007.

Segment wise contributions to Company revenue, results, assets and liabilities are disclosed in Note no: 06 to the financial statements on page 300 & 301 of this Annual Report.

3. Financial Statement

3.1 Financial Statements of the company

In compliance with the requirements of the section 151, 152 and 168 (1) (b) of the companies act no 07 of 2007, the financial statements of the company have been duly certified by the Sector Financial Controller and approved by the board of directors and signed by two members of the board of the directors are appearing on pages 281 to 328 of this Annual Report.

3.2 Accounting Policies and changes during the year

The Financial Statements of the Namunukula Plantations PLC 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.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's annual financial statements in the previous financial year, except for the adoption of new standards effective after 1st April 2025. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3.3 Directors' responsibility for financial reporting

The Statement of Directors' Responsibility is given on page 276 of this report.

3.4 Financial results and appropriations

a) Turnover

The turnover of the company was Rs. 4,977,897,195 /- (2024/25 - 4,190,311,231) and a composition of the Revenue is given in Note 6 to the financial statements.

b) Performance and appropriations

For the year ended 31 March	2025/26 Rs. '000	2024/25 Rs. '000
Profit/(Loss) for the year after deducting all expenses, depreciation and all known liabilities amounts to	**2,399,658**	2,030,282
Share of profit of joint venture	**247,257**	119,819
Profit/ (loss) before taxation	**2,646,914**	2,150,101
Income tax (expense)/ reversal	**(747,411)**	(624,033)
Making a profit/ (loss) after taxation of	**1,879,503**	1,526,069
Other comprehensive income /(Loss)	**(1,837)**	(80,984)
Transferred to Timber Reserve	**82,647**	70,329
Un- appropriated profit brought forward	**9,985,378**	8,966,874
Profit available for distributions	**11,780,397**	9,985,378
Appropriations - Dividends paid	**(475,000)**	(356,250)
Un - appropriated profit carried forward	**11,305,397**	9,985,378

Details relating to the company's profits are given on page 281 & 282.

c) Provision for Taxation

The profit of the Company is liable for income tax at standrad rates. The profit earned on Agro Farming, Agro processing, Interest Income and Other source of income are liable at 30 % and Dividend Income is liable at 15%.

The Company has also provided deferred tax on all known temporary differences under the liability method

The details of deferred tax computation are given in Note 10.4 to the Financial Statements.

d) Property, Plant and Equipment

Detailed information relating to the movement of property, plant & equipment, Intangible assets and leasehold assets of the company as at reporting date is given in notes 12, 13, 14 & 15 to the accounts.

The total capital expenditure incurred on the acquisition of fixed assets during the year amounted to Rs. 213,696,151/- (2024/25- Rs. 390,632,019/-) out of which expenditure on Replanting and Field Development amounts to Rs. 134,430,315/- (2024/25- Rs. 334,319,155/-) Capital expenditure has been financed by either long or short term borrowings depending on the payback period and or internally generated funds.

e) **Stated capital**

Stated capital of the company as at 31 March 2026 was Rs. 350,000,010/-. Details of the stated capital are given in note 23 to the financial statements.

f) **Dividend and Reserves**

During the year of 2025/26 Rs. 475,000,002 dividend distributions were made (2024/25 –Rs.15.00 per share cash dividend paid on 25th March 2025).

Information on the movement of reserve is given in the statement of changes in equity on Page 284.

4. Directors

The Board consists of six directors, all of whom are non-executive directors. Out of six non-executive directors three are Independent, ensuring an independent outlook to temper the expediency of the experts.

The names of the members of the Board of Directors who held office as required by the section 168 (1) (h) of the companies Act No. 07 of 2007, are given below. Their brief profile including skills and experience are set out on pages 28 to 30 of this Report.

Name of the Director	Executive/ Non-Executive Status	Independent/ Non-Independent Status
Dr S Yaddehige - Chairman	Non- Executive	Non-Independent
Mr. N.C.Peiris (Retired from the directorate W.E.F. 15th July 2025)	Non- Executive	Independent
Mr. Shaminda Yaddehige	Non- Executive	Non-Independent
Mr. Gerard Amerasinghe	Non- Executive	Non-Independent
Mr. Ranil Goonetilleke	Non- Executive	Independent
Ms. C.S. Perera (Ceased to be a director W.E.F. 09th April 2026)	Non- Executive	Independent
Dr. Bandara Rekogama (Appointed on 16th July 2025)	Non- Executive	Independent
Ms. Kusalani De Silva (Appointed on 09th April 2026)	Non- Executive	Independent

4.1 Re-election of Directorate of the Company

a. Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from RPC Plantation Management Services (Private) Limited, 310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.

"That Dr. Sena Yaddehige of Le Neuf , Chemin, St. Saviours, Guernsey, United Kingdom who is 80 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. Sena Yaddehige "

a) To re- elect Mr. Shaminda Yaddehige, who retires by rotation in terms of Article 92 at the Annual General Meeting, a Director

a) To re – elect Mr. Ranil Goonetilleke, who retires by rotation in terms of Article 92 at the Annual General Meeting , a Director

4.2 Directors' interest in contracts with the company and the interest register

Directors' interest in contracts in relation to transactions with related entities, transactions with Key Management Personnel and other related disclosures are stated in Note 32 (Related party disclosures) to the financial statements.

As required by the section 168 (1) (e) of the Companies Act No. 7 of 2007, Interest Register is maintained by the company. Share ownership of directors is disclosed in page 273 & 274.

4.3 Disclosure of Directors' & CEO's Dealing in shares

Shareholding of persons who were directors of the company at any given time during the financial year is as follows.

Annual Report of the Board of Directors

Name of the Director	2025/26 No.of shares	2024/25 No.of shares
Dr S Yaddehige - Chairman	-	-
Mr. N.C.Peiris (Retired from the directorate W.E.F. 15th July 2025)	-	-
Mr. Shaminda Yaddehige	-	-
Mr. Gerard Amerasinghe	-	-
Mr. Ranil Goonetilleke	-	-
Ms. C.S. Perera (Ceased to be a director W.E.F. 09th April 2026)	-	-
Dr. Bandara Rekogama (Appointed on 16th July 2025)	-	-
Ms. Kusalani De Silva (Appointed on 09th April 2026)	-	-
Mr. P De S A Gunasekara - CEO (Resigned w.e.f. 06th November 2025)	74	74
Mr. I S Doranegama - Acting Chief Executive Officer (Appointed on 10th November 2025)	-	-

4.4 Directors' remuneration and other benefits

As required by the section 168 (1) (f) of the companies act no 07 of 2007, the Remuneration and other benefits of the Directors for the year ended 31 March 2026 is given in Note 09 of the financial statements.

5. External Auditors

5.1 Auditors' Report

The company's Auditors, Messrs Ernst & Young, Chartered Accountants have performed the audit on the financial statements for the year ended March 31, 2026, and Auditors' Report issued thereon is appearing on page 277 to 280 as required by the section 168 (1) (c) of the companies act no 07 of 2007.

5.2 Appointment of Auditors

In accordance with the Companies Act No. 7 of 2007, a resolution proposing re-appointment of Messrs. Ernst & Young, Chartered Accountants as Auditors to the company and authorizing the Directors of the company to fix their remuneration will be proposed at the Annual General Meeting.

5.3 Auditors' remuneration and Interest in contracts with company

The Auditors were paid sums of Rs. 6,674,459 /- (2024/25 – Rs. 6,067,690/-) by the company for audit and related services as well as non-audit services given to the company.

5.4 Interest in contract with company

As far as the directors were aware, the Auditors do not have any relationship other than that of an Auditor with the company.

6. Corporate governance and Internal control

The policies adopted by the company in relation to best practices and good corporate governance are given on page 32 to 37. The Board has overall responsibility for the company's system of internal controls. Although no system of internal control can provide absolute assurance against material misstatement or loss the company's internal control system has been designed to provide the directors with reasonable assurance that assets are safeguarded, transactions authorized and properly recorded and material errors and irregularities either prevented or detected within a reasonable period of time.

The Directors and the CEO satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange. There were no non-compliances by any Director or CEO during the financial year.

6.1 Board sub committees

The Board, while assuming the overall responsibility and accountability for the affairs in the management of the Company, has appointed an Audit Committee, Remuneration Committee, Nominations and Governance Committee and Related Party Transactions Review Committee with specific terms of reference. Committees' reports are given under Corporate Governance from Page 38 to 42.

6.2 Statutory payments

To the best of their knowledge and belief the Directors are satisfied that all statutory payments have been made up to date.

6.3 Compliance with laws and regulations

To the best knowledge and belief of the Directors, the Company have not engaged in any activity contravening any laws and regulations.

6.4 Environmental, Social and Governance (ESG) reporting

Corporate sustainability reporting aims to deliver information in such a

way that it provides decision-making value to investors, customers, employees and other relevant groups who have a stake in the Company or who are in some way affected by the Company's actions. Environment, Society and Governance (ESG) aspects are considered as an important part of the Company's values and the Board is aware of its responsibility to ensure that such aspects are linked closely with the company strategy.

ESG reporting of the Company is a reflection of how the Company has performed and achieved long-term economic value, assumed corporate responsibility and contributed to sustainable development. Thus, this Annual Report has been prepared in the form of an integrated report that covers sustainability reporting parameters. The Company's Annual Report contains sufficient information on ESG risks and opportunities recognition, measurement and management.

6.5 Environmental protection

The company's activities can have both direct and indirect effects on the environment. It is the policy of the company to minimize any adverse effects by recycling resources as much as possible and creating awareness among staff on current global environmental threats. The company's efforts in relation to environmental protection are set out on Pages 219 to 235 under Natural Capital.

7 Share information and Substantial Shareholding

Significant shareholder information along with twenty substantial shareholder details and other share related information is presented in detail under the title "Shareholders and Investor information" on pages 330 to 341 of this Annual Report.

Information on Earnings, Dividend, Net Assets and Market Value

Information relating to Earnings, Dividend, Net Assets and Market Value per share is given on pages 334 to 341 of this report.

8 Donations

No donation has made during the year by the company (2024/25 –Nil). The information given on donations forms an integral part of the report of the board of directors as required by the section 168 (1) (g) of the Companies act no. 07 of 2007.

9 Information on Ratios and Market Prices of shares

Information that require disclosures as per Rule 7.6 (xi) of the Listing rules of the Colombo stock exchange are given in the section on "Financial highlights" on pages 15 and 16 shareholder and investor information on pages 330 to 341.

10 Human Resources

The company's recruitment and employment policy is non-discriminatory, which respects individuals and provides career opportunities irrespective of the gender, race or religion. Appraisals of individual employees are carried out by the respective departmental heads in order to evaluate their performance and realize their potential.

Total number of employees of the company including all eighteen estate workers is 2,646 (2024/25– 2,977). Details of Human resources are given in the section on "Human Resources" on pages 182 to 197.

11 Related Party Transactions

There are no any non-recurrent related party transactions which exceed 10 percent of the equity or 5 percent of the total assets whichever is lower and the company has complied with the requirements of the listing rules of the Colombo Stock Exchange on related party transactions. However, the Directors have disclosed the transactions that could be classified as related party transactions in terms of LKAS 24 "Related Party Disclosures" which are adopted in the preparation and presentation of the Financial Statements and those transactions are disclosure in Note 32 on the financial statement on pages 323 to 325.

12 Events after the reporting date

There have been no material events occurring after the reporting date that require adjustments or disclosure in the financial statements.

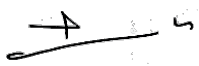
13 Going Concern

The Directors have made an assessment of the Namunukula Plantations PLC's ability to continue as a going concern and they do not intend either liquidating or cease trading.

14 Annual General Meeting

The Annual General Meeting will be held on 25 th September 2026 at the registered office of the Company at 310, High Level Road, Nawinna, Maharagama. The notice of the 33rd Annual General Meeting is on page 354 of the report

Dr. Bandara Rekogama
Director



Mr. Gerard Amerasinghe
Director

Mrs. R J Siriweera
Director / Company secretary
Richard Pieris Group Services (Pvt) Ltd.
Secretaries

Statement of Directors' Responsibility

In keeping with the provisions under the Companies Act No. 7 of 2007, the directors of Namunukula Plantations PLC acknowledge their responsibility in relation to financial reporting of the company. These responsibilities differ from those of its Auditors, Messrs. Ernst & Young, which are set out in their report, appearing on pages 277 to 280 of this report.

The financial statements of the company for the year ended 31 March 2026 included in this report, have been prepared and presented in accordance with the Sri Lanka Accounting Standards and they provide the information as required by the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards and the Listing Rules of the Colombo Stock Exchange. The directors confirm that suitable accounting policies have been used and applied consistently, and that all applicable accounting standards have been followed in the preparation of the financial statements exhibited on pages from 286 to 328 inclusive. All material deviations from these standards if any have been disclosed and explained. The judgments and estimates made in the preparation of these financial statements are reasonable and prudent.

The directors confirm their responsibility for ensuring that the company maintains accounting records, which are sufficient to prepare financial statements that disclose with reasonable accuracy, the financial position of the company. They also confirm their responsibility towards ensuring that the financial statements presented in the annual report give a true and fair view of the state of affairs of the company as at 31 March 2026 and that of the profit for the year then ended.

The overall responsibility for the company's internal control systems lies with the directors. Whilst recognizing the fact that there is no single system of internal control that could provide absolute assurance against material misstatements and fraud, the directors confirm that Statement of Directors' Responsibility the prevalent internal control systems instituted by them and which comprise internal checks, internal audit and financial and other controls are so designed that, there is reasonable assurance that all assets are safeguarded and transactions properly authorized and recorded, so that material misstatements and irregularities are either prevented or detected within a reasonable period of time.

The directors' are of the view that the company has adequate resources to continue operations in the foreseeable future, and have continued to use the going concern basis in the preparation of these financial statements.

The directors' have provided the Auditors Messrs. Ernst & Young, Chartered Accountants with every opportunity to carry out reviews and tests that they consider appropriate and necessary for the performance of their responsibilities. The Auditors have examined the financial statements together with all financial records and related data and express their opinion which appears as reported by them on Page 277 to 280 of this report.

By order of the Board.

Mrs. R J Siriweera
Director / Company Secretary
Richard Pieris Group Services (Pvt) Ltd
Secretaries
310, High Level Road
Nawinna
Maharagama

25th August 2026

Independent Auditor's Report

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Ernst & Young
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ey.com

T0 THE SHAREHOLDERS OF NAMUNUKULA PLANTATIONS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Namunukula Plantations PLC ("the company"), which comprise the statement of financial position as at March 31, 2026, and the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at March 31, 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the ***Auditor's responsibilities for the audit of the financial statements section of our report.*** We are independent of the Company 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 the 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.

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

Principals: T P M Ruberu FCMA (UK) FCCA MBA, G B Goudian ACMA (UK), D L B Karunathilaka ACMA (UK), W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

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Key audit matter	How our audit addressed the key audit matter
Measurement of Bearer Biological Assets	
As of 31 March 2026, the Company's bearer biological assets amounted to Rs. 3,402 Mn and represented 21% of the Company's total assets. Bearer Biological Assets comprised of Rs. 637 Mn Immature Plantations and Rs. 2,763 Mn of Mature plantations, as disclosed in Note 14 to the financial statements. Measurement of Bearer Biological assets in the financial statements was a key audit matter due to following: • The materiality of the reported bearer biological asset balance; and • Identification of costs to be capitalized as immature plantations, the degree of management's judgement involved in, 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 14 to the financial statements.	Our audit procedures included the following key procedures: • Obtained an understanding of management's expense allocation process and the identification of expenses to be capitalized in relation to immature plantations. • Tested the significant expenses incurred by capital expenditure authorisations and other corroborative evidence. • Assessed the reasonableness of depreciation provided on the matured plantations by performing independent computations. • Inspected the ageing profile of the immature biological assets as of the reporting date to ensure that possible indictors of impairment have been identified, assessed for probable impairment charges/ losses accounted for in the financial statements. We also assessed the adequacy of the disclosures made in note 14 to the financial statements.
Measurement of Retirement Benefit Obligation	
As disclosed in Note 24 to the financial statements, the Company's retirement benefit obligation amounted to Rs.646 Mn and represented 16% of the Company's total liabilities as of 31 March 2026. The value of the retirement benefit obligation was based on the actuarial valuation carried out by an external actuary engaged by the Company. This was a key audit matter due to: • The materiality of the reported retirement benefit obligation balance; and • Changes in key assumptions could result material movements in the recognized liability. Key areas of 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 Note 24 to the financial statements.	Our audit procedures included the following key procedures: • Assessed the competence, capability and objectivity of the external actuary engaged by the Company. • Tested the data used in the valuation of retirement benefit obligations by agreeing key information to source documents and accounting records. • Read the external actuary's report and identified the key estimates made and the approach taken by the actuary in determining the value of the retirement benefit obligation. • Assessed the reasonableness of the significant judgements, assumptions and estimates made by the external actuary such as discount rate and future salary/ wage growth rate in measuring the value of the retirement benefit obligation. We also assessed the adequacy of the disclosures made in note 24 to the financial statements.

Other Information included In the Company's 2026 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and Those Charged with Governance

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 Company'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 company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 SLAuS's 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 SLAuS's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company.

- 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 Company'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 Company 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 Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company 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.

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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 4169.

25th August 2026
Colombo

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

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Statement of Profit or Loss

Year ended 31 March 2026	Notes	2026 Rs. 000	2025 Rs. 000
Revenue	6	4,977,897	4,190,311
Cost of Sales		(2,648,766)	(2,390,050)
Gross Profit		2,329,131	1,800,262
Other Income	7	132,054	205,779
Gains on change in fair value of biological assets	15.6	74,613	96,641
Administrative Expenses		(224,340)	(200,741)
Management Fee		(408,345)	(323,727)
Finance Cost	8	(106,654)	(104,228)
Finance Income	8.1	603,199	556,297
Share of Profit from the Joint Venture	16	247,257	119,819
Profit Before Taxation	9	2,646,914	2,150,101
Tax (Expense) / Reversal	10	(767,411)	(624,033)
Net Profit for the Year		1,879,503	1,526,069
Basic Earnings per Share	11.1	7.91	6.43
Dividend per Share	11.2	2.00	15.00

The accounting policies and notes on pages 286 through 328 form an integral part of the Financial Statements.

Statement of Comprehensive Income

Year ended 31 March 2026	Notes	2026 Rs. 000	2025 Rs. 000
Profit for the year		1,879,503	1,526,069
Other Comprehensive Income			
Other Comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods (net of tax):			
Remeasurement gains/(losses) on defined benefit plan	24	(61,405)	(142,359)
Tax effect	10.2	18,422	42,708
Net Other Comprehensive Income/(Loss) not to be reclassified to profit or loss in subsequent periods		(42,984)	(99,651)
Share of Other Comprehensive Income of Equity Accounted Investees			
Other Comprehensive income that will not be reclassified to profit or loss in Subsequent periods			
Net Gain/(Loss) on Fair Value Through Other Comprehensive Income Financial Assets	21.1	109,597	26,667
Tax effect	10.2	(32,879)	(8,000)
Net Other Comprehensive income / (Loss) that will not be reclassified to profit or loss in Subsequent periods		76,718	18,667
Net Gain/(Loss) on FVTOCI financial assets		(35,571)	-
Tax effect		-	-
Other comprehensive income for the period		(35,571)	-
Total other comprehensive income for the year, net of tax		(1,837)	(80,984)
Total Comprehensive Income/(Loss) for the year, net of tax		1,877,666	1,445,084

The accounting policies and notes on pages 286 through 328 form an integral part of the Financial Statements.

Statement of Financial Position

Year ended 31 March 2026	Notes	2026 Rs. 000	2025 Rs. 000
ASSETS			
Non Current Assets			
Right of Use Assets	12	678,010	686,651
Freehold Property, Plant & Equipment	13	459,162	439,660
Bearer Biological Assets	14	3,401,725	3,495,761
Consumable Biological Assets	15	492,712	394,259
Investment in Joint Venture	16	623,885	527,618
Financial Assets	21	1,088,325	426,667
Intangible Assets	17	305,915	305,915
Total Non Current Assets		7,049,733	6,276,531
Current Assets			
Produce on Bearer Biological Assets	15.4	48,452	56,868
Inventories	18	349,195	266,940
Trade and Other Receivables	19	221,930	240,380
Amounts Due from Related Companies	20	761,100	605,423
Income Tax Receivable		15,693	15,693
Cash and Cash Equivalents	22	7,507,894	6,579,742
Total Current Assets		8,904,265	7,765,047
TOTAL ASSETS		15,953,998	14,041,578
EQUITY AND LIABILITIES			
Capital and Reserves			
Stated Capital	23	350,000	350,000
Timber Reserve		302,448	219,801
Retained Earnings		11,305,397	9,985,378
Total Equity		11,957,845	10,555,179
Non Current Liabilities			
Retirement Benefit Obligations	24	646,759	635,550
Deferred Tax Liability	10.4	1,073,275	1,047,866
Deferred Income	25	118,329	121,696
Lease liability	26.3	792,153	774,072
Total Non Current Liabilities		2,630,517	2,579,184
Current Liabilities			
Dividend Payable	27	475,000	-
Trade and Other Payables	28	552,976	522,852
Lease liability	26.3	13,523	9,685
Amounts Due to Related Companies	29	20,671	86,751
Income Tax Liabilities		303,466	287,928
Total Current Liabilities		1,365,636	907,215
TOTAL LIABILITIES		3,996,153	3,486,399
TOTAL EQUITY AND LIABILITIES		15,953,998	14,041,578
NET ASSETS PER SHARE		50.35	44.44

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

Dhammika Laksiri
Sector Financial Controller

The Board of Directors is responsible for these Financial Statements. Approved and Signed for and on behalf of the Board of Directors of Namunukula Plantations PLC.

Bandara Rekogama
Director

Gerard Amerasinghe
Director

The accounting policies and notes on pages 286 through 328 form an integral part of the Financial Statements.
25th August 2026
Colombo

Statement of Changes in Equity

Year ended 31 March 2026	Stated Capital Rs. 000	Retained Earnings Rs. 000	Timber Reserves Rs. 000	Total Rs. 000
Balance as at 31 March 2024	350,000	8,966,874	149,471	9,466,345
Profit for the year	-	1,526,069	-	1,526,069
Other Comprehensive Income/(Loss)	-	(80,984)	-	(80,984)
Transferred to Timber Reserve	-	(70,329)	70,329	-
Dividends	-	(356,250)	-	(356,250)
Balance as at 31 March 2025	350,000	9,985,378	219,801	10,555,179
Profit for the year	-	1,879,503	-	1,879,503
Other Comprehensive Income/(Loss)	-	(1,837)	-	(1,837)
Transferred to Timber Reserve	-	(83,029)	83,029	-
Realised Gain on Timber Sales	-	381	(381)	-
Dividends	-	(475,000)	-	(475,000)
Balance as at 31 March 2026	**350,000**	**11,305,397**	**302,448**	**11,957,845**

The Timber Reserve relates to the change in fair value of managed trees which includes commercial timber plantations cultivated on estates.

The accounting policies and notes on pages 286 through 328 form an integral part of the Financial Statements.

* During the year 2025/26, a share sub-division of 1:10 was carried out.

Statement of Cash Flows

Year ended 31 March 2026		2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES	**Notes**	**Rs. 000**	**Rs. 000**
Net Profit before Taxation		2,646,914	2,150,101
ADJUSTMENTS FOR			
Depreciation	12/13/14	315,162	292,045
Finance Cost	8	462	978
Interest on Government/Other Finance Lease	8	106,192	103,250
Provision for Retirement Benefit Plan Cost	25	113,469	96,992
Profit on Disposal of Property, Plant & Equipment	7	-	(9,367)
Amortization of Grants	25	(6,916)	(6,525)
Gain on change in fair value of biological assets	15.6	(74,613)	(96,641)
Share of Profit of Joint Venture	16	(247,257)	(119,819)
Operating profit before working capital changes		2,853,415	2,411,014
(Increase)/Decrease in Inventories		(82,255)	100,864
(Increase)/Decrease in Trade and other Receivables		18,450	(56,306)
(Increase)/Decrease in Amounts due from Related Companies		(155,677)	416,782
Increase/(Decrease) in Trade and Other Payables		30,125	(18,246)
Increase/(Decrease) in Amounts due to Related Companies		(66,080)	30,703
Cash Generated from Operating Activities		2,597,977	2,884,812
Interest on Government/Other Finance Lease		(106,192)	(103,250)
Finance Cost Paid		(462)	(978)
Retirement Benefit Plan Cost Paid		(163,666)	(79,861)
Tax (Paid) / Refund		(740,922)	(369,332)
Net Cash Flow From Operating Activities		1,586,736	2,331,391
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant & Equipment	13	(79,266)	(56,313)
Share buy back (Unquoted Investment)	21	(587,633)	(400,000)
Cash received from Matured Debentures		-	200,000
Dividend Received	16	150,990	50,330
Investments in Immature plantation	14	(134,430)	(332,946)
Expenditure on Timber Cultivation		-	(1,373)
Proceeds from Disposal of Property, Plant & Equipment		-	50,000
Grants Received	25	3,549	7,811
Net Cash Flow From Investing Activities		(646,790)	(482,491)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of Government Lease rentals	26.1	(10,013)	(8,537)
Payment of other lease rentals		(1,781)	(1,975)
Dividend Paid	11.2	-	(553,048)
Net Cash Flow From Financing Activities		(11,794)	(563,560)
Net Increase/(Decrease) in Cash and Cash Equivalents		928,152	1,285,340
A. Cash & Cash Equivalents at the Beginning of the Year		6,579,742	5,294,402
B. Cash & Cash Equivalents at the End of the Year		7,507,894	6,579,742
NOTE A			
Cash & Cash Equivalents at the Beginning of the Year			
Cash & Bank Balances (Note 22.1)		6,579,742	5,294,402
Bank Overdrafts (Note 22.2)		-	-
		6,579,742	5,294,402
NOTE B			
Cash & Cash Equivalents at the End of the Year			
Cash & Bank Balances (Note 22.1)		7,507,894	6,579,742
Bank Overdrafts (Note 22.2)		-	-
		7,507,894	6,579,742

The accounting policies and notes on pages 286 through 328 form an integral part of the Financial Statements.

Notes to the Financial Statements

1. REPORTING ENTITY

1.1 Domicile and Legal Form

Namunukula Plantations PLC was incorporated and domiciled in Sri Lanka, under the Companies Act No.17 of 1982 (The Company re-registered under the Companies Act No.07 of 2007) in terms of the provisions of the Conversion of Public Corporations or Government-Owned Business Undertakings into Public Companies Act No. 23 of 1987.

The registered office of the Company is located at No. 310, High Level Road, Nawinna, Maharagama and Plantations are situated in the planting districts of Kalutara, Galle, Matara and Badulla.

The Financial Statements of company comprise with 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 Financial Statements.

The ordinary shares of the company are listed on the Colombo Stock Exchange (CSE) of Sri Lanka.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the company were the cultivation, manufacture and sale of black Tea, Rubber, Coconut, Oil Palm and other crops.

1.3 Parent Enterprise and Ultimate Parent Enterprise

The Company's parent undertaking is RPC Plantations Management Services (Pvt) Ltd. In the opinion of the Directors, the Company's ultimate parent undertaking and controlling party is Richard Pieris and Company PLC, which is incorporated in Sri Lanka.

1.4 Date of Authorization for Issue

The Financial Statements of Namunukula Plantations PLC for the year ended 31 March 2026 was authorized for issue in accordance with a resolution of the Board of Directors on 25th August 2026.

1.5 Responsibility for Financial Statements

The responsibility of the directors in relation to the Financial Statements is set out in the Statement of Directors' responsibility report in the Annual Report.

2. BASIS OF PREPERATION

2.1 Statement of Compliance

The Financial Statements of Namunukula Plantations PLC have been prepared in accordance with Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, which requires compliance with the Sri Lanka Accounting Standards (SLFRS/LKAS) 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 the following material items in the Financial Statements, which are measured at fair value less cost to sell.

- Managed Consumable biological assets are measured at fair value.
- Harvestable Agricultural Produce growing on bearer biological assets.
- Equity financial assets at fair value through other comprehensive income (FVTOCI).
- Defined Benefit Obligation is measured using projected unit credit method.

Where appropriate, the specific policies are explained in the succeeding Note.

No adjustments have been made to the inflationary factors affecting the Financial Statements.

2.3 Functional and presentation currency

The Financial Statements are presented in Sri Lankan Rupees (LKR) which is the Company's functional and presentation currency.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Except the changes mentioned, all the accounting policies set out below have been applied consistently to all the periods presented in the financial statements.

3.1 New accounting standards, interpretations and amendments adopted by the company.

The following amendments and improvements do not have a significant impact on the Company's financial statements during the year ended 31st March 2026.

- SLFRS 17 Insurance Contract.
- Amendments to SLFRS 09 - Financial Instruments

3.2 Materiality and aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

3.3 Going Concern

The financial statements have been prepared on the assumption that the company is a going concern. The Directors have made an assessment of the Company's ability to continue as a going concern in the foreseeable future, and they do not foresee a need for liquidation or cessation of trading, to justify adopting the going-concerned basis in preparing these financial statements.

3.4 Current versus non-current classification

The company presents assets and liabilities in the statement of financial position based on current/non -current classification. An asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.

- Held primarily for the purpose of trading.
- Expected to be realized 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 Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.5 Business Combination 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 measured at acquisition date fair value and the amount of any non-controlling interests in the acquire. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the company 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.

Goodwill is initially measured at cost, being an excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests. After initial recognition, goodwill is measured at cost less than any accumulated impairment losses.

3.6 Fair Value Measurement

The Company 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 summarized in the following notes:

- Managed Consumable biological assets Note 15
- Produce on Bearer biological assets Note 15.4
- Equity Investment at Fair Value through OCI which are financial assets Note 21.1

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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 best economic 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 at 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 Company 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 categorized 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 Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (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 in valuation of significant assets, such as managed consumable biological assets and significant liabilities, such as retirement benefit obligation. Involvement of external valuers is decided upon annually by the Management Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management Committee decides, after discussions with the company's external valuers, which valuation techniques and input to use for each case.

For the purpose of fair value disclosures, the Company 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.

3.7 Property, Plant & Equipment

The Company applies to the requirements of LKAS 16 on 'Property, Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services, for rental to other or for administration purpose and are expected to be used for more than one year.

3.7.1 Basis of Recognition

Property, Plant and Equipment is recognised if it is probable that future economic benefits associated with the assets will flow to the Company and cost of the asset can be reliably measured.

3.7.2 Measurement

Items of Property, Plant & Equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

3.7.3 Cost of Owned Assets

The cost of Property, Plant & 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 capitalized 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 (major components) 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 Profit or Loss Statement 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 of first utilisation or at the time the asset is commissioned.

3.7.4 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.

Company as a lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company 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 company 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. Lease period of land acquired from JEDB/SLSPC will be expired in year 2045. If ownership of the leased asset transfers to the company 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 as follow:

Motor vehicle	Over 05 years
Leasehold Property	Over 53 years
Mature Plantations	Over 30 years
Improvements to Land	Over 30 years
Buildings	Over 25 years
Machinery	Over 15 years

The right-of-use assets are also subject to impairment.

b) Lease liabilities

At the commencement date of the lease, the Company 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. for an example 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 Company 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 weighted average incremental borrowing rate use for discounting purpose as at 31st March 2026 is 11%.

The Company's lease liabilities are included in Note 27 to the financial statements.

c) Short-term leases and leases of low-value assets

The Company 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 values assets.

3.7.5 De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized and gains are not classified as revenue.

3.7.6 Land Development Cost

Permanent land development 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 profit and loss Statement in full or reduced to the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

3.7.7 Biological Assets

The entity recognizes 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.

Biological assets are classified in to 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 plantation and nurseries are classified as biological assets.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological asset includes tea trees, those that are not intended to be sold or harvested, however used to grow for harvesting agricultural produce from such biological assets. Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets.

(a) Bearer Biological Assets

The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – Property, Plant & Equipment.

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilizing, 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 comes into bearing during the year, is transferred to mature plantations.

(b) Produce on Bearer Biological Assets

In accordance with LKAS 41, company recognizes agricultural produce growing on bearer plants at fair value less cost to sell. Change in the fair value of such agricultural produce recognized in profit or loss at the end of each reporting period.

For this purpose, quantities of harvestable agricultural produce ascertained based on harvesting cycle of each crop category by limiting to one harvesting cycle based on last day of the harvest in the immediately preceding cycle. Further, 50% of the crop in that harvesting cycle considered for the valuation.

For the valuation of the harvestable agricultural produce, the company 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
Coconut	-	Farm Gate rate (current month) less cost of harvesting & transport
Cinnamon	-	50% of Farm Gate rate (current month) less cost of harvesting & transport.

(c) Consumable Biological Assets

Consumable biological assets include managed timber that are to be harvested as agricultural produce or sold as biological assets.

The managed timber trees are measured on initial recognition and at the end of each reporting period its fair value less cost to sell in terms of LKAS 41. The cost is treated as approximation to fair value of young plants as the impact on biological transformation of such plants to price during this period is immaterial. The fair value of timber trees are measured using DCF method taking into consideration the current market prices of timber, applied to expected timber content of a tree at the maturity by an independent professional valuer. The valuer uses the 'Direct Capital Comparison method' which express that there are evidences of sale price of the assets as a whole. All other assumptions and sensitivity analysis are given in Note 15.

The main variables in DCF model concerns

Variable	Comment
Timber content	Estimate based on physical verification of girth, height and considering the growth of each specie in different geographical regions. Factor all the prevailing statutory regulations enforced for harvesting of timber coupled with forestry plan of the company.
Economic useful life	Estimated based on the normal life span of each specie by factoring the forestry plan of the Company.
Selling price	Estimated based on prevailing Sri Lankan market price. Factor all the conditions to be fulfilled in bringing the trees into saleable condition.
Planting cost	Estimated costs for the further development of immature areas are deducted.
Discount Rate	Future cash flows are discounted at following discount rate: Timber trees 15%.

The gain or loss arising on initial recognition of biological assets at fair value less cost to sell and from a change in fair value less cost to sell of biological assets are included in profit or loss for the period in which it arises.

3.7.8 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.

3.7.9 Infilling Cost on Bearer Biological Assets

The land development costs incurred in the form of infilling have been capitalized to the relevant mature field, if it increases the expected future benefits from that field, beyond its pre-infilling performance assessment. Infilling costs so capitalized are depreciated over the newly assessed remaining useful economic life of the relevant mature plantation, or the unexpired lease period, whichever is lower.

Infilling costs that are not capitalized have been charged to the Statement of Profit or Loss in the year in which they are incurred.

3.7.10 Borrowing Cost

Borrowing costs that are directly attributable to 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 a 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 Profit or Loss Statement.

The amounts of the borrowing costs which are eligible for capitalisation are determined in accordance with the in "LKAS 23 - Borrowing Costs".

Borrowing costs incurred in respect of specific loans that are utilised for field development activities have been capitalised as a part of the cost of the relevant immature plantation. The capitalisation will cease when the crops are ready for commercial harvest.

The amount so capitalised and the capitalisation rates are disclosed in Note 14 to the Financial Statements.

3.7.11 Intangible Assets

Intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, for rental or for administrative purpose. An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably in accordance with LKAS 38 on "Intangible Assets".

Intangible assets acquired separately are measured on initial recognition at cost.

The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of Profit or Loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite lives. 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 is reviewed at least at each financial year-end and such changes are treated as accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss.

Intangible assets with indefinite useful lives are not amortized but tested for impairment annually, or more frequently when an indication of impairment exists either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

A summary of the polices applied to the Company's intangible asset is as follows;

Nature of Intangible asset	Useful lives	Amortisation method used	Internally generated or acquired
Goodwill	Indefinite	No amortization	Acquired

3.7.12 Depreciation

Depreciation is recognised in 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 & Equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Assets held under finance 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 Company will have ownership by the end of the lease term. The estimated useful lives and depreciation rates are as follows:

Assets Category	No. of Years
Buildings	Over 40 years
Plant & Machinery	Over 13 years
Colour Separators	Over 20 years
Furniture & Fittings	Over 10 years
Motor Vehicles	Over 05 years
Equipments	Over 08 years
Computer & Computer Software	Over 04 years

Mature Plantations (Replanting and New Planting)

Mature Plantations	No. of Years
Tea Over	Over 30 years
Rubber	Over 20 years
Coconut	Over 20 years
Oil Palm	Over 20 years
Cinnamon	Over 20 years

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 less.

No depreciation is provided for immature plantations.

3.7.13 Investment in joint ventures

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.

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 company'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 company's share of the results of operations of the joint venture. Unrealized gains and losses resulting from transactions between the company and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the company 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 of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the company. When necessary, adjustments are made to bring the accounting policies in line with those of the company.

After application of the equity method, the company determines whether it is necessary to recognise an impairment

loss on its investment in its joint venture. At each reporting date, the company determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the company 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/ (loss) of a joint venture' in the statement of profit or loss.

Based on the contractual terms (Joint Venture agreements), the company assessed that AEN Palm Oil Processing (Pvt) Ltd is as a joint venture, which was situated at Maragahadeniya, Baduraliya, and it is registered under Companies Act No. 07 of 2007.

3.8 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.

3.8.1 Financial assets

3.8.1.1 Initial Recognition and 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 Company'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 company commits to purchase or sell the asset.

The Company's financial assets of the Company includes Cash & bank, trade and other receivable and amount due from related parties.

3.8.1.2 Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized 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 amortized cost (Debt Instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes Trade Receivables and Amounts Due from Related parties.

(b) Financial assets at fair value through OCI (Debt instruments)

The Company 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 collect 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 recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

There are no financial assets at fair value through OCI (Debt instruments).

(c) Financial assets at fair value through OCI (Equity Instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument- by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company 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 recognized in the statement of profit or loss.

3.8.1.3 De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company 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 Company's continuing involvement in the asset. In that case, the Company 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 Company 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 Company could be required to repay.

3.8.1.4 Impairment of financial assets

The Company 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 Company 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).

3.8.2 Financial liabilities

3.8.2.1 Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payable net of directly attributable transaction costs.

The financial liabilities of the Company include Trade and Other Payables, Bank Overdrafts, Loans and Borrowings.

3.8.2.2 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 acquired for the purpose of selling in the near term.

Gains or losses on liabilities held for trading are recognized in the income statement.

(b) Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised

in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial liabilities comprise interest bearing loans and borrowings, trade payables, other payables and amounts due to related parties.

3.8.2.3 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.

3.8.2.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.9 Inventories

Agricultural Produce harvested from Biological Assets

Agricultural produce harvested from Biological assets are measured at their fair value less cost to sell at the point of harvest. The finished and semi-finished inventories from agricultural produce are valued by adding the cost of conversion to the fair value of agricultural produce.

Finish goods manufactured from agricultural produce of biological assets

These are valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow-moving items. Net realisable value is the estimated selling price at which stocks can be sold in the ordinary course of business after allowing for cost of realisation and/or cost of conversion from their existing state to saleable condition.

Input Material, Spares and Consumables

At actual cost on weighted average basis.

3.10 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and short-term deposit. Bank overdrafts that are repayable on demand form an integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

3.11 Impairment of Non-Financial Assets

The Company 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 Company 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 Company's 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 Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company'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 indication exists, the Company 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.

3.12 Trade and Other Receivables

Trade and other receivables are stated at their estimated realisable amounts inclusive of provisions for bad and doubtful debts.

3.13 Provisions

Provisions are recognised when the company 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 company 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 Profit or Loss Statement net of any reimbursement.

3.14 Employees Benefits

(a) 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 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 to the terms of the related liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised as in retained earnings through other comprehensive income. Past service costs are recognised immediately in Profit or Loss Statement.

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 actuarial valuation was carried out by a professionally qualified actuary firm Messrs. Actuarial & Management Consultants (Pvt) Ltd as at 31 March 2026. The company expects to carry out actuarial valuation once in every year. Provision made for the year is in compliance with the actuarial valuation report as at 31 March 2026.

This item is grouped under Retirement Benefit Obligations in the Statement of Financial Position. The liability is not externally funded.

(b) Defined Contribution Plans – Employees' Provident Fund & 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 and loss in the periods during which services are rendered by employees.

The company contributes 12% on gross emoluments of the employees to Ceylon Planters' Provident Society (CPPS)/Estate Staff Provident Society (ESPS)/ Employees' Provident Fund (EPF).

All the employees of the company are members of the Employees' Trust Fund (ETF), to which the company contributes 3% on the consolidated salary of such employees.

3.15 Deferred Income

3.15.1 Grants and Subsidies

Government grants are recognized 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 recognized 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 recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the income statement over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant. Assets are amortized over their useful lives as follows.

Buildings, Sanitation & Water Supply	40 years
Plant & equipment	13 years
Grants received for Rubber replanting	20 Years

3.16 Earnings per Share

The Company 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 company by the weighted average number of ordinary shares outstanding during the period.

3.17 Capital commitments and contingencies

Capital commitments and contingent liabilities of the Company have been disclosed in the respective Notes to the Financial Statements.

3.18 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.

3.19 Statement of Profit or Loss

For the purpose of presentation of statement of Profit or Loss, the function of expenses method is adopted, as it represents fairly the elements of the Company's performance.

3.19.1 Revenue from contracts with customers

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being 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 duty. Revenue is recognised upon satisfaction of performance obligation.

The company is in the business of cultivation, manufacture and sale of black tea and other crops (Plantation Produce). Revenue from contracts with customers is recognized when control of the goods are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods. The company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

a) Sale of Plantation produce

Revenue from sale of plantation produce is recognized 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 and other crops are recognized 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 company's sale of plantation produce are either on cash terms (Immediate payment or advance payment not exceeding 30 days) or on credit terms ranging from 7 to 15 days.
Revenue recognition criteria for the other revenue and income earned by the company are as follows;

b) Rental Income

Rental income is recognized on an accrual basis in accordance with the substance of the relevant agreement.

c) Dividend Income

Dividend income is recognized when the right to receive payment is established.

d) Interest Income

Interest income is recognized on an accrual basis, using the effective interest method.

Interest income on financial assets at FVTPL is recognized as part of net gains or losses on these financial instruments.

Interest income of financial assets at amortized cost is calculated by using the effective interest method and is recognized as other income.

3.20 Expenses

All expenditure incurred in the running of the business and in maintaining the Property, Plant & Equipment in a state of efficiency is charged to revenue in arriving at the profit/(loss) for the year.

3.20.1 Financing Income and Expenses

Finance income comprises interest income on funds invested. Interest income is recorded using the effective interest rate (EIR) method. Interest income is included in finance income in the statement of profit or loss.

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 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.

3.20.2 Taxes

3.20.2.1 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 company operates and generates taxable income.

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.

3.20.2.2 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 utilized, 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 utilized.

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 utilized. Unrecognized 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 recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized 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.

3.21 Statement of Cash Flow

The Cash Flow Statement has been prepared using the 'indirect method'. Interest paid is classified as operating cash flows, interest and dividends received are classified as investing cash flows while dividends paid and Government grants received are classified as financing cash flows in financial activities, for the purpose of presenting the Cash Flow Statement.

3.22 Segment Reporting

Segmental information is provided for the different business segments of the company. Business segmentation has been determined based on the nature of goods provided by the company after considering the risk and rewards of each type of product.

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 on the Note 6 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 utilization, 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 Long-term investments (Unquoted), Financial Assets, Goodwill on business combination and deferred tax liability.

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.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements in conformity with SLFRS requires management to make judgments, estimates and assumptions that influence the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual experience and results may differ from these judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period and any future periods affected.

The most significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have most significant effect on the amounts recognised in the Financial Statements of the Company 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

Company operates and generates taxable income.

The prevailing tax rate is 30%.

4.2 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.

The details of deferred tax computation are given in Note 10.4 to the Financial Statements.

4.3 Retirement benefit obligations

The present value of the retirement benefit obligation 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 expected future inflation rate and expected future salary increase rates of the Company.

Further details about Retirement benefit obligations are provided in Note 24.

4.4 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 applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex environment, 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. The Interpretation did not have an impact on the financial statements of the Company.

4.5 Fair Valuation of Consumable Biological Assets

The fair value of managed timber depends on 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 15.

4.6 Impairment of non-financial assets – Intangible Assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the company. Key assumptions used are disclosures in Note 17.

4.7 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 growth of plants, weather patterns and soil condition. Therefore, immature to mature transfer require significant management judgment in determining the point at which a plant is deemed ready for commercial harvesting.

4.8 Leases - Estimating the Incremental Borrowing Rate

The Company 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 Company 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 Company '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 Company 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. STANDARDS 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 Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

5.1 SLFRS 17 - Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts, covering recognition, measurement, presentation, and disclosure. It replaces SLFRS 4 and applies to all types of insurance contracts, including life, non-life, direct insurance, reinsurance—as well as certain guarantees and financial instruments with discretionary participation features:

The standard is built around the General Measurement Model, supported by two supplementary approaches:

- Variable Fee Approach (VFA): for contracts with direct participation features
- Premium Allocation Approach (PAA): a simplified model mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early adoption is allowed if the entity also applies SLFRS 9 Financial Instruments and SLFRS 15 Revenue from Contracts with Customers by the date SLFRS 17 is first applied.

SLFRS 17 does not have a material impact on the financial statements.

5.2 SLFRS 18 Presentation and Disclosure in Financial Statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organized and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that financial statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 18 on the financial statements and the related notes is currently being identified and evaluated.

5.3 SLFRS 19 Subsidiaries without public accountability: Disclosures

SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles.

The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that financial statements remain high-quality, consistent, and comparable for users.

SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The entity is not eligible to apply SLFRS 19.

5.4 Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments - particularly features such as sustainability linked terms and nature - dependent electricity contracts.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

Notes to the Financial Statements

6. REVENUE

6.1 Summary

	2026 Rs. 000	2025 Rs. 000
Sale of Goods		
Tea	1,387,112	1,443,547
Rubber	209,416	193,811
Oil Palm	3,308,528	2,490,253
Coconut	64,559	52,641
Cinnamon	8,282	10,059
	4,977,897	4,190,311

6.2 Segment Information

	Tea		Rubber		Oil Palm		Coconut		Cinnamon		Total	
	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000
Industry												
Revenue	1,387,112	1,443,547	209,416	193,811	3,308,528	2,490,253	64,559	52,641	8,282	10,059	4,977,897	4,190,311
Revenue Expenditure	(1,249,439)	(1,226,947)	(198,872)	(136,521)	(766,335)	(645,368)	(30,041)	(17,859)	(5,126)	(6,872)	(2,249,813)	(2,033,567)
Depreciation / Amortization	(39,315)	(34,571)	(54,558)	(54,966)	(177,509)	(156,103)	(10,615)	(9,848)	(5,888)	(6,402)	(287,884)	(261,890)
Gratuity	(60,886)	(52,127)	(10,769)	(9,759)	(38,388)	(30,096)	(1,012)	(2,601)	(15)	(9)	(111,069)	(94,592)
Gross Profit/(Loss)	37,472	129,902	(54,783)	(7,435)	2,326,297	1,658,687	22,892	22,333	(2,747)	(3,224)	2,329,131	1,800,262
Other Income											132,054	205,779
Gain on change in fair value of biological assets											74,613	96,641
Administrative Expenses											(224,340)	(200,741)
Management Fees											(408,345)	(323,727)
Finance Cost											(106,654)	(104,228)
Finance Income											603,199	556,297
Share of Profit from the Joint Venture											247,257	119,819
Profit before Taxation											2,646,914	2,150,101
Tax (Expense) / Reversal											(767,411)	(624,033)
Net Profit for the Year											1,879,503	1,526,069

	Tea		Rubber		Oil Palm		Other Crops		Unallocated		Total	
	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000	2026 Rs. 000	2025 Rs. 000
Segment Assets												
Non Current Assets												
Cost	1,492,562	1,499,704	2,036,992	1,982,577	3,537,252	3,428,365	1,016,841	505,408	253,516	473,908	8,337,163	7,889,960
Accumulated Depreciation / Amortization	(805,092)	(650,566)	(787,826)	(741,697)	(1,405,904)	(1,215,744)	(184,733)	(169,095)	(122,000)	(96,527)	(3,305,555)	(2,873,629)
Current Assets / Other Assest	582,468	503,281	126,430	127,308	106,373	184,754	9,867	15,607	10,097,251	8,194,297	10,922,390	9,025,247
Total Assets	1,269,938	1,352,418	1,375,596	1,368,188	2,237,721	2,397,375	841,976	351,920	10,228,767	8,571,678	15,953,998	14,041,578
Segment Liabilities												
Non Current Liabilities	548,359	674,999	154,447	132,723	388,620	261,248	25,095	28,926	1,513,996	1,481,289	2,630,517	2,579,184
Current Liabilities	168,330	254,682	47,688	21,230	181,271	66,006	4,759	5,242	963,588	560,055	1,365,636	907,215
Total Liability	716,689	929,681	202,134	153,953	569,892	327,254	29,854	34,167	2,477,584	2,041,344	3,996,153	3,486,399
Segment Capital Expenditure												
Cost	43,989	26,490	60,091	68,977	28,755	169,058	29,829	72,794	51,032	38,475	213,696	375,794
Total Capital Expenditure											213,696	375,794
Segment Cash Flow Activities												
Operating Activities	30,145	164,803	(3,678)	107,746	1,934,771	1,402,649	28,776	29,300	(403,279)	626,893	1,586,736	2,331,391
Investing Activities	(37,415)	(86,336)	(60,091)	(95,430)	(28,755)	(135,663)	(40,758)	(70,666)	(479,770)	(94,395)	(646,790)	(482,491)
Financing Activities	-	-	-	-	-	-	-	-	(11,794)	(563,560)	(11,794)	(563,560)
Net Increase/(Decrease) in Cash and Cash Equivalents	(7,270)	78,467	(63,769)	12,316	1,906,016	1,266,985	(11,982)	(41,367)	(894,843)	(31,062)	928,152	1,285,340

7. OTHER INCOME

Year ended 31 March 2026	2026 Rs. 000	2025 Rs. 000
Amortisation of Government Grants	6,916	6,525
Profit on Sale of Refuse Tea	69,296	79,710
Income from Consumable biological assets	5,348	26,211
Sale of Uprooting Rubber Trees	22,758	66,994
Profit on Disposal of Property, Plant & Equipment	-	9,367
Sundry Income	27,735	16,973
	132,054	205,779

8. FINANCE COST

	2026 Rs. 000	2025 Rs. 000
Interest on Government Lease Rental	105,369	102,622
Interest on Other Leases	823	629
Bank Overdraft Interest & Debit Tax	462	978
	106,654	104,228

8.1 Finance Income

	2026 Rs. 000	2025 Rs. 000
Interest income received from Inter Company	19,344	79,189
Interest income received from Pooling Arrangement	583,828	477,075
Interest income received from other parties	28	33
	603,199	556,297

9. PROFIT BEFORE TAXATION IS STATED AFTER CHARGING

	2026 Rs. 000	2025 Rs. 000
Auditor's Remuneration	6,674	6,068
Directors' Remuneration	2,589	1,340
Depreciation / Amortisation	315,162	292,045
Defined benefit plan costs	113,469	96,992
Defined Contributions Plan Costs - EPF & ETF	176,873	166,549
Staff Costs (Workers & Staff)	1,358,984	1,301,011

10. CURRENT YEAR TAX (EXPENSE) / REVERSAL

10.1 Income Tax Expense

	2026 Rs. 000	2025 Rs. 000
(a) Statement of Profit or Loss		
Current year Income Tax (Expense)/ Reversal	(756,460)	(577,403)
	(756,460)	(577,403)

10. CURRENT YEAR TAX (EXPENSE) / REVERSAL (Cont...)

10.2 Deferred Tax Expense

Year ended 31 March 2026	2026 Rs. 000	2025 Rs. 000
(a) **Statement of Profit or Loss**		
Deferred Tax (Charge)/ Reversal	(10,952)	(46,630)
Deferred tax expense(income) resulting from change in tax rates	-	-
Deferred Tax (Charge)/ Reversal in the Statement of profit or loss	(10,952)	(46,630)
Tax charge reported in the Statement of profit or loss	(767,411)	(624,033)
(b) **Statement of Comprehensive Income**		
Deferred Tax (Charge)/ Reversal	(14,458)	34,708
Tax charge directly to Comprehensive Income	(14,458)	34,708

10.3 Reconciliation of the accounting profit/(loss) and tax on current year

	2026 Rs. 000	2025 Rs. 000
Accounting Profit/(Loss) before tax	2,646,914	2,150,101
Income from Other Sources & Exempt Income	(939,231)	(838,980)
Aggregate disallowed items	550,195	518,007
Aggregate allowable items	(464,009)	(563,697)
Adjusted Business profit / (loss)	1,793,869	1,265,432
Income from Investment	603,190	556,297
Utilization of brought forward Tax Losses		
Taxable Income	2,397,059	1,821,729
Income Tax @ 14%		
Income Tax @ 24%		
Income Tax @ 30%	719,118	546,519
WHT on Dividend @ 15%	22,648	7,549
Income Tax on Current Year Profits	741,766	554,068
ESC Write off		
Under/(Over) provision of current tax in respect of previous year	14,693	23,334
Income tax expense charge to Statement of Profit or Loss	756,460	577,403

10. CURRENT YEAR TAX (EXPENSE) / REVERSAL (Cont...)

10.4 Deferred Tax Asset/(Liability)

	2026		2025	
	Temporary Differences Rs. 000	Tax Effect Rs. 000	Temporary Differences Rs. 000	Tax Effect Rs. 000
As at 1 April	(3,492,888)	(1,047,866)	(3,453,146)	(1,035,944)
Amount originating during the year	(84,697)	(25,409)	(39,742)	(11,923)
As at 31 March	(3,577,585)	(1,073,275)	(3,492,888)	(1,047,866)

	2026		2025	
	Temporary Differences Rs. 000	Tax Effect Rs. 000	Temporary Differences Rs. 000	Tax Effect Rs. 000
Deferred Tax Liability				
Amortization of Right Of Used Assets	(678,010)	(203,403)	(686,651)	(205,995)
Depreciation of Property, Plant and Equipment	(307,537)	(92,261)	(309,784)	(92,935)
Depreciation on Bearer Biological Assets	(3,401,725)	(1,020,517)	(3,495,761)	(1,048,728)
Consumable Biological Asset	(492,712)	(147,814)	(394,259)	(118,278)
Produce on Bearer Biological Assets	(48,452)	(14,536)	(56,868)	(17,060)
Financial Assets	(136,264)	(40,879)	-	-
	(5,064,699)	(1,519,410)	(4,943,324)	(1,482,997)
Deferred Tax Assets				
Lease Liability	805,677	241,703	783,756	235,127
Bad Debt Provision	1,596	479	1,596	479
Defined Benefit Obligations - Income Statement	585,353	175,606	493,192	147,957
Defined Benefit Obligations - Other Comprehensive Income	61,405	18,422	142,359	42,708
Deferred Income	33,083	9,925	29,534	8,860
	1,487,114	446,134	1,450,436	435,131

The effective tax rate used to calculate deferred tax liability for all the Temporary Differences as at 31 March, 2026 is 30% (2024/25-30%) for the company.

11. EARNINGS PER SHARE AND DIVIDEND PER SHARE

11.1 Basic/Diluted Earnings per share

During the financial year ended 31 March 2026, the Company effected a sub-division of its ordinary shares on a one-for-ten (1:10) basis, as approved by the shareholders at the Extraordinary General Meeting held on 26th February 2026 and in accordance with the approval obtained from the Colombo Stock Exchange.

Accordingly, the number of issued ordinary shares & With Golden Share increased from 23,750,001 to 237,750,001 shares. The stated capital of the Company remained unchanged at LKR 350,000,010, as the sub-division only resulted in an increase in the number of shares without altering the total value of stated capital.

There was no impact on the total equity or net assets of the Company as a result of this sub-division.

In accordance with LKAS 33 – Earnings per Share, the weighted average number of shares and earnings per share for the current and comparative periods have been adjusted retrospectively to reflect the share sub-division.

(A) The calculation of the basic earnings per share is based on after tax profit for the year divided by the weighted average number of ordinary shares outstanding during the period.

(B) Diluted earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

There were no potentially dilutive shares outstanding at any time during the year 31 March 2026 (2024/25 - Nil).

11.1.1 The following reflects the income and share data used in the basic and diluted earnings per share computations.

	2026 Rs. 000	2025 Rs. 000 Restated
Amounts used as the Numerator :		
Net Profit applicable to ordinary share holders for basic earnings per share	1,879,503	1,526,069
	1,879,503	1,526,069
Amounts used as the Denominator :		
Weighted average number of ordinary shares in issue applicable to basic earnings per share		
No of Shares as at 01st April	237,500,001	23,750,001
Addition of Shares on Share Split	-	213,750,000
No of Shares as at 31st March	237,500,001	237,500,001
Basic Earnings per share	7.91	6.43

11.2 Distributions Made and Proposed

	2026 Rs. 000	2025 Rs. 000
Cash dividends on ordinary shares declared and paid		
- Interim Dividend	475,000	356,250
	475,000	356,250
Number of ordinary shares	237,500,001	23,750,001
Dividend per share	2.00	15.00

12. RIGHT OF USE - ASSETS

	Notes	2026 Rs. 000	2025 Rs. 000
Right of use Asset - Land	12.1	672,841	678,581
Right of use Asset - Immovable Bearer Biological Assets	12.2.1	501	5,352
Right of use Asset - Other Lease Assets	12.3	4,668	2,718
		678,010	686,651

12.1 Right of use Asset - Land

"Right of use asset - Land" was previously accounted under Statement of Alternative Treatment (SoAT) issued by the Institute of Chartered Accountants of Sri Lanka dated 21 August 2013. However, SLFRS 16 - Leases was applicable with effect from 01 January 2019, and therefore, above "Right-To-Use of Land on Lease" has accounted in accordance with such standard. "Right of use assset - Land" have 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.

This Right-of-use asset - Land is amortized 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 relate to the future period on the reassessment of lease liability. The lease liability as at 01 April 2025 has been reassessed under the provisions of SLFRS 16 and both "Right-of-use asset- Land" and "Lease Liability" has been enhanced.

The Company has adopted SLFRS 16 using modified retrospective method from 1 April 2019. The values taken into the Statement of Financial Position and amortization of the right of use Asset - Land up to 31 March 2026 are as follows.

	2026 Rs. 000	2025 Rs. 000
Reassessed Value		
At the beginning of the year	678,581	594,941
Adjustment on reassessment of Lease Liability	29,673	117,570
At the end of the year	708,254	712,510
Amortisation		
At the beginning of the year	33,929	28,331
Net transition adjustment due to application of SLFRS 16	(33,929)	(28,331)
Amortisation for the year	35,413	33,929
At the end of the year	35,413	33,929
Carrying amount	672,841	678,581

The unexpired period of the lease as at the reporting date is 19 years.

12.2 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 12.2.1 and Note 12.2.2) have been taken into the books of the Company retroactive to 22nd June 1992 under finance lease. However, SLFRS 16 - Leases was applicable with effect from 01 January 2019, and therefore, these assets have accounted in accordance with such standard. The values taken into the Statement of Financial Position and amortization of the "Right of use Asset - Immovable estate assets on lease other than Right of use Asset - Land" up to 31 March 2026 are as follows.

12. RIGHT OF USE - ASSETS (Cont...)

12.2.1 Right of use Asset - Immovable Bearer Biological Assets

	Immature Plantations Rs. 000	Mature Plantations Rs. 000	Total Rs. 000
Capitalised Value as at 22.06.1992	213,332	103,652	316,984
Transfers	(213,332)	213,332	-
Government Acquisition (2005/06)	-	(6,449)	(6,449)
Disposals (2006/07)	-	(45,690)	(45,690)
Re Acquisition (2013/14)	-	15,075	15,075
Balance as at 31.03.2026	-	279,920	279,920
Accumulated amortisation as at 01.04.2025	-	274,568	274,568
Amortisation during the year	-	4,851	4,851
Accumulated amortisation as at 31.03.2026	-	279,420	279,420
Written down value as at 31.03.2026	-	501	501
Written down value as at 31.03.2025	-	5,352	5,352

Note:

Investment in plantation assets which were immature at the time of handing over to the Company by way of estate leases are shown under immature plantations, all of which have been transferred to mature plantations as at the reporting date.

12.2.2 Right of use Asset - Other Immovable Assets

	Improvement to Land Rs. 000	Buildings Rs. 000	Plant & Machinery Rs. 000	Total Rs. 000
Revalued Value as at 22.06.1992	6,984	46,575	3,597	57,156
Re Acquisition (2013/14)			-	-
Balance as at 31.03.2026	6,984	46,575	3,597	57,156

	Improvement to Land Rs. 000	Buildings Rs. 000	Plant & Machinery Rs. 000	Total Rs. 000
Accumulated amortisation as at 01.04.2025	6,984	46,575	3,597	57,156
Amortisation during the year		-	-	-
Accumulated amortisation as at 31.03.2026	6,984	46,575	3,597	57,156
Written down value as at 31.03.2026	-	-	-	-
Written down value as at 31.03.2025	-	-	-	-

12. RIGHT OF USE - ASSETS (Contd...)

12.3 Right-of-use asset - Other lease assets

	2026 Rs. 000	2025 Rs. 000
Cost		
At the beginning of the year	30,238	29,180
Adjustment on reassessment of Lease Liability		
Additions	246	1,058
At the ending of the year	30,484	30,238
Depreciation		
At the beginning of the year	27,520	25,636
Adjustment on reassessment of Lease Liability	(3,795)	(82)
Depreciation during the year	2,092	1,966
At the ending of the year	25,817	27,520
Written Down Value	4,668	2,718

13. FREEHOLD PROPERTY, PLANT & EQUIPMENT

COST	Balance as at 01.04.2025 Rs. 000	Additions Rs. 000	Transferred out / Disposal Rs. 000	Balance as at 31.03.2026 Rs. 000
Buildings	281,298	6,026		287,324
Motor Vehicles	303,620	56,553		360,173
Plant & Machinery	483,906	850		484,756
Furniture & Fittings	6,970	1,196		8,166
Equipment	46,946	6,082		53,028
Computers	30,454	2,048		32,501
	1,153,194	72,754	-	1,225,948

DEPRECIATION	Balance as at 01.04.2025 Rs. 000	Charge for the Year Rs. 000	Accumulated depreciation on Transferred out Rs. 000	Balance as at 31.03.2026 Rs. 000
Buildings	109,801	7,552		117,353
Motor Vehicles	229,517	30,138		259,655
Plant & Machinery	319,234	15,044		334,278
Furniture & Fittings	5,725	192		5,917
Equipment	30,680	3,512		34,193
Computers	22,413	3,324		25,737
	717,369	59,764	-	777,133
Written Down Value	435,825	-		448,815

13. FREEHOLD PROPERTY, PLANT & EQUIPMENT (Contd...)

	Balance as at 01.04.2025 Rs. 000	Additions for the Year Rs. 000	Transferred during the Year Rs. 000	Balance as at 31.03.2026 Rs. 000
Capital Work-in-Progress	3,836	6,946	(434)	10,347
TOTAL WRITTEN DOWN VALUE	439,660			459,162

The assets shown above are those movable assets vested in the Company by gazette notification at the date of formation of the Company (22 June 1992) and all investments in tangible assets by the Company since its formation. The assets taken over by way of estate leases are set out in notes 12.1 & 12.2.

The cost of fully depreciated Property, Plant & Equipment of the Company which are still in use as at the date of the Statement of Financial Position is Rs 455,095,575/- (2024/25 - Rs. 463,525,188/-).

14. BEARER BIOLOGICAL ASSETS

Cost	Immature Plantations Rs. 000	Mature Plantations Rs. 000	Total Rs. 000
At the beginning of the year	682,014	4,518,855	5,200,869
Additions	134,430	-	134,430
Disposing/Uprooting			
Transfers	(178,658)	163,234	(15,424)
At the end of the year	637,786	4,682,090	5,319,875
Depreciation			
At the beginning of the year	-	1,705,108	1,705,108
Charge for the year	-	213,043	213,043
Disposing/Uprooting			
At the end of the year	-	1,918,151	1,918,151
Written Down Value - as at 31.03.2026	637,786	2,763,939	3,401,725
Written Down Value - as at 31.03.2025	682,014	2,813,747	3,495,761

Note:

These are investments in immature/mature plantations since the formation of the Company. The assets (including plantation assets) taken over by way of estate leases are set out in Notes 12.1 and 12.2. Further investment in immature plantations taken over by way of these leases are shown in the above note. When such plantations become mature, the additional investments since take over to bring them to maturity will be moved from immature to mature under this note. A corresponding movement from immature to mature of the investment undertaken by JEDB/SLSPC on the same plantation prior to the leases is shown under Note 12.2.

Borrowing costs were not incurred during the year (2024/25 - Nil) to meet expenses relating to immature plantations of the year.

15. CONSUMABLE BIOLOGICAL ASSETS - TIMBER PLANTATIONS

	2026 Rs. 000	2025 Rs. 000
Beginning of the year	394,259	273,160
Gain/(loss) arising from changes in fair value of biological assets	83,410	70,329
Increase due to development	-	1,373
Transfers	15,424	49,397
Decrease due to harvest/disposals	(381)	-
End of the year	492,712	394,259

15. CONSUMABLE BIOLOGICAL ASSETS - TIMBER PLANTATIONS (Contd...)

The Managed timber plantation include commercial timber plantations cultivated in the estates of administrative district of badulla & managed timber plantations is measured at fair value other than young trees which are recorded at cost as the significant biological transformation has not taken place.

The fair value of managed trees was ascertained in accordance with LKAS 41. The valuation was carried by Mr. W.M Chandrasena, FIV(SL) MRICS (Chartered Valuation surveyor,) using Discounted Cash Flow (DCF) methods. In ascertaining the fair value of timber a physical verification was carried out covering all the estates and the valuation has considered the different species, size, condition and location of timber trees.

15.1 Fair Value Hierarchy

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.

In determining the fair value, highest and best use of timber, current condition of the trees and expected timber content at harvesting have been considered. Also, the valuers have made reference to market evidence of transaction prices of the company, and the market prices of timber corporation, with appropriate adjustments for size and location. The appraised fair values are rounded within the range of values.

15.2 Information about Fair Value Measurements using significant unobservable inputs (Level 3)

Non Financial Assets	Valuation Techniques	Unobservable Inputs	Range of Unobservable Inputs (Probability weighted average.)		Relationship of Unobservable inputs to Fair Value
			2025/2026	2024/2025	
Consumable Biological Assets - Timber	Discounted Cash Flow Method	Discounting Rate	15.0%	16.0%	The higher the discount rate, the lower the fair value
		Optimum rotation (Maturity)	25 - 35 Years	25 - 35 Years	Lower the rotation period, the higher the fair value
		Price per Cubic ft.	Rs.300 - 900	Rs.200 - 800	The higher the price per cu. ft., the higher the fair value
		Price per Rubber Tree	Rs. 3,000	-	The higher the price per tree, the higher the fair value

Other Key assumption used in the Valuation:

1.The harvesting is approved by the PMMD and Forestry Department Based on the Forestry Development Plan.

2. The Current Market Prices used are net of selling expenditure.

15.3 Sensitivity Analysis

The valuations, as presented in the external valuation models based on net present values, take into account the long term exploitation of the timber plantations. Because of the inherent uncertainty associated with the valuation at fair value of the biological assets due to the volatility of the variables, their carrying value may differ from their realisable value. The Board of Directors retains their view that commodity markets are inherently volatile and that long term price projections are highly unpredictable. Hence, the sensitivity analysis regarding discount rate variations as included in this note allows every investor to reasonably challenge the financial impact of the assumptions used in the SLFRS 13 against their own assumptions.

It does, nevertheless, concern the directors that no estimate of fair value can ever be completely accurate. Moreover, in the case of the company's biological assets, small differences in valuation assumptions can have a quite disproportionate effect on results. Another concern is that, as shown from an international benchmark, there is currently no uniform approach within the plantation sector when it comes to defining the major variables, such as selling price and/or discount rates, in the DCF models.

a) Sensitivity Analysis - discount rate & Selling Price

Values as appearing in the Statement of Financial Position are very sensitive to changes of the discount rate applied and price changes with regard to average sale prices applied. Simulations made for timber trees show that an increase or decrease by 1.5 % of the discount rate and increase or decrease by 10% of estimated future selling prices have the following effect on the net present value of biological assets:

15. CONSUMABLE BIOLOGICAL ASSETS - TIMBER PLANTATIONS (Contd...)

Company	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Managed Timber	-10%	+10%	-1.5%	+1.5%
As at 31 March 2026	**(30,250)**	**30,250**	**13,984**	**(24,711)**
As at 31 March 2025	(22,064)	22,064	18,163	(27,740)

15.4 Produce on Bearer Biological Assets

	2026 Rs. 000	2025 Rs. 000
Beginning of the year	56,868	30,556
Gain/(loss) arising from change in fair value of biological assets	(8,416)	26,312
End of the year	48,452	56,868

15.5 Non Financial Assets - Biological Assets

Assets measured at fair value	Date of valuation	Level 1 (Quoted prices in active markets) Rs. 000	Level 2 (Significant observable inputs) Rs. 000	Level 3 (Significant unobservable inputs) Rs. 000
Consumable Biological Assets - Timber	31st March 2026	-	-	492,712
Produce on Bearer Biological Assets	31st March 2026	-	48,452	-

15.6 Gain/(Loss) On Fair Value Changes Of Biological Assets

	2026 Rs. 000	2025 Rs. 000
Gain/(loss) on fair value changes of consumable biological assets (Note 15)	83,029	70,329
Gain/(loss) on fair value changes of produce on bearer biological assets (Note 15.4)	(8,416)	26,312
	74,613	96,641

16. INVESTMENT IN JOINT VENTURE

		2026	2025
Investee			
AEN Palm Oil Processing (Pvt) Ltd.	Holding %	33.33%	33.33%
	No .of Shares Invested	699,027	699,027

	2026 Rs. 000	2025 Rs. 000
At the beginning of the year	527,618	458,129
Previous year tax adjustment	-	-
Share of Profit from the Joint Venture (Note 16.1)	247,257	119,819
Dividend Received	(150,990)	(50,330)
Total Carrying Value of Investment	623,885	527,618

16. INVESTMENT IN JOINT VENTURE (Cont...)

The above investment in Joint Venture represents investment in AEN Palm Oil Processing (Pvt) Ltd, which is a joint venture established with Namunukula Plantations PLC, Elpitiya Plantations PLC and Agalawatte Plantations PLC.

The Company has a 33.33% interest in AEN Palm Oil Processing (Pvt) Ltd a joint venture where the Company can influence upto 33.33 % of voting rights of AEN Palm Oil Processing (Pvt) Ltd. This joint venture involved in the business of processing crude Palm Oil.

The Company's interest in AEN Palm Oil Processing (Pvt) Ltd is accounted for using equity method in the financial statements. Summarized financial information of this joint venture are set out below.

16.1 Summarised Statement of Profit or Loss of AEN Palm Oil Processing (Pvt) Ltd.

	2026 Rs. 000	2025 Rs. 000
Revenue from contracts with customers	11,344,993	8,778,183
Cost of Sales	(10,115,453)	(8,070,708)
Gross Profit	1,229,540	707,475
Other Income including Interest Income Rs. 36,534,760 - (2025 - Rs. 27,964,516/)	38,866	29,645
Administration expenses including depreciation Rs. 18,247,688 (2025- Rs. 2,085,458/-)	(387,707)	(312,303)
Selling & Distribution Expenses	(1,649)	(2,075)
Finance Cost	(205)	(1,815)
Profit Before Tax	878,847	420,926
Tax Expense	(137,077)	(61,469)
Net Profit for the Year	741,770	359,457
Total Comprehensive Income	741,770	359,457
Company's share of profit before tax	292,949	140,309
Company's share of profit after tax (Note 16)	247,257	119,819
Statement of Financial Position		
Non-Current Assets		
Property, Plant & Equipment	1,196,211	1,120,427
Right to use of assets	1,494	1,592
Total Non Current Assets	1,197,705	1,122,020
Current Assets		
Inventories	315,675	249,245
Income Tax Receivable	-	-
Trade & Other Receivables	135,328	194,263
Cash & Bank balances	820,850	516,216
Total Current Assets	1,271,852	959,723
Total Assets	2,469,557	2,081,743
EQUITY AND LIABILITIES		
Capital and Reserves		
Stated Capital	89,880	89,880
Accumulated Profits	1,785,476	1,496,676
Total Equity	1,875,356	1,586,556

16. INVESTMENT IN JOINT VENTURE (Cont...)

	2026 Rs. 000	2025 Rs. 000
Non-Current Liabilities		
Interest Bearing Borrowings		
Retirement Benefit Obligation	50,255	36,130
Deferred Tax Liability	94,438	94,588
Liability to make lease payments	1,861	1,917
	146,554	132,635
Current Liabilities		
Trade & Other Payables	380,093	354,070
Amounts due to related Parties	2,545	3,563
Interest Bearing Borrowings	-	-
Liability to make lease payments	51	46
Income Tax Payable	64,959	4,874
	447,647	362,552
Total Equity and Liabilities	2,469,557	2,081,743
Company's carrying amount of the investment	625,119	528,852
Cash Flows		
Net Cash Flows from Operating Activities	974,822	472,284
Net Cash Flows used in Investment Activities	(192,269)	(53,888)
Net Cash Flows used in Financing Activities	(502,969)	(200,990)
Total Net Cash Flows	279,584	217,406

17. INTANGIBLE ASSETS (GOODWILL ON BUSINESS COMBINATIONS)

	2026 Rs. 000	2025 Rs. 000
Goodwill on business combinations	305,915	305,915
Impairment		
As at 31 March	305,915	305,915

17.1 Goodwill arising on business combinations

Company had a sub lease agreement with Tusker Bottling Company (Pvt) Ltd where estates of the Uva Region has sub leased to said company. However the Sub Lease agreement with Tusker Bottling company (Pvt) Ltd (Under Liquidator) has been terminated for breach effective from 05 July 2013. Consequently, Assets and Liabilities are reacquired passing board resolution by the company. Based on the information available, the Board is of the opinion that this reacquision of subleased assets will not have any further contingent Liabilities as at reporting date except accounted at the date of acquired and disclosed under Note 33. The above balance represent the Goodwill on acquisition of Sub leased Property.

17.2 Impairment testing of goodwill

The recoverable amount as at 31 March 2026, has been determined based on the value in use calculation using expected future cash flow projections based on financial budgets which are approved by management and 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.

17. INTANGIBLE ASSETS (GOODWILL ON BUSINESS COMBINATIONS) (Cont...)

17.2 Impairment testing of goodwill

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and to the company. The key assumptions used to determine the recoverable amount are as follows,

Discount rates

Discount rate represent the current market assessment of the risks specific to CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the company and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC of 13.28 % (2024/25 - 14.25 %) takes into account both debt and equity. Segment-specific risk is incorporated by applying individual beta factors. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Inflation

The basis used to determine the value assigned to the budgeted cost inflation, is the inflation rate, based on projected economic conditions.

Growth rate estimates

Volume growth of 5 % (2024/25 - 5%) has been budgeted on a reasonable and realistic basis by taking into account the growth rates of one to five years immediately subsequent to the budgeted year based on industrial growth rates. Cash flows beyond five year period are extrapolated using 0% growth rate.

Gross margins

Gross margins are based on average values achieved in the preceding years beginning of the budget period. These are adjusted over the estimate period for anticipated efficiency improvements and projected market conditions.

The rise in general inflation rate, discounting rate and decrease in gross margin & growth rates, individually or jointly will result in a further impairment.

18. INVENTORIES

	2026 Rs. 000	2025 Rs. 000
Produce Stock	146,506	190,260
Biological Assets - Nurseries	2,365	2,876
Spares & Consumables	200,324	73,803
	349,195	266,940

19. TRADE AND OTHER RECEIVABLES

	2026 Rs. 000	2025 Rs. 000
Produce Debtors (Related Companies, Note 19.1)	67,289	141,543
Produce Debtors (Others)	49,830	23,386
Advances & Prepayments	64,570	53,628
Other Debtors	80,728	62,310
	262,418	280,868
Provision for impairment of doubtful receivables	(40,488)	(40,488)
	221,930	240,380
Receivable from Liquidator - for uva range		
Current account balance	533,052	533,052
Less: Provision for impairment of doubtful receivables	(533,052)	(533,052)
	221,930	240,380

The above "receivable from the liquidator - Uva range" amount, is the due balance from the liquidator appointed by the court in the winding up proceeding of Tusker Bottling Company (Pvt) Ltd to which the company has sub leased 6 estates. These expenses were incurred by the company net of income on behalf of the liquidator who has acknowledged the fact.

The amount outstanding from liquidator was Rs. 533,052,236/-, for which total provision has been made.

19.1 Trade Receivables from Related Companies.

	Relationship	2026 Rs. 000	2025 Rs. 000
AEN Palm-Oil Processing (Pvt) Ltd	Joint Venture	67,289	141,543
		67,289	141,543

The age analysis of produce debtors is as follows;

	Neither past due nor impaired					
	0 - 7 days	8 - 30 days	31 - 90 days	91-364 days	> 365 days	Total
	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000	Rs. 000
Balance as at 31 March 2026						
Produce Debtors (Related Companies)	67,289	-	-	-	-	67,289
Produce Debtors (Others)	49,830	-	-	-	-	49,830
Balance as at 31 March 2025						-
Produce Debtors (Related Companies)	141,543	-	-	-	-	141,543
Produce Debtors (Others)	23,386	-	-	-	-	23,386

20. AMOUNTS DUE FROM RELATED COMPANIES

	Relationship	2026 Rs. 000	2025 Rs. 000
Richard Pieris & Company PLC	Ultimate Parent Company	165,650	64,419
RPC Management Services (Pvt) Ltd	Parent Company	-	28,180
Kegalle Plantations PLC	Fellow Subsidiary Company	403,210	306,654
Maskeliya Plantations PLC	Fellow Subsidiary Company	20,882	41,835
Maskeliya Tea Garden Ceylon Ltd	Fellow Subsidiary Company	5,558	5,558
Richard Pieris Distributors (Pvt) Ltd	Fellow Subsidiary Company	-	-
BGN Industries Ltd	Fellow Subsidiary Company	3,275	6,055
Richard Pieris Natural Foams Ltd.	Fellow Subsidiary Company	162,525	152,723
		761,100	605,423

21. FINANCIAL ASSETS

21.1 Unquoted Investment

The Company held an equity investment in RP Finance Limited comprising 35,578,005 unquoted ordinary shares with a face value of Rs. 12 per share, representing a 13.47% equity stake in the investee company. The total cost of the investment amounts to Rs. 426 million.

		2026	2025
Non-Quoted Equity Shares held by the Company			
Non-Quoted Ordinary Shares of Richard Pieris Finance Ltd			
No of Shares	No	35,578,005	33,333,334
% Holding	%	13.47%	13.47%
Face Value Per Share	Rs.	12.00	12.00
Carrying Value as at 01 April	Rs.000	400,000	-
Invested During the year	Rs.000	26,936	400,000
Carrying Value as at 31 March	Rs.000	426,936	400,000
At the beginning of the year	Rs.000	26,667	-
Equity Value Per Share as at 31 March	Rs.	15.83	12.80
Gain/(Loss) on FVTOCI Financial Asset	Rs.000	109,597	26,667
Carrying Value as at 31 March	Rs.000	563,200	426,667

21. FINANCIAL ASSETS (Cont...)

21.2 Information about Fair Value Measurements using Significant Unobservable Inputs (Level 3)

Financial Asset	Valuation methodology	Unobservable inputs	Range of unobservable inputs 2026
Investment in non-quoted Ordinary Shares of Richard Pieris Finance Ltd	Market Approach (trading multiples) - Primary methodology	Price to Book Value multiple	Price to Book multiple range of 0.99 - 1.13

Key assumptions used in valuation;

01. Screening was conducted on similar companies listed on the Colombo Stock Exchange based on similiarities in Net Asset Value and total Revenue.

02. Results of screening based on publicly available information as at the latest practicable date

03. Valuation exercise was concluded on Price to Book Value multiples of identified similar Companies.

The fair value of the retained interest of the Richard Pieris Finance Ltd on initial recognition identified in profit or loss statement and Gain or Loss on subsequent fair valuation recognised in Other Comprehensive Income.

21.3 Quoted Investment

The Company held equity investments in quoted ordinary shares of National Development Bank PLC, comprising 4,039,426 shares with a nominal value of LKR 138.81 per share, representing a 0.95% equity stake in the investee company. The total cost of the investment amounted to LKR 560.7 million.

As at the reporting date, the fair value of the investment, based on quoted market prices, amounted to LKR 525 million. The resulting unrealised Loss of LKR 35.5 million has been recognised in other comprehensive income and recorded under the fair value reserve within equity.

The investment has been classified as a financial asset at fair value through other comprehensive income (FVOCI), as it is not held for trading and the Company has elected to recognise fair value changes in other comprehensive income.

		2026	2025
Quoted Equity Shares held by the Company			
Quoted Ordinary Shares of National Development Bank PLC			
No of Shares	No	4,039,426	-
% Holding	%	0.95%	0.00%
Face Value Per Share	Rs.	138.81	-
Carrying Value as at 01 April	Rs.	-	-
Invested During the year	Rs. 000	560,697	-
Carrying Value as at 31 March	Rs. 000	560,697	-
Equity Value Per Share as at 31 March	Rs.	130.00	-
Gain/(Loss) on FVTOCI Financial Asset	Rs. 000	(35,571)	-
Carrying Value as at 31 March	Rs. 000	525,125	-

22. CASH AND CASH EQUIVALENTS

22.1 Favourable balance

	2026 Rs. 000	2025 Rs. 000
Cash at Bank	7,507,683	6,579,243
Cash in Hand	212	499
Short Term Investment	-	-
	7,507,894	6,579,742
22.2 Unfavourable balance		
Bank Overdraft	-	-
	7,507,894	6,579,742

23. STATED CAPITAL

	2026	2025
Issued and Fully Paid Number of Shares		
Fully paid ordinary shares including One Golden Share	237,500,001	237,500,001
Value of Issued and Fully Paid Shares		
237,500,000 Ordinary Shares and a Golden Share		
which has special rights, held by the Secretary to the Treasury (Rs. 000)	350,000	350,000

24. RETIRING BENEFIT OBLIGATIONS

	2026 Rs. 000	2025 Rs. 000
At the beginning of the year	635,550	476,060
Interest Cost	76,266	61,888
Current Service Cost	37,203	35,105
Actuarial (Gain) / Loss due to changes in financial assumptions	21,649	105,907
Actuarial (Gain) / Loss due to experience adjustments	39,756	36,452
Gratuity Paid/Payables for the year	(163,666)	(79,861)
At the end of the year	646,759	635,550

24. RETIRING BENEFIT OBLIGATIONS (Contd...)

The employee benefit liability is based on the actuarial valuation carried out by Messrs. Actuarial & Management Consultants (Pvt) Ltd .

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 following key assumptions were made in arriving at the above figure.

Adopting Method :
Company used Projected Unit Credit Method (PUC) as the method of valuation. The PUC is the benchmark method recommended by Sri Lanka Accounting Standard as per LKAS 19.

Input Used for the valuation
Basic input data used for the retirement benefit obligation is employee date who were expected to be in service as at 31st March 2026. Such as retirement Age , Wage Rate etc. This input data mainly used to conduct the valuation.

Assumptions used for valuation
In order to carry out the valuation, there are two main assumptions regarding the future experience and trends of two groups of elements.

i. **Demographic Assumptions** -
This assumptions covers item such as mortality rates, ill health retirement rate and staff turnover rate and these are generally referred to as the demographic assumptions. Sudden Changes in these are rare and the past experience can provide a reasonable guide to the future.

ii . **Financial Assumption** -
This assumption covers the financial elements such as the rate of increase in salaries / Wages, the rate of discount (i.e. the rate of interest used to discount future cash flows in order to determine the present value). The assumptions regarding the financial elements , of necessity, have to be based on more general considerations of long-term economic trends and outlook.

According to the actuarial valuation report issued by the Messer Actuarial & Management Consultants (Pvt) Ltd as at 31 March 2026, the actuarial present value of promised retirement benefits amounted to Rs. 646,758,568/-. If the Company had provided for gratuity on the basis of 14 days wages & half months salary for each completed year of service, the liability would have been Rs. 964,221,323/-.

The key assumptions used by the actuary is as follows,

	2026	2025
(I) Rate of discount	11% p.a	12% p.a
(II) Salary increment rate -		
Workers	8% (Per annum)	8% (Per annum)
Staff	8% (Per annum)	8% (Per annum)
(III) Retirement age		
Workers (Male & Female)	60 Years	60 Years
Estate Staff (Male & Female)	60 Years	60 Years
Head Office Staff (Male & Female)	60 Years	60 Years

24. RETIRING BENEFIT OBLIGATIONS (Contd...)

(IV) The Company will continue in business as a going concern.

The following payment are expected from defined benefit plan obligation in future years.

	Staff	Workers	Company
	Rs. 000	Rs. 000	Rs. 000
Within the next 12 Months	14,402	110,560	124,962
Between 02 to 05 Years	27,045	180,721	207,766
After 05 Years	42,999	271,032	314,031
	84,446	562,312	646,759

The weighted average duration of defined benefit obligation for the Namunukula Plantations PLC is 7.03 years (2024/25) - (6.47 years).

The Retirement Benefit Plan of the Company was amended due to the increase in retirement age enacted by the **Minimum Retirement Age of Workers Act No. 28 of 2021.**

24.1 Sensitivity of Assumptions Employed in Actuarial Valuation

The following tables are demonstrates the sensitivity to a reasonably possible change in the key assumptions employed with all other variables held constant in the employment benefit liability measurement.

Simulation made for retirement obligation show that, a rise or decrease by 1% of the rate of salaries & wages or discount rate has the following effect on the retirement benefit obligation.

Refer to Note 35 Events after Reporting Period, which describes a proposed revision to wage rate after the year end. As this determination is yet to be finalised, we have considered the reasonable possible change for wage rate as 1% for the purpose of sensitivity analysis

	Sensitivity Effect on,			
	Statement of Profit or Loss			Statement of Financial Position Total
	(Benefit Obligation to Staff)	(Benefit Obligation to Workers)	Total	
	Rs. 000	Rs. 000	Rs. 000	Rs. 000
1 % Increase in discounting Rate -2025/26	**5,407**	**34,348**	**39,756**	**(39,756)**
1 % Increase in discounting Rate -2024/25	5,784	35,266	41,050	(41,050)
1 % Decrease in discounting Rate - 2025/26	(6,130)	(38,798)	(44,928)	44,928
1 % Decrease in discounting Rate - 2024/25	(6,521)	(39,911)	(46,432)	46,432
1 % Increase in salary/Wages escalation rate -2025/26	(6,632)	(38,473)	(45,106)	45,106
1 % Increase in salary/Wages escalation rate -2024/25	(7,108)	(39,557)	(46,666)	46,666
1 % Decrease in salary/Wages escalation rate -2025/26	5,930	34,600	40,530	(40,530)
1 % Decrease in salary/Wages escalation rate -2024/25	6,395	35,497	41,892	(41,892)

25. DEFERRED GRANTS AND SUBSIDIES

	2026 Rs. 000	2025 Rs. 000
At the beginning of the year	121,696	120,410
Add : Grants received for the year - Monetory	3,549	7,811
Less : Amortisation for the year	(6,916)	(6,525)
At the end of the year	118,329	121,696

The Company has received funds from Asian Development Bank - Plantation Reform Project (ADB - PRP), Plantation Devolopment Support Programme (PDSP) and Plantation Human Development Trust (PHDT) for the development of worker facilities such as construction of worker housing, re-roofing of line rooms, latrines, water supply and sanitation etc. Funds received from Rubber Development Department are utilized for Rubber replanting.

The amounts spent are included under the relevant classification of property, plant & equipment and the grant component is reflected under Deferred Grants and Subsidies.

26. LEASE LIABILITY

		2026 Rs. 000	2025 Rs. 000
Lease liability on Right of use Asset - Land	26.1	800,519	780,860
Lease liability on Right of use Asset - Other Assets	26.2	5,157	2,897
		805,677	783,756

26.1 Lease liability on Right of use Asset - Land

	2026 Rs. 000	2025 Rs. 000
Balance as at the beginning of the year	780,860	671,827
Reassessment Adjustment	29,673	117,570
Accretion of interest	105,369	102,622
Payments	(115,382)	(111,158)
Balance as at the end of the year	800,519	780,860

26.1.1 Maturity analysis of lease liabilities are as follows;

Lease liability on right of use Asset - Land

	2026 Rs. 000	2025 Rs. 000
Repayable after 5 years		
Gross Liability	1,615,353	1,667,375
Less : Finance Charges	(888,157)	(949,028)
Net Liability	727,196	718,347
Repayable after 1 year less than 5 years		
Gross Liability	461,529	444,633
Less : Finance Charges	(399,521)	(391,768)
Net Liability	62,008	52,866
Repayable after 1 year	789,204	771,213
Repayable within 1 year		
Gross Liability	115,382	111,158
Less : Finance Charges	(104,068)	(101,512)
Net Liability	11,315	9,647
Total	800,519	780,860

26. LEASE LIABILITY (Cont...)

26.2 Lease liability on right of use Asset - Other Assets

	2026 Rs. 000	2025 Rs. 000
Balance as at the beginning of the year	2,897	3,732
Reassessment Adjustment	144	1,140
Accretion of interest	813	619
New Leases obtained	3,897	-
Repayments during the year	(2,594)	(2,594)
Balance as at the end of the year	5,157	2,897

26.3 Current versus non-current classification of lease liability

	2026 Rs. 000	2025 Rs. 000
Current	13,523	9,685
Non - Current	792,153	774,072

27. DIVIDENDS PAYABLE

	2026 Rs. 000	2025 Rs. 000
Dividend payable		
Dividend for Rs. 2.00 per Share (2024/25 - Rs. 15.00 per share)	475,000	-
Number of Ordinary Shares (No's)	237,500,001	23,750,001
Dividend per share (Rs.)	2.00	15.00

28. TRADE AND OTHER PAYABLES

	2026 Rs. 000	2025 Rs. 000
Trade Creditors	148,000	194,801
Accrued Expenses	79,414	88,244
Payable to Employees	197,350	196,930
Others	128,213	42,877
	552,976	522,852

29. AMOUNTS DUE TO RELATED COMPANIES

	Relationship	2026 Rs. 000	2025 Rs. 000
RPC Plantation Management Services (Pvt) Ltd	Parent Company	20,593	86,058
Richard Pieris Tyre Company (Pvt) Ltd	Fellow Subsidiary Company	78	693
		20,671	86,751

30. SECURITIES PLEDGED

Following assets have been pledged as security for liabilities.

	Loan			Carrying amount pledged	
	Facility	Outstanding		2026	2025
	Rs. Mn	Rs. Mn	Security	Rs. Mn.	Rs. Mn.
Overdraft and Short Term Loans					
Bank of Ceylon	90	-	Floating mortgage bond over stock in trade and movables of the Company	237.78	237.78
Hatton National Bank PLC	150	-	Corporate guarantee	-	-
Nations Trust Bank PLC	150	-	Floating mortgage bond over stock in trade and movables of the Company	237.78	237.78
Sampath Bank PLC	50	-	Corporate guarantee	-	-

31. CAPITAL EXPENDITURE COMMITMENTS

Followings are the capital expenditure commitments as at the reporting date,

	2026	2025
	Rs. 000	Rs. 000
Approved by the Board & Contracted for	Nil	Nil
Approved by the Board & not Contracted for	863,869	937,801

32. RELATED PARTY DISCLOSURES

Transactions with related parties were made at terms equivalent to those that prevail in arm's length transactions. Details of Significant Related Party Disclosures are as follows.

32.1 Recurrent Transactions with the Parent and Ultimate Parent Company

Name of the Company	Relationship	Name of Director	Nature of Transaction	2026	2025
				Rs. 000	Rs. 000
Richard Pieris & Company PLC	Ultimate Parent Company	Dr. Sena Yaddehige	Interest Income	583,778	519,558
		Mr. Shaminda Yaddehige	Administrative Services	(218,492)	(179,039)
			Other Expenses	(14,055)	(9,832)
			Receipts	(250,000)	(751,674)
RPC Plantation Management Services (Pvt) Ltd	Parent Company	Dr. Sena Yaddehige	Management Fees	(402,436)	(345,502)
		Mr. Shaminda Yaddehige	Other Expenses	(106)	(103)
			Settlemet	468,007	311,099

32. RELATED PARTY DISCLOSURES (Contd...)

32.1 Recurrent Transactions with the Parent and Ultimate Parent Company

Interest Income

Under the RPC (Richard Pieris & Company PLC) pooling arrangement, an aggregate amount of Rs. 584 Mn (compared to Rs. 519 Mn in 2024-25) earned from day-to-day operations of the company is deposited into the designated Richard Pieris & Company PLC pooling account during the fiscal year. These transactions collectively exceed 19% (16%) of the gross revenue/income of the company as per the latest audited financial statements.

Management Fee

The Management agent shall be paid for each fiscal year fifteen percent (15%) of the earnings of the Company before interest received/paid corporate tax, depreciation and amortization of land and management fees (EBIDTA) applicable in that fiscal year.

32.1.1 Recurrent Transactions with the Joint Venture Company.

Name of the Related Party	Relationship	Nature of the Transaction	Terms and Conditions of the Related Party Transactions	2026 Rs. 000	2025 Rs. 000
AEN Palm oil processing (Pvt) Ltd	Joint Venture	Amounts Receivable	Sale of Fresh Fruit Bunches (FFB) as day to day operations of the Company - Price will decide based on Ripe & Unripe weight of bunches.	67,289	141,543
		Sale of Goods		3,308,528	2,490,253
		Reimbursement of Transport Cost		232,147	201,707
		Vehicle Lease rental & Insurance charged		(320)	(268)
		Settlements of dues		(3,614,610)	(2,608,448)

During the year company was supplied Rs. 3,308 Mn (2024-25 - Rs. 2,490 Mn) 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 79% (55%) of the gross revenue/income of the company as per latest audited financial statements.

32.1.2 Recurrent Transactions with Other Related Companies

Name of the Company	Relationship	Name of Director	Nature of Transaction	2026 Rs. 000	2025 Rs. 000
Kegalle Plantations PLC	Affiliates	Dr. Sena Yaddehige	Latex Supply	111,631	153,109
		Mr. Shaminda Yaddehige	Administrative Services	4,004	1,401
			Interest Charged	19,344	-
			Settlement	(38,422)	(27,321)
Maskeliya Plantations PLC	Affiliates	Dr. Sena Yaddehige	Administrative Services	(439)	(4,485)
		Mr. Shaminda Yaddehige	Purchase of Made Tea	(514)	(633)
			Settlement	(20,000)	(10,000)
Richard Pieris Distributors Ltd	Affiliates	Dr. Sena Yaddehige	Purchase of goods	(937)	(3,876)
		Mr. Shaminda Yaddehige	Settlement	937	3,545
Richard Pieris Tyre Company	Affiliates	Dr. Sena Yaddehige	Purchase of Tyres	(3,960)	(3,227)
(Pvt) Ltd.		Mr. Shaminda Yaddehige	Settlement	4,575	3,655
Arpico Insurance PLC	Affiliates	Dr. Sena Yaddehige	Insurance Premium	(1,670)	1,650
			Settlement	1,670	(1,650)
Richard Pieris Natural Forms	Affiliates	Dr. Sena Yaddehige	Sale of Firewood	45,651	148,550
(Pvt) Ltd		Mr. Shaminda Yaddehige	Settlement	(35,849)	(82,879)
Richard Pieris Finance Limited	Affiliates	Dr. Sena Yaddehige	Interest Income Term Loan/FD	-	46,027
			Invest on Equty	(26,936)	(400,000)
			Settlement	26,936	462,282
Maskeliya Tea Garden	Affiliates	Dr. Sena Yaddehige	Purchase of Tea	(6,718)	2,956
Ceylon Ltd			Settlement	6,718	(3,167)
BGN Industries Ltd	Affiliates	Dr. Sena Yaddehige	Sale of Firewood	4,228	8,892
		Mr. Shaminda Yaddehige	Settlement	(7,008)	(9,219)

32. RELATED PARTY DISCLOSURES (Contd...)

32.2 Terms and Conditions

Transaction with related parties are carried out in the ordinary course of business on relevant commercial terms. Outstanding balances at the year end are unsecured and net settlement occurs in cash.

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 which ever is lower.

32.3 Transactions with the key management personnel

The Company Key Management Personnel include members of the Board of Director of Namunukula Plantations PLC and members of Board of Director of Richard Pieris and Company PLC.

	2026 Rs. 000	2025 Rs. 000
Short-term employee benefits	2,589	9,580

32.4 Related Party Transactions

There are no related party transactions other than those disclosed in Notes 16, 20, 21, 29 & 32 to the Financial Statements.

33. CONTINGENCIES

33.1 Supreme Court Case No: SC/APL/40/2025

There were 30 cases outstanding filed at Magitrates court Passara and Bandarawela by the Commissioner of Labour (Badulla) against Tusker Bottling Co. (Pvt) Ltd, the Company and the Superintendents of these Estates regarding the payment of employees' statutory dues for the amounts which the Sub Lessee has failed to pay in respect of the sub leased 6 estates. The Company has filed objections that the Company is not liable to pay such dues. However Magistrate has ordered company to pay.

The company filed revision to that in High court and further company was deposited 14.75 Mn as refundable security deposit in the court. The company won the case No. 59/2015 in HC Badulla, and the Labour Commissioner subsequently filed an appeal against the decision of the High Court Judge in favor of the company. The dates of the balance 29 cases (Case No: 60/2015 to 88/2015) are being moved forward pending a decision from a higher court. Arguments concluded, Judgment reserved."

34. RECONCILIATION FOR CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Sri Lanka Accounting Standard - LKAS 7 (Statement of Cash flows), requires an entity to disclose information that enables users of Financial Statements to evaluate changes in liabilities arising from financing activities, including changes arising from 2025/26 are disclosed below together with the comparative figures for the year ended 2024/25.

	Non Current Interest Bearing Loans & Borrowings Rs. 000	Non Current Lease Creditor Rs. 000	Current Interest Bearing Loans & Borrowings Rs. 000	Current Lease Creditor Rs. 000	Total Rs. 000
Balance as at 1st April 2024	-	666,346	-	9,213	675,558
Net cash flows from financing activities	-	-	-	(9,213)	(9,213)
Reclassification to current liabilities	-	107,726	-	9,685	117,411
Balance as at 31st March 2025	-	774,072	-	9,685	783,756
Balance as at 1st April 2025	-	774,072	-	9,685	783,756
Net cash flows from financing activities	-	-	-	(9,685)	(9,685)
Reclassification to current liabilities	-	18,081	-	13,523	31,605
Balance as at 31st March 2026	-	792,153	-	13,523	805,677

35. EVENTS AFTER THE REPORTING PERIOD

No circumstances have arisen since the reporting date which require adjustments to or disclosure in the financial statements.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

36.1 Financial Risk Management Framework

The Board of Directors has the overall responsibility for the establishment and oversight of the company's financial risk management framework which includes developing and monitoring the company's financial risk management policies.

The company's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations. Accordingly the company 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 company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk.

36.2 Credit Risk

This is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arise principally from the company's receivable from customers.

36.2.1 Trade and Other Receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and the country in which the customers operate, as these factors may have an influence on credit risk.

The Company reviews external ratings and bank references of the customer when available. Purchase limits are established for each customer, which are reviewed quarterly. In monitoring credit risk, customers are categorized according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale or retail customer, geographical location, industry, aging profile, maturity and existence of previous financial difficulties.Credit risk on trade debtors are minimal since settlement is guaranteed within seven days. Any sales exceeding those limits require approval from the risk management committee.

The Company's main customers (Brokers) have been transacting with the Company more than 10 years, and none of these customers' balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a wholesale, retail or end-user customer, their geographic location, industry, trading history with the Company and existence of previous financial difficulties.

The maximum exposure to credit risk for trade receivables at the reporting date is Rs. 117 Mn (2024/25 – Rs. 165 Mn).

Company has a minimal credit risk of its trade receivables as the repayment is guaranteed within seven to ten days by the Tea and Rubber auction systems.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held);

or

- the financial asset is more than 21 days past due.

36.2.2 Trade & Other Receivables Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirely or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 365 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

36.2.3 Trade & Other Receivables Write-off (Contd...)

The Movement of in the allowance for the impairment for trade and other receivables during the year was,

	2026 Rs. 000	2025 Rs. 000
Balance as at 01 April	573,540	573,540
Charge for the year		
Write-off		
Recoveries		
Balance as at 31 March	573,540	573,540

36.2.4 Cash and Cash Equivalents

The Company held cash and Cash Equivalents of Rs. 7,508 Mn as at 31st March 2026 (2024/25 – Rs. 6,580 Mn) which represents its maximum credit exposure on these assets.

36.3 Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company's reputation.

The Company does not concentrate on a single financial institution, thereby minimizing the exposure to liquidity risk through diversification of funding sources. The Company aims to fund investment activities by funding the long-term investment with long term financial sources and short term investment with short term financing. Where necessary the Company consults the Central Treasury Department Unit of the group for scrutinizing the funding decisions.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at 31st March 2026	On Demand Rs. 000	Less than 3 Months Rs. 000	3 to 12 Months Rs. 000	2 to 5 years Rs. 000	> 5 years Rs. 000	Total Rs. 000
Interest bearing loans & borrowing	-	-	-	-	-	-
Liability to make Lease payment within one year	-	-	13,523	64,957	727,196	805,677
Dividend Payable	-	475,000	-	-	-	475,000
Amounts Due to Related Companies	-	20,671	-	-	-	20,671
Bank Overdraft	-					
	-	495,671	13,523	64,957	727,196	1,301,348
As at 31st March 2025						
Interest bearing loans & borrowing	-	-				
Liability to make Lease payment within one year	-	-	9,685	55,724	718,347	783,756
Dividend Payable	-	-				
Amounts Due to Related Companies	-	-	86,751	-	-	86,751
Bank Overdraft	-	-				
	-	-	96,435	55,724	718,347	870,507

36.4 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, currency risk, interest rate risk & other price risk such as equity price risk. Financial instrument affected by market risk include loans & borrowings.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd...)

36.5 Interest Rate Risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The company has not engaged in any interest rate swap agreements.

The company don't have long term borrowings with floating interest rates at end of the year 2025/26 (2024/25 – Nil).

36.6 Capital Management

The Company'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 and retained earning. The Board of Directors monitors the return on capital, interest cover ratio, dividend to ordinary shareholders

The gearing ratio at the reporting date is as follows.

	As at 31.03.2026 Rs. 000	As at 31.03.2025 Rs. 000
Interest bearing borrowing		
Current portion of long term interest bearing borrowings	-	-
Payable within 1 and 5 years	-	-
Bank Overdraft	-	-
	-	-
Equity		
Equity & debts	11,957,845	10,555,179
Gearing ratio	0%	0%

Supplementary Information

Driving Unified Impact; Strengthening Bonds with Stakeholders and the Investment Community to Fuel Collective Success and Intergenerational Growth

Shareholder & Investor Relations Information

The Company is maintaining healthy relationship with its key shareholders (Individual and Institutional) while maintaining a dialogue with potential shareholders as well. The Annual General Meetings are held to communicate with the shareholders and their participation is encouraged. Apart from this, principal methods of communication of Company include the corporate website, the Annual Report, quarterly Financial Statements and press releases.

Also the Company wants to maintain an effective dialogue with its valued investors since they are an important part of stakeholder engagement in recognition of their vital support to the success of the Company. We believe that investors will actively seek to influence the behavior of the entity to improve the performance of areas such as environmental, social and governance using the stakeholder engagement structures in place. Consequently, Company provides timely, transparent, accurate and consistent information to the investing public to create a productive dialogue to address their concerns and thereby, improve long term corporate performance. Information provided in this section provides useful insights as to the performance of investors' investment in the Company.

Compliance Report on the Contents of Annual Report in Terms of the Listing Rules of the CSE

The Company is pleased to inform you that Company has duly complied with all the requirements of the Section 7.6 of the Listing Rules of the CSE on the contents of the Annual Report and Accounts of a listed entity.

The table below provides reference to the relevant sections of this Annual Report where specified information is disclosed together with page references for the convenience of the readers.

Rs. 66.90
NPPLC Sgare Price (Rs)

15,706
Share Trading (No of times)

23,750,001
Total No of Shares

12,737
Total Shareholders

15,889 mn
Market Capitalizatoin (mn)

Content Index of Annual Report disclosure requirements in terms of Listing Rule 7.6

Listing	Information required to be disclosed	Report Commentary Title	Page No(s) Rule
7.6 (i)	Names of persons who were directors of the Company during the & financial year	Corporate Governance & Board of Directors	28 to 37
7.6 (ii)	Principal activities of the Company and its subsidiaries during the year and any changes therein.	About us	04 to 12
7.6 (iii)	The names and the number of shares held by the 20 largest shareholders and the percentage of such shares held.	Shareholders & Investor relations information Item 9	336
7.6 (iv)	The float adjusted market capitalization, public holding percentage (%), number of public shareholders and under which option the Company complies with the Minimum Public Holding requirement.	Shareholders & Investor relations information Item 8.B	335
7.6 (v)	A statement of each director's holding and Chief Executive Officer's holding in shares of the Company at the beginning and end of financial year.	Annual Report of the Board of Directors Item	273 & 274
7.6 (vi)	Information pertaining to material foreseeable risk factors	Risk Management	43 to 65
7.6 (vii)	Details of material issues pertaining to employees and industrial relations of the Company.	Shareholders & Investor relations information Item 17	341
7.6 (viii)	Information on buildings/land holding of the Company as at end of the year	Operational Footprint/ Our Estates and Operating Locations	20 to 22
7.6 (ix)	Number of shares representing the Company's stated capital.	Shareholders & Investor relations information Item 8	335
7.6 (x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings.	Shareholders & Investor relations information Item 7	334
7.6 (xi)	Ratios and market price information on equity securities	Decade at a Glance/ Shareholder & Investor information Item 6	344 to 345 334
7.6 (xii)	Significant changes in the Company's fixed assets	Financial Statement note 12,13,14 & 15	306 to 311
7.6 (xiii)	If during the financial year the Company has raised funds through an Initial Public Offering and/or a further issue of Securities (as applicable);	Shareholders & Investor relations information Item 18	341
7.6 (xiv)	Employee Share Option Schemes/Employee Share Purchase Schemes	Shareholders & Investor relations information Item 19	341
7.6 (xv)	Disclosures pertaining to Corporate Governance practices in terms of Rules 7.10.3, 7.10.5 c. and 7.10.6 c. of Section 7 of the Rules.	Annual report of the board of Directors / Profile of Directors/ Remuneration Committee Report/ Audit Committee Report	28 to 30 40 38 & 39
7.6 (xvi)	Related Party transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower.	Financial Statement Note 32	323 to 325

Shareholder & Investor Relations Information

1. Stock Exchange

The issued Ordinary Shares of Namunukula Plantations PLC is listed on the Main Board of the Colombo Stock Exchange (CSE) of Sri Lanka under the ticker symbol of "NAMU.N0000".

The Company duly submitted the unaudited Interim Financial Statements for the year 2025/26 to CSE within applicable statutory deadlines as required by the Rule No. 7.4 (a) (i) of the Listing Rules of the CSE. The Audited Accounts of the Company for the year ended 31 March 2026 have been submitted to the Colombo Stock Exchange within three months from the year end, which is well within the required deadline as required by the Rule No 7.5. (a) of the Listing Rules of the CSE.

2. NPPLC Share Information

NPPLC share Information from CSE website: Log on to Colombo Stock Exchange - website: www.cse.lk Enter Company code (NAMU.N0000) in the box at the top right hand corner of CSE home page and go to the Company description.

3. Public Holding

The percentage of shares held by the public is 32.02%of the issued Share Capital of the Company.

4. Golden Shareholder

The Golden Share of Rs 10/- is currently held by the Secretary to the Treasury and should be owned either directly by the Government or by a 100% Government owned Company. In addition to the rights of the Normal Ordinary Shareholder, the Golden Shareholder has the following rights;

1) The concurrence of the Golden Shareholder will be required for the Company to sublease any of the estate land leased/ to be leased to the Company by the Janatha Estate Development Board / Sri Lanka State Plantations.

2) The concurrence of the Golden Shareholder will be required to amend any clause in the Article of Association of the Company which grants specific right to the Golden Shareholders.

3) The Golden Shareholder or his nominee will have the right to examine the books and accounts of the Company at any time with two weeks of written notice.

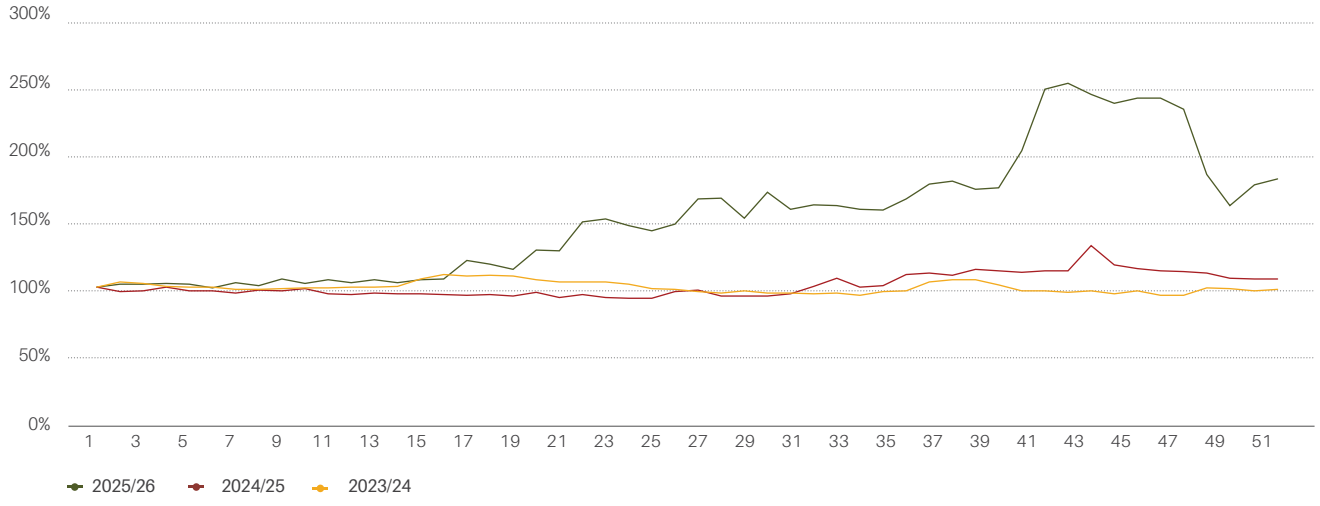
4) The Company will be required to submit a detailed accounts report to the Golden Shareholder.

5) The Golden Shareholder can request the Board of Directors of the Company to meet with him/ his Nominee, once every quarter to discuss issues related to the Company's operation of interest to the Government.

5. The Share of NPPLC

The Performance of Namunukula Plantations PLC's Share is as follows compared to the Performances of All Share Price Index (ASPI), Plantations Share Price Index (PLT) and Standard & Poor's Sri Lanka 20 (S&P SL 20) in the Share Market during the year.

(a) NPPLC Share Price variance Last Three Years

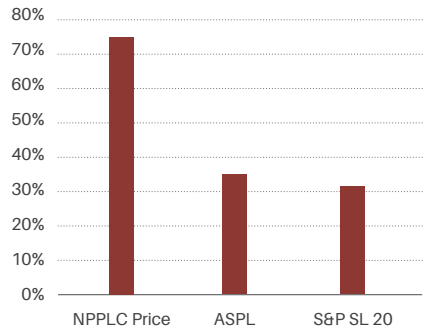


(b) Performance of Share Relative to ASPI

	As at 31st March 2026	As at 31st March 2025	Changes%
NPPLC Share price	**66.90**	38.07	76%
ASPI	**21,092.24**	15,814.22	33%
S & P SL 20	**5,908.96**	4,533.35	30%

⋆ During the year 2025/26, a share subdivision of 1:10 was carried out. Accordingly, for ease of analysis, the share Price has been adjusted retrospectively for prior years to ensure comparability.

Performance of Share Relative to ASPI

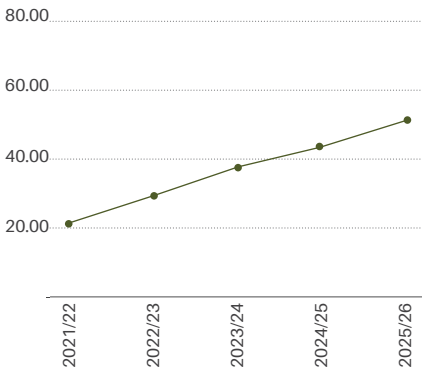


(c) Value Creation for Share

		2025/26	2024/25	2023/24	2022/23	2021/22
Turnover	Rs. '000	**4,977,897**	4,190,311	4,517,433	5,360,825	3,888,486
Net Profit After income tax	Rs. '000	**1,879,503**	1,526,069	1,922,833	2,813,817	1,937,332
Total Comprehensive income	Rs. '000	**1,877,666**	1,445,084	1,897,232	2,772,897	1,944,240
Total Assets	Rs. '000	**15,953,998**	14,041,578	12,648,118	10,423,076	7,569,307
Net Assets	Rs. '000	**11,957,845**	10,555,179	9,466,345	7,877,863	5,449,137
Net assets per share	Rs.	**50.35**	44.44	39.86	33.17	22.94

⋆ During the year 2025/26, a share subdivision of 1:10 was carried out. Accordingly, for ease of analysis, the net asset value per share has been adjusted retrospectively for prior years to ensure comparability.

Net Assets per share (Rs)

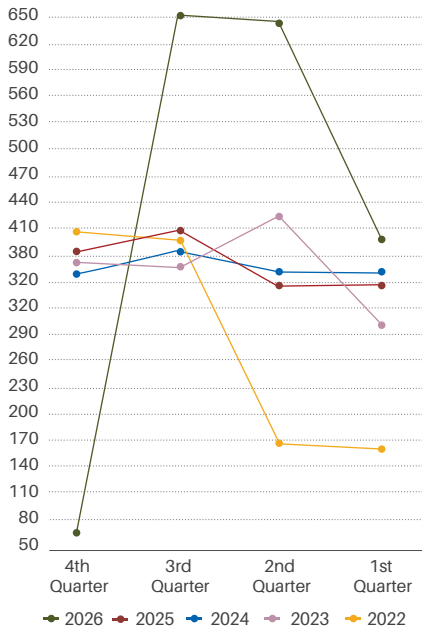


(d) Five Years Quarterly Trend of the Share Price (Rs.)

Year	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
2026	66.90	650.00	638.25	400.25
2025	380.75	400.00	344.50	343.25
2024	354.50	380.50	355.00	360.00
2023	362.75	365.00	420.50	306.75
2022	398.75	389.75	161.50	160.00

⋆ During the year 2025/26, a share sub-division of 1:10 was carried out.

Five Years Quarterly Trend of the Share Price (Rs.)



Shareholder & Investor Relations Information

6 Market Information

(a) Key Information

		2025/26	2024/25	2023/24	2022/23	2021/22
Market Value per share						
Highest	Rs.	**965.00**	484.75	399.00	599.75	1100.00
Lowest	Rs.	**320.00**	320.00	337.50	195.00	148.00
As at the year end	Rs.	**66.90**	380.75	354.50	362.75	398.75
Trading Activities						
Market Capitalization	Rs. Million	**15,889**	9,043	8,419	8,615	9,470
No. of Transaction	No. of times	**15,706**	5287	3,164	8,250	16277
No. of Shares Traded	Million	**2.56**	0.59	0.29	0.71	2.28
No. of days traded	Days	**235**	225	229	235	239
Value of Shares Traded	Rs. Million	**978.7**	228	108	278	953
Exchange Rates- US$						
As at the year end	Rs.	**315.19**	296.31	300.40	327.29	299.00

* During the year 2025/26, a share sub-division of 1:10 was carried out.

(b) Quarterly results

Year		4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Revenue	Rs.'000	1,102,008	1,130,973	1,484,734	1,260,182
Cost of sales	Rs.'000	(702,975)	(654,612)	(669,839)	(621,340)
Gross Profit	**Rs.'000**	**399,033**	**476,361**	**814,895**	**638,843**
Other income	Rs.'000	34,991	20,063	38,555	38,445
Net Profit for the period	**Rs.'000**	**367,942**	**404,314**	**635,980**	**471,268**
Total Comprehensive income for the period	Rs.'000	356,232	414,186	635,980	471,268
Total Assets	Rs.'000	15,953,998	15,425,939	14,999,840	14,510,895
Net assets	Rs.'000	11,957,845	12,076,613	11,662,427	11,026,447
EPS (Qtr)	Rs.	1.55	1.70	2.68	1.98
Market price of Share	Rs.	66.90	650.00	638.25	400.25
Market capitalization	Rs.'000	15,888,750	15,437,501	15,158,438	9,505,938
Net Assets per share	Rs.	50.35	508.49	491.05	464.27

* During the year 2025/26, a share subdivision of 1:10 was carried out. Accordingly, for ease of analysis, the Earning per share (EPS) has been adjusted retrospectively for prior quarter to ensure comparability.

7 Distribution of Shareholding

	As at 31.03.2026				As at 31.03.2025			
	No. of shareholders	%	No. of shares held	%	No. of shareholders	%	No. of shares held	%
Less than or equal to 1,000	**5,708**	**44.81%**	**2,409,854**	**1.01%**	11,969	98.27%	1,835,672	7.73%
1,001-10,000	**6799**	**53.38%**	**16,261,729**	**6.85%**	188	1.54%	557,098	2.35%
10,001-100,000	**201**	**1.58%**	**6,212,831**	**2.62%**	19	0.16%	482,785	2.03%
100,001-1000,000	**25**	**0.20%**	**5,158,667**	**2.17%**	2	0.02%	966,096	4.07%
1,000,001 & above	**4**	**0.03%**	**207,456,920**	**87.35%**	2	0.02%	19,908,350	83.82%
Grand total	**12,737**	**100%**	**237,500,001**	**100%**	12,180	100%	23,750,001	100%

8 Composition of Shareholders

(a) Resident & Non-Resident

	As at 31.03.2026				As at 31.03.2025			
	No. of shareholders	%	No. of shares held	%	No. of shareholders	%	No. of shares held	%
Resident	12,721	99.87%	229,878,620	96.79%	12,165	99.88%	22,989,592	96.80%
Non Resident	16	0.13%	7,621,381	3.21%	15	0.12%	760,409	3.20%
Total Shreholding	12,737	100%	237,500,001	100%	12,180	100%	23,750,001	100%

(b) Public & Other Holding

	As at 31.03.2026				As at 31.03.2025			
	No. of shareholders	%	No. of shares held	%	No. of shareholders	%	No. of shares held	%
Public Holding	12,736	99.99%	76,049,501	32.02%	12,179	99.99%	7,604,951	32.02%
Other Holding	1	0.01%	161,450,500	67.98%	1	0.01%	16,145,050	67.98%
Total Shreholding	12,737	100%	237,500,001	100%	12,180	100%	23,750,001	100%

As per the rule No 7.6 (iv) of the Listing Rules of the Colombo Stocks Exchange, Percentage of public holding as at 31st March 2026 is 32.02% (2025 - 32.02%) complying the Minimum Public Holding requirement.

MINIMUM PUBLIC HOLDING REQUIREMENT			
Options	Float Adjusted Market Capitalization	Public Holding percentage	Number of public Shareholders
3	Rs. 5.0Bn	7.5%	500
NPPLC	5,087 Mn (2024/25- 2,761 Mn)	32.02%	12,736

The company complies with option 3 of the Listing Rules 7.13.1 (a)- More than Rs. 5 billion float adjusted Market Capitalization which requires 7.5% minimum Public holdings & 500 minimum Public shareholders.

(c) Individuals and Institutions

	As at 31.03.2026				As at 31.03.2025			
	No. of shareholders	%	No. of shares held	%	No. of shareholders	%	No. of shares held	%
Individual	12,594	98.88%	204,584,064	86.14%	12,073	99.12%	3,280,401	13.81%
Institutions	143	1.12%	32,915,937	13.86%	107	0.88%	20,469,600	86.19%
Total Shreholding	12,737	100%	237,500,001	100%	12,180	100%	23,750,001	100%

Shareholder & Investor Relations Information

9 Twenty Largest Shareholders

		As at 31st March 2026		As at 31st March 2025	
		No. of shareholders	% of the holding	No. of shareholders	% of the holding
1	RPC Plantation Management Services (Pvt) Ltd	**161,450,500**	**67.98%**	16,145,050	67.98%
2	The Secretary to the Treasury	**37,633,000**	**15.85%**	3,763,300	15.85%
3	Mr. T.T.T Al Nakib	**6,671,000**	**2.81%**	667,100	2.81%
4	Sakuvi Investment Trust (Private) Limited	**1,702,420**	**0.72%**	298,996	1.26%
5	Mr.H.A.A.H.Algharabally	**715,730**	**0.30%**	71,573	0.30%
6	Mr.Z.G.Carimjee	**432,000**	**0.18%**	43,200	0.18%
7	Assetline Finance PLC/H.M.Lalith	**388,817**	**0.16%**	1,762	0.01%
8	Tsttt-Sathe Secretary To The Treasury - Sundry	**382,980**	**0.16%**	38,298	0.16%
9	Mr.K.C.Vignarajah	**282,430**	**0.12%**	68,974	0.29%
10	Peoples Leasing & Finance PLC/ Mr.D.M.P.Disanayake	**250,470**	**0.11%**	0	0.00%
11	People's Leasing and Finance Plc/L.H.L.M.P. Haradasa	**219,620**	**0.09%**	50	0.00%
12	Mrs.Z.M.Adamally	**216,000**	**0.09%**	21,600	0.09%
13	Mr.T.P.Ambagahakumburage	**201,000**	**0.08%**	15,000	0.06%
14	Cocoshell Activated Carbon Company (Private) Ltd	**195,000**	**0.08%**	20,700	0.09%
15	People's Leasing and Finance Plc/L.P. Hapanagama	**188,310**	**0.08%**	0	0.00%
16	Mr.K.Srikanthan	**150,000**	**0.06%**	0	0.00%
17	MR. A.V.Emmanuel	**146,280**	**0.06%**	27,260	0.11%
18	Mrs.S.Vignarajah	**145,140**	**0.06%**	14,500	0.06%
19	Mr.R.G.De Livera	**130,720**	**0.06%**	13,072	0.06%
20	Mr.A.N.Handunpathirana	**130,000**	**0.05%**	7,000	0.03%
	Sub Total	**211,631,417**	**89.11%**		
	Balance held by 12,717 (2024/25 - 12,157) Shareholders	**25,868,584**			
	Total No. of shares	**237,500,001**	**100%**	23,750,001	100.00%

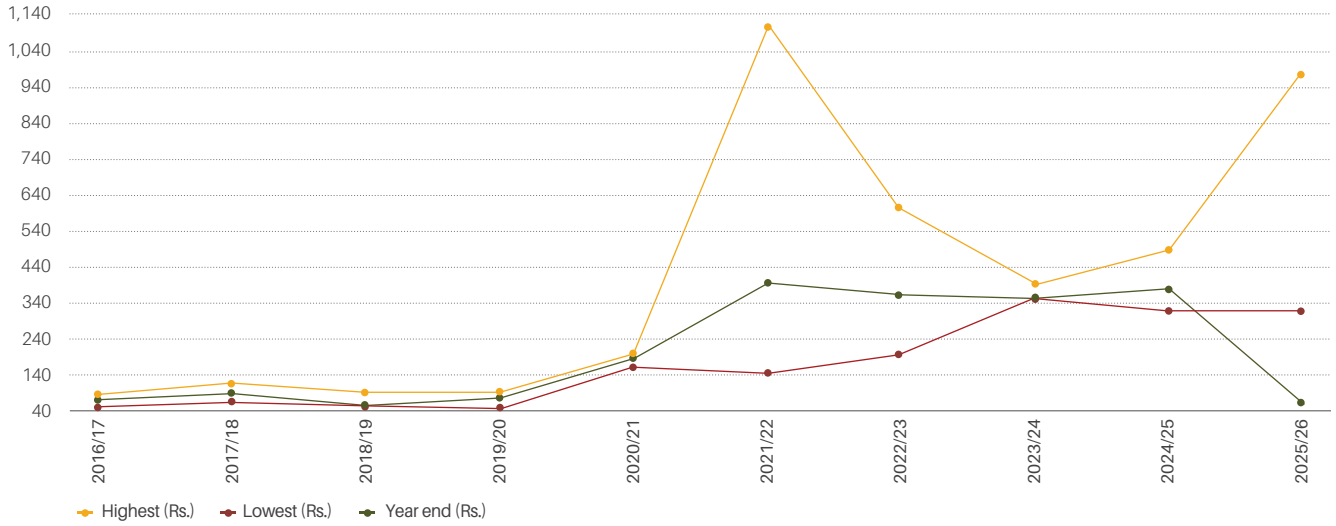
*There were no non-voting shares as at 31 March 2026.

10 Market Value

Market Value	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Highest (Rs.)	**965.00**	484.75	399.00	599.75	1100.00	202.00	90.00	95.00	114.90	87.00
Lowest (Rs.)	**320.00**	320.00	339.00	195.00	148.00	165.00	58.00	55.50	72.10	55.00
Year end (Rs.)	**66.90**	380.75	354.50	362.75	398.75	184.50	78.00	64.00	87.70	74.00

* During the year 2025/26 (4th Quarter), a share subdivision of 1:10 was carried out.

Market Value

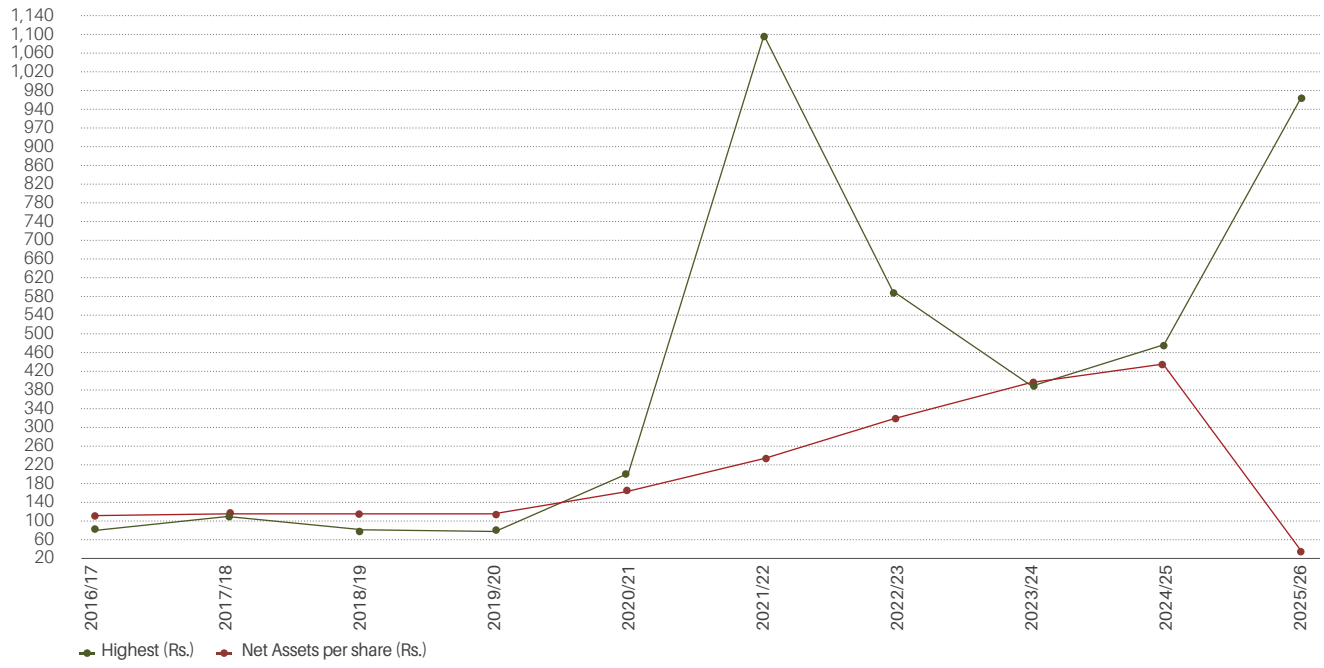


11 Net Assets Per Share Vs Highest Market Prices Per Share

Market Value	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Highest (Rs.)	**965.00**	484.75	399.00	599.75	1100.00	202.00	90.00	95.00	114.90	87.00
Net Assets per share	**50.35**	444.43	398.58	331.70	229.44	157.57	128.58	112.17	108.93	107.87

* During the year 2025/26 (4th Quarter), a share subdivision of 1:10 was carried out.

Net Assets Per Share Vs Highest Market Prices Per Share

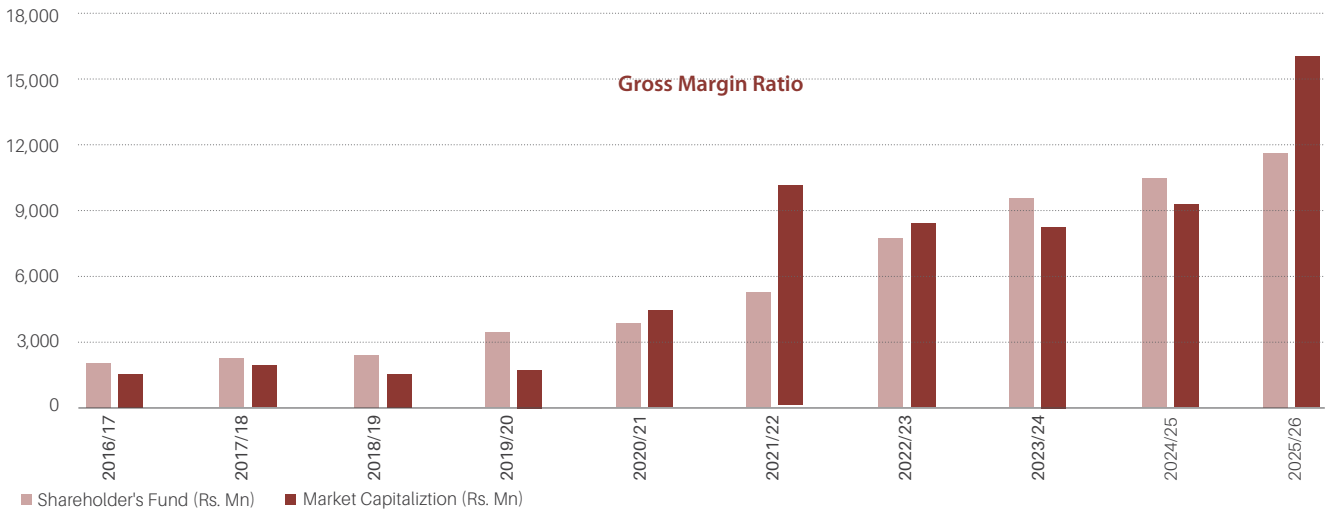


Shareholder & Investor Relations Information

12 Shareholders' Fund and Market Capitalization

Year	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Shareholder's Fund (Rs. Mn)	**11,957.85**	10,555.18	9,466.34	7,877.86	5,317.95	3,742.40	3,053.66	2,663.92	2,587.09	2,561.82
Market Capitaliztion (Rs. Mn)	**15,888.75**	9,042.81	8,419.38	8,615.31	9,470.31	4,381.88	1,852.50	1,520.00	2,082.88	1,757.50

Shareholders' Fund and Market Capitalization

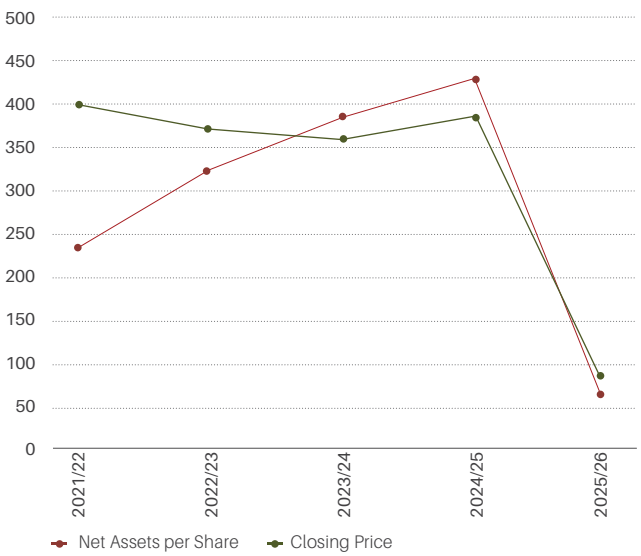


13 Net Assets & Closing Price per Share (Rs.)

Year	2025/26	2024/25	2023/24	2022/23	2021/22
Net Assets per share	**50.35**	444.43	398.58	331.70	229.44
Closing Price	**66.90**	380.75	354.50	362.75	398.75

* During the year 2025/26, a share subdivision of 1:10 was carried out.

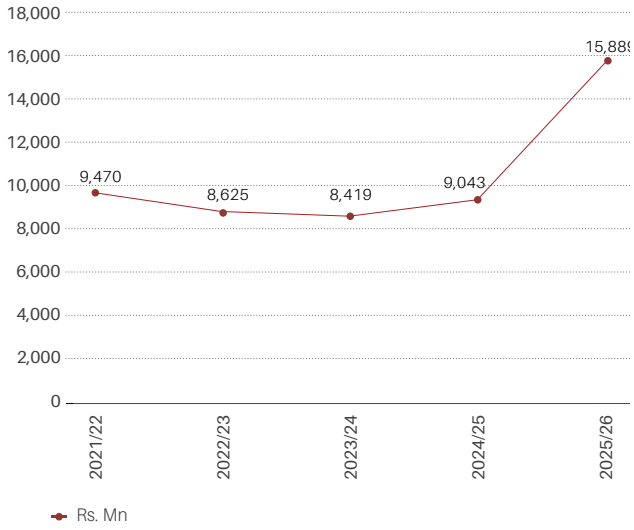
Net Assets & Closing Price per Share (Rs)



14 Market Capitalization (Mn)

Year	2025/26	2024/25	2023/24	2022/23	2021/22
Rs. Mn	15,889	9,043	8,419	8,615	9,470

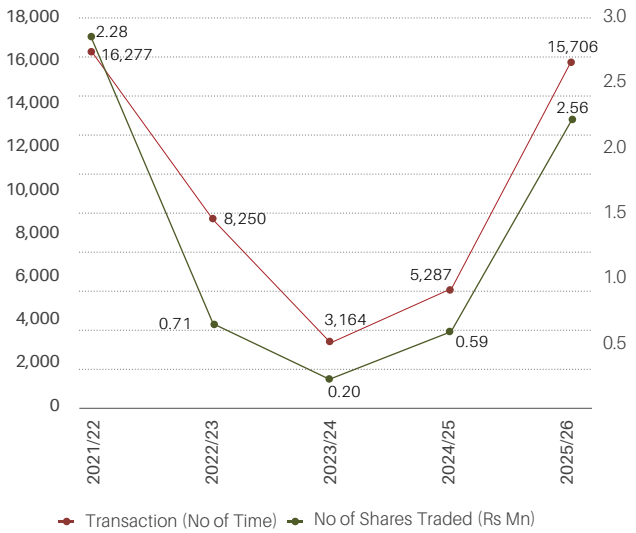
Market Capitalization (Rs. Mn)



15. Share Trading (Nos.)

Year		2025/26	2024/25	2023/24	2022/23	2021/22
Transaction	No. of times	15,706	5,287	3,164	8,250	16,277
No. of Shares Traded	Million	2.56	0.59	0.29	0.71	2.28

Share Trading



Shareholder & Investor Relations Information

16. Horizontal & Vertical Analysis of Financial Statement

(a) Statement of Financial Position

	Horizontal Analysis				Percentage according to Total Asset/Liabilities			
	2025/26 %	2024/25 %	2023/24 %	2022/23 %	2025/26 %	2024/25 %	2023/24 %	2022/23 %
Leasehold Property, Plant & Equipment	-1%	12%	44%	2%	4%	5%	5%	4%
Freehold Property, Plant & Equipment	4%	-8%	0%	73%	3%	3%	4%	5%
Bearer Biological Assets	-3%	3%	4%	6%	21%	25%	27%	31%
Consumable Biological Assets	25%	44%	2%	6%	3%	3%	2%	3%
Long Term Investments - (Unquoted)	18%	15%	8%	26%	4%	4%	4%	4%
Financial Assets	155%	113%	0%	0%	7%	3%	2%	2%
Intangible Assets	0%	0%	0%	0%	2%	2%	2%	3%
Deferred Tax Asset								
Total Non Current Assets	12%	9%	7%	10%	44%	45%	45%	52%
Current Assets								
Produce on bearer Biological assets	-15%	86%	-10%	-12%	0%	0.40%	0.24%	0.33%
Inventories	31%	-27%	-13%	95%	2%	2%	3%	4%
Trade and Other Receivables	-8%	31%	23%	-1%	1%	2%	1%	1%
Amounts Due from Related Companies	26%	-41%	35%	205%	5%	4%	8%	7%
Financial Assets					0%	0%	0%	0%
Short Term Investment								
ESC Recoverable	0%	0%	0%	-100%	0%	0.00%	0.00%	0.00%
Income Tax Receivable	0%	0%	0%	42%	0%	0.11%	0.12%	0.15%
Cash and Cash Equivalents	14%	24%	44%	81%	47%	46.86%	41.86%	35.24%
Total Current Assets	15%	12%	37%	87%	56%	55%	55%	48%
TOTAL ASSETS	14%	11%	21%	38%	100%	100%	100%	100%
Stated Capital	0%	0%	0%	0%	2%	2%	3%	3%
Retained Earnings	14%	12%	21%	48%	73%	73%	72%	72%
Total Equity	13%	12%	20%	45%	75%	75%	75%	76%
Interest Bearing Loans & Borrowings	0%	0%	0%	0%	0%	0%	0.00%	0%
Retirement Benefit Obligations	2%	34%	0%	1%	4%	5%	4%	5%
Deferred Tax Liabilty	2%	1%	9%	199%	7%	7%	8%	9%
Deferred Income	-3%	1%	-1%	-5%	1%	1%	1%	1%
Liability to make Lease payment after one year	2%	16%	47%	7%	5%	6%	5%	4%
Total Non Current Liabilities	2%	12%	15%	49%	16%	18%	18%	19%
Trade and Other Payables	6%	-3%	25%	-6%	3%	4%	4%	4%
Dividend Payable					3%	0.00%	2%	0.00%
Liability to make Lease payment within one year/JEDB	40%	8%	49%	14%	0%	0.07%	0.07%	0.06%
Interest Bearing Loans & Borrowings	0%	0%	0%	-100%	0%	0%	0%	0%
Amounts Due to Related Companies	-76%	55%	48%	52%	0%	1%	0%	0%
Income Tax Liabilities	5%	261%			2%	2.05%	0.63%	1%
Total Current Liabilities	51%	3%	64%	-31%	9%	6%	7%	5%
TOTAL LIABILITIES	15%	10%	25%	20%	25%	25%	25%	24%
TOTAL EQUITY AND LIABILITIES	14%	11%	21%	38%	100%	100%	100%	100%

(b) Income Statement

	Vertical Analysis				Percentage according to Revenue			
	2025/26 %	2024/25 %	2023/24 %	2022/23 %	2025/26 %	2024/25 %	2023/24 %	2022/23 %
Total Revenue	19%	-7%	-16%	38%	100%	100%	100%	100%
Cost of Sales	11%	-12%	15%	18%	-53%	-57%	-60%	-84%
Gross Profit	29%	0%	-40%	58%	47%	43%	40%	16%
Other Income (Including Interest Income)	-4%	-18%	-7%	253%	15%	18%	21%	5%
Gain on change in fair value of Biological Assets	-23%	4357%	-73%	-80%	1%	2%	0%	1%
Administrative Expenses	12%	7%	60%	86%	-5%	-5%	-4%	-3%
Management Fee	26%	-4%	-32%	55%	-8%	-8%	-7%	-4%
Finance Cost	2%	16%	41%	11%	-2%	-2%	-2%	-3%
Impairment of Goodwill	0%	0%	0%	0%	0%	0.00%	0.00%	-0.49%
Share of Profit from the Joint Venture	106%	27%	-60%	6%	5%	3%	2%	4%
Profit before taxation	23%	-3%	-38%	78%	53%	51%	49%	15%
Income Tax (Expense) / Reversal	23%	109%	-61%	1023%	-15%	-15%	-7%	-2%
Net Profit for the Year	23%	-21%	-32%	45%	38%	36%	43%	13%

17. Details of material issues pertaining to employees and Industrial relations of the company.

There were no material issues pertaining to employees and industrial relations pertaining to the company that occurred during the year under review.

18. Details of fund raised through a public issue, right issue and private placement (If any)

As per the Rule No. 7.6 (xiii) of the Listing Rules of CSE company should disclosed details relevant to fund raised through a public issue, right issue and private placement (If any) in the Annual report of the company. However, during the year of 2025/26 company does not raised funds through any public issue, right issue and private placement.

19. Information in respect of Employee Share Option Schemes and Employee Share Purchase Scheme.

As per the Rule No. 7.6 (xiv) of the Listing Rules of CSE company should disclosed details relevant to Employee Share Option Schemes and Employee Share Purchase Scheme (If any) in the Annual Report of the company. However company does not have any Employee Share Option Schemes and Employee Share Purchase Scheme.

1992

Namunukula Plantations Limited (NPL) was incorporated on 22 June 1992, and registered with company registrar under the company registration No. of – N (PBS/CGB) 139. The company took over all movable assets and liabilities of the 24 estates including 9 tea estates, 3 rubber estates, 11 tea cum rubber estates & 1 coconut cum rubber estate with 12,600 total hectares and other operational units constituting the company with net asset of 417.98 mn including share capital of 5 mn (500,000 ordinary shares).

1995

The leasehold right to bare land and immovable assets was reduced from 99 years to 53 years from July 1995. The issued share capital of the company increased by the allotment of 19,500,000 ordinary shares and 1 golden share issued to the secretary to the treasury as at 1st August 1995 as bonus shares.

1997/98

From the time of incorporation up to 31 December 1996, the "Financial Year End" of company was 31st December. However from the initial year of 1997/98 company's "Financial Year End" was changed as 31st March. The ownership of the company was privatized in June 1997 with the sale of 51% of the issued share capital to Keells Plantations Management Services (Pvt) Ltd, a joint venture company between John Keells Holdings Limited, Commonwealth Development Corporation, Tea Plantation Investment Trust and Regent Ceylon Planters Limited.

1998/99

In October 1998, 10% of the issued share capital amounting 2,000,000 shares were distributed among the employees free of charge. Over 11,800 eligible employees qualified to receive shares. In 10th of March 1999 NPPLC was registered as a listed quoted company in the CSE of Sri Lanka.

2002/03

In August 2002, the company converted Rs.150 mn worth convertible debentures into 3,750,000 ordinary shares and issued. There by increasing no of shares up to 3,750,000 and 1 golden share issued to the secretary to the treasury. A joint venture project named AEN Palm Oil Processing (Pvt) Ltd formed with equal shares of Agalawatte, Elpitiya and Namunukula Plantations PLCs to manage the Oil Palm processing factory.

2005/06

RPC plantation management Services (Pvt) Ltd acquired 58.74% shares held by Keells plantation management services (Pvt) Ltd on 13 September 2005.

2006/07

The management of the Namunukula Plantations limited was decided to sublease the six estates in the Namunukula region. The lease was affected from 15 June 2006. AEN oil palm processing (Pvt) Ltd commenced its operations in January 2007.

2007/08

1st Dividend payment since privatization of Namunukula Plantations PLC at Rs.2 per share was paid. Total dividend paid Rs. 47, 500,002/-.

2008/09

The company was re-registered under the companies Act No. 07 of 2007 and new company registration no is PQ 136.

2014/15

The Uva range six estates were eacquired by Namunukula Plantations PLC and continued their operations under the legal entity of Namunukula Plantations PLC. Accordingly, the assets and liabilities of the Uva range six estates were amalgamated with Namunukula Plantations PLC.

2019/20

NPPLC was the Winner of Gold award for best presented Annual Report awarded by South Asian Federation of Accounts (SAFA) in Colombo Sri Lanka for the Annual Report for the year 2019/20.

2021/22

The company recorded its highest share price this year as a company listed on the Colombo Stock Exchange (CSE) That value is Rs. Marked as 1,150.00.

2022/23

In a remarkable achievement, the company has reached its highest-ever profit, amounting to an impressive Rs. 2.81 billion. This significant milestone underscores the company's exceptional financial performance and highlights the effective execution of its business strategies.

2023/24

Namunukula Plantations PLC was awarded the Silver Award in the Plantation Companies category (Group Turnover up to LKR 5 Billion) at the TAGS Awards 2024, organized by the Institute of Chartered Accountants of Sri Lanka.

2024/25

Namunukula Plantations PLC was awarded the Silver Award in the Plantation Companies category (Group Turnover up to LKR 5 Billion) at the TAGS Awards 2025, organized by the Institute of Chartered Accountants of Sri Lanka, Merit Award in the all sector category and 2nd Runner-up in the plantation sector (Best Integrated Report) at the CMA Excellence Awards in Integrated Reporting Awards 2025.

Decade at a Glance

STATEMENT OF FINANCIAL POSITION		SLRFS			2022/23	2021/22	2020/21	2019/20	2019/20	2017/18	2016/17
		2025/26	2024/25	2023/24							
ASSETS											
Non-Current Assets											
Leasehold Property, Plant & Equipment	Rs. '000	**678,010**	686,651	610,582	424,238	416,338	436,313	457,353	159,598	174,330	189,525
Freehold Property, Plant & Equipment	Rs. '000	**459,162**	439,660	480,048	481,506	278,469	316,622	342,488	388,341	419,792	363,197
Bearer Biological Assets	Rs. '000	**3,401,725**	3,495,761	3,405,549	3,268,429	3,077,094	2,962,870	2,836,700	2,670,638	2,543,083	2,390,071
Consumable Biological Assets	Rs. '000	**492,712**	394,259	273,160	267,330	251,179	218,540	192,717	167,391	148,866	125,318
Long-term Investments - (Unquoted)	Rs. '000	**623,885**	527,618	458,129	423,365	336,484	212,554	174,423	134,101	110,573	102,288
Financial Assets	Rs. '000	**1,088,325**	426,667	200,000	200,000	200,000	200,000	-	-	250,000	250,000
Intangible Assets	Rs. '000	**305,915**	305,915	305,915	305,915	305,915	305,915	305,915	316,415	324,515	328,015
Total Non-Current Assets	Rs. '000	**7,049,733**	6,276,531	5,733,383	5,370,782	4,865,479	4,652,814	4,309,595	3,836,484	3,971,159	3,748,414
Current Assets											
Produce on bearer Biological assets	Rs. '000	**48,452**	56,868	30,556	33,966	38,499	21,558	17,456	14,006	13,187	8,809
Inventories	Rs. '000	**349,195**	266,940	367,804	424,180	217,518	176,443	193,063	251,792	291,688	231,505
Trade and Other Receivables	Rs. '000	**221,930**	240,380	184,074	150,208	151,959	89,453	120,684	116,629	116,279	114,883
Amounts Due from Related Companies	Rs. '000	**761,100**	605,423	1,022,205	755,236	247,735	154,780	198,118	51,409	10,447	19,790
Financial Assets	Rs. '000				-	-	-	-	250,000	-	-
ESC Recoverable	Rs. '000				-	5,114	16,319	21,211	9,617	16,970	2,143
Income Tax Receivable	Rs. '000	**15,693**	15,693	15,693	15,693	11,028	11,028	10,594	8,854	5,943	5,943
Cash and Cash Equivalents	Rs. '000	**7,507,894**	6,579,742	5,294,402	3,673,011	2,032,016	661,744	66,014	22,316	36,929	10,107
Total Current Assets	**Rs. '000**	**8,904,265**	7,765,047	6,914,735	5,052,294	2,703,869	1,131,323	627,141	724,623	491,443	393,180
TOTAL ASSETS	Rs. '000	**15,953,998**	14,041,578	12,648,118	10,423,076	7,569,348	5,784,137	4,936,736	4,561,107	4,462,602	4,141,594
EQUITY AND LIABILITIES											
Capital and Reserves											
Stated Capital	Rs. '000	**350,000**	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Timber Reserves	**Rs. '000**	**302,448**	219,801	149,471	143,894	131,192	106,712	86,102	68,208	57,096	33,565
Retained Earnings	**Rs. '000**	**11,305,397**	9,985,378	8,966,874	7,383,969	4,967,945	3,285,685	2,617,562	2,245,716	2,179,990	2,178,252
Total Equity	Rs. '000	**11,957,845**	10,555,179	9,466,345	7,877,863	5,449,137	3,742,397	3,053,664	2,663,924	2,587,086	2,561,817
Non-Current Liabilities											
Interest Bearing Loans & Borrowings	Rs. '000	-	-	-	-	-	6,667	-	6,939	67,226	99,576
Retirement Benefit Obligations	Rs. '000	**646,759**	635,550	476,060	477,796	474,022	512,743	549,688	550,482	564,766	534,771
Deferred Tax Liabilty	Rs. '000	**1,073,275**	1,047,866	1,035,944	954,239	318,681	274,871	287,247	254,944	206,413	52,958
Deferred Income	Rs. '000	**118,329**	121,696	120,410	121,570	127,404	129,128	133,676	132,079	132,860	132,598
Liability to make Lease payment after one year	**Rs. '000**	**792,153**	774,072	666,570	453,438	422,444	413,746	407,104	205,498	210,208	214,737
Total Non-Current Liabilities	Rs. '000	**2,630,517**	2,579,184	2,298,984	2,007,043	1,342,551	1,337,154	1,377,715	1,149,942	1,181,473	1,034,640
Current Liabilities											
Dividend Payable	Rs. '000	-	-	196,798	-	237,500	201,875	-	201,875	-	-
Trade and Other Payables	Rs. '000	**1,027,976**	522,852	541,097	433,089	461,783	443,570	364,978	404,373	397,653	403,509
Liability to make Lease payment within one year	Rs. '000	**13,523**	9,685	8,988	6,039	5,309	4,595	6,599	4,710	4,529	4,355
Interest Bearing Loans & Borrowings	Rs. '000	-	-	-	-	25,137	33,239	94,599	85,882	255,223	133,602
Amounts Due to Related Companies	Rs. '000	**20,671**	86,751	56,047	37,825	24,935	10,102	34,244	50,401	14,759	3,671
Income Tax Liabilities	**Rs. '000**	**303,466**	287,928	79,857	61,217	22,995	11,205	4,937	-	21,879	-
Total Current Liabilities	**Rs. '000**	**1,365,636**	907,215	882,788	538,170	777,659	704,586	505,358	747,241	694,043	545,137
TOTAL LIABILITIES	**Rs. '000**	**3,996,153**	3,486,399	3,181,773	2,545,214	2,120,211	2,041,740	1,883,073	1,897,183	1,875,516	1,579,777
TOTAL EQUITY AND LIABILITIES	**Rs. '000**	**15,953,998**	14,041,578	12,648,118	10,423,076	7,569,348	5,784,137	4,936,736	4,561,107	4,462,602	4,141,594

*Uva Range estates were reacquired in year 2014/15.

Decade at a Glance

INCOME STATEMENT		SLRFS 2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2019/20	2017/18	2016/17
REVENUE											
Tea	Rs. '000	**1,387,112**	1,443,547	1,708,442	1,755,010	1,115,873	1,169,043	873,829	1,157,244	1,509,036	1,253,767
Rubber	Rs. '000	**209,416**	193,811	176,526	277,177	299,379	284,354	186,550	243,732	292,259	313,135
Oil Palm	Rs. '000	**3,308,528**	2,490,253	2,583,318	3,268,127	2,409,254	1,230,214	1,049,363	957,760	973,985	897,501
Other Crops	Rs. '000	**72,841**	62,700	49,147	60,511	63,980	55,459	37,616	55,590	63,777	47,871
Total Revenue	Rs. '000	**4,977,897**	4,190,311	4,517,433	5,360,825	3,888,486	2,739,070	2,147,359	2,414,326	2,839,057	2,512,274
Cost of Sales	Rs. '000	**(2,648,766)**	(2,390,050)	(2,709,286)	(2,355,008)	(1,990,412)	(1,988,072)	(1,802,350)	(2,077,972)	(2,274,579)	(2,068,996)
Gross Profit	Rs. '000	**2,329,131**	1,800,262	1,808,147	3,005,818	1,898,074	750,998	345,009	336,354	564,478	443,278
Other Income (Including interest income)	Rs. '000	**735,253**	762,076	932,383	1,006,420	284,899	250,103	97,208	141,114	202,721	117,131
Gain on change in fair value of Biological Assets	Rs. '000	**74,613**	96,641	2,168	8,169	41,421	24,711	21,344	11,933	27,909	15,715
Administrative Expenses	Rs. '000	**(224,340)**	(200,741)	(188,122)	(117,840)	(63,346)	(54,047)	(60,013)	(61,779)	(62,815)	(55,496)
Management Fee	Rs. '000	**(408,345)**	(323,727)	(337,392)	(498,811)	(322,517)	(153,204)	(85,050)	(77,811)	(133,721)	(91,524)
Finance Cost	Rs. '000	**(106,654)**	(104,228)	(90,159)	(63,850)	(57,776)	(58,971)	(57,161)	(65,130)	(51,812)	(58,825)
Impairment of Goodwill	Rs. '000	-	-	-	-	-	-	(10,500)	(8,100)	(3,500)	(4,000)
Share of Profit from the Joint Venture	Rs. '000	**247,257**	119,819	93,976	237,867	224,590	97,548	75,273	23,528	8,286	70,001
Profit/(Loss) before taxation	Rs. '000	**2,646,914**	2,150,101	2,221,001	3,577,772	2,005,345	857,139	326,109	300,109	551,546	436,280
Income Tax (Expense) / Reversal	Rs. '000	**(767,411)**	(624,033)	(298,168)	(763,955)	(68,013)	6,104	(39,200)	(43,816)	(177,994)	(34,330)
Net Profit/(Loss) for the Year	Rs. '000	**1,879,503**	1,526,069	1,922,833	2,813,817	1,937,332	863,243	286,910	256,293	373,552	401,950
Other Comprehensive Income											
Actuarial Gain/(Loss) on defined benefit plans	Rs. '000	**(61,405)**	(142,359)	(36,572)	(58,458)	8,033	31,820	(10,900)	26,070	(18,353)	36,160
Tax effect	Rs. '000	**18,422**	42,708	10,972	17,537	(1,125)	(4,455)	1,526	(3,650)	2,570	(5,699)
Net Gain/(Loss) on FVTOCI financial assets	Rs. '000	**74,026**	26,667	-	-	-	-	-	-	-	-
Tax effect	Rs. '000	**(32,879)**	(8,000)	-	-	-	-	-	-	-	-
Net Other Comprehensive Income/(Loss)	Rs. '000	**(1,837)**	(80,984)	(25,600)	(40,921)	6,908	27,365	(9,374)	22,420	(15,783)	30,461
Total Comprehensive Income/(Loss) for the year	Rs. '000	**1,877,666**	1,445,084	1,897,232	2,772,897	1,944,240	890,608	277,535	278,713	357,769	432,411
KEY INDICATORS											
PRODUCTION											
Tea	kg'000	**1,345**	1,459	1,860	1,610	2,160	2,174	1,889	2,306	2,769	2,684
Rubber	kg'000	**305**	295	301	432	596	757	675	948	952	1,275
Oil Palm	kg'000	**32,019**	29,034	31,375	30,282	28,267	21,387	22,823	22,273	22,496	20,169
YIELD											
Tea	kg./ha	**657**	737	803	706	850	729	-	641	674	570
Rubber	kg./ha	**500**	449	384	490	626	754	618	814	735	793
Oil Palm	kg./ha	**12,913**	12,303	13,844	14,023	14,014	11,235	12,130	12,108	13,203	13,358
NSA											
Tea	Rs./kg	**988**	975	910	1,104	514	520	443	487	558	445
Rubber	Rs./kg	**653**	670	562	657	499	365	285	256	306	245
Oil Palm	Rs./kg	**103**	86	82	108	85	58	46	43	43	45
COP											
Tea	Rs./kg	**876**	822	812	822	517	512	536	546	550	465
Rubber	Rs./kg	**626**	478	421	383	323	280	276	251	257	238
Oil Palm	Rs./kg	**21**	16	22	22	13	14	13	13	13	12

*Uva Range estates were reacquired in year 2014/15.

Decade at a Glance

		2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2019/20	2017/18	2016/17
CASH FLOW											
Net Cash Flow From Operating Activities	Rs. '000	**1,586,736**	2,331,391	2,052,336	2,688,897	1,750,210	1,117,948	308,484	526,313	667,294	456,946
Net Cash Flow From Investing Activities	Rs. '000	**(646,790)**	(482,491)	(310,841)	(447,177)	(158,596)	(405,542)	(10,904)	(257,837)	(324,111)	(143,147)
Net Cash Flow From Financing Activities	Rs. '000	**(11,794)**	(563,560)	(120,104)	(582,255)	(224,906)	(44,785)	(314,956)	(130,420)	(416,851)	(258,290)
Net Increase/(Decrease) in Cash and Cash Equivalents	Rs. '000	**928,152**	1,285,340	1,621,391	1,659,465	1,366,708	667,620	(17,376)	138,056	(73,668)	55,509
RATIO ANALYSIS											
Liquidity Ratios											
Current ratio	No. of times	**6.52**	8.56	7.83	9.39	3.48	1.61	1.24	0.97	0.71	0.72
Acid-test ratio	No. of times	**6.23**	8.20	7.38	8.54	3.15	1.32	0.82	0.61	0.27	0.28
Cash ratio	No. of times	**5.50**	7.25	6.00	6.82	2.61	0.94	0.13	0.03	0.05	0.02
Operating cash flow ratio	No. of times	**1.16**	2.57	2.32	5.00	2.25	1.59	0.61	0.7	0.96	0.84
Leverage Ratios											
Debt ratio	%	**0.0%**	0.0%	0.0%	0.0%	0.3%	1%	2%	2%	7%	6%
Debt to equity/Gearing ratio	%	**0.0%**	0.0%	0.0%	0.0%	0.5%	1%	3%	3%	12%	9%
Interest coverage ratio	No. of times	**25.82**	21.63	25.63	57.03	35.71	15.53	6.71	5.61	11.65	8.42
Debt service coverage ratio	No. of times	**-**	-	-	-	82.07	22.96	4.05	3.93	1.87	2.12
Profitability Ratios											
Gross margin ratio	%	**47%**	43%	40%	56%	49%	27%	16%	14%	20%	18%
Operating margin ratio	%	**55%**	54%	51%	52%	53%	33%	18%	15%	21%	20%
Net profit margin	%	**38%**	36%	43%	68%	50%	32%	13%	11%	13%	16%
Return on assets ratio	%	**12%**	11%	15%	27%	26%	15%	6%	6%	8%	10%
Return on capital employed	%	**14%**	17%	20%	37%	30%	18%	13%	14%	21%	15%
Return on equity ratio	%	**16%**	14%	20%	36%	36%	23%	9%	10%	14%	16%
Efficiency Ratios											
Asset turnover ratio	No. of times	**0.31**	0.30	0.36	0.51	0.51	0.47	0.43	0.53	0.64	0.61
Inventory turnover ratio	No. of times	**8.60**	7.53	9.26	7.34	10.10	10.76	8.1	7.65	8.69	9.32
Receivable turnover ratio	No. of times	**21.53**	19.74	26.89	35.48	32.21	24.99	18.1	20.73	24.56	21.44
Days sales in inventory ratio	Days	**42.45**	48.47	39.43	49.73	36.12	33.92	45.04	47.73	41.98	39.15
Market value Ratios											
Net asset per share ratio	Rs.	**50.35**	444.43	398.58	331.70	229.44	157.57	128.58	112.17	108.93	107.87
Dividend per share	Rs.	**2.00**	15.00	13.00	14.00	10.00	8.50	-	8.50	14.00	7.5
Dividend yield ratio	%	**3%**	4%	4%	4%	3%	10%	-	13%	16%	10%
Earnings per share	Rs.	**7.91**	64.26	80.96	118.48	81.57	36.35	12.08	10.79	15.73	16.92
Price Earnings ratio	No. of times	**8.45**	5.93	4.38	3.06	4.72	5.08	6.46	5.93	5.58	4.37
Earnings Yield	%	**12%**	17%	23%	33%	21%	20%	15%	17%	18%	23%
Dividend Payout Ratio	%	**25%**	23%	16%	12%	12%	51%	-	79%	89%	44%
Revenue Growth											
Normal	%	**19%**	8%	16%	38%	42%	28%	-11%	-15%	13%	31%
Compounding (CAGR)	%	**8%**	10%	11%	12%	7%	7%	0%	2%	5%	3%
Profit Growth											
Gross Profit											
Normal	%	**29%**	-5%	-5%	58%	153%	118%	3%	-40%	27%	584%
Compounding (CAGR)	%	**20%**	15%	15%	23%	15%	1%	-7%	-8%	-2%	-7%
Net profit											
Normal	%	**23%**	-21%	-1%	45%	132%	201%	12%	-31%	-7%	496%
Compounding (CAGR)	%	**19%**	18%	21%	26%	21%	9%	-4%	-6%	-1%	0%
Employee related											
Revenue per employee	Rs. '000	**1,881**	1,408	1,393	1,462	986.93	651.54	461.20	499.34	537.39	433.15
Gross Profit per employee	Rs. '000	**880**	605	557	820	481.74	178.64	74.10	69.57	106.85	76.43
Net Profit per employee	Rs. '000	**710**	513	593	768	508.97	205.34	61.62	53.01	70.71	69.30

*Uva Range estates were reacquired in year 2014/15.

Glossary

A

Accounting Policies
The specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting financial statements.

Accrual Basis
Recording revenues & expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

Actuarial Gains and losses
Is the effects of difference between the previous actuarial assumptions and what has actually occurred and the effects of changes in actuarial assumptions.

Agricultural Activity
Agricultural activity is the management by an entity of the biological transformation and harvest of biological assets for sale or for conversion into agricultural produce or into additional biological assets.

Agricultural Produce
Agricultural produce is the harvested produce of the entity's biological assets.

AGM
Annual General Meeting.

ASPI
All Share Price Index, stock indices of the Colombo Stock Exchange in Sri Lanka.

Asset Turnover Ratio
Total Revenue divided by Total assets

Amortization
The systematic allocation of the depreciable amount of an intangible asset over its useful life

AWPLR
Average Weighted Prime Lending Rate.

ADB
Asian Development Bank

B

Basic Earnings per Share (EPS)
Profit after tax divided by the weighted average number of ordinary shares outstanding during the period.

Bearer Biological Assets
Biological assets those are not to be harvested as agricultural produce or sold as biological assets. The biological assets other than the consumable biological assets

Biological Assets
Is a living animal or plant

Biological Transformation
It comprises the process of growth, degeneration, production, and procreation that cause qualitative or quantitative change in biological assets.

Borrowing Costs
Borrowing Costs are interest and other costs incurred by an enterprise in connection with borrowing of funds.

BOP
Balance of Payment

B2B Sales
Business to Business Sales

BOD
Board of Directors

BAU
Business As Usual

C

CAGR
Compound Average Growth Rate

CAPEX
Capital Expenditure

Cash Equivalents
Short-term, highly liquid investments that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash Ratio
Cash and Cash equivalents divided by Current Liabilities

CASL
The Institute of Chartered Accountants of Sri Lanka

CBSL
Central Bank of Sri Lanka

CEA
Central Environment Authority

Capital Employed
Total equity and interest bearing borrowings

Capital Reserves
Part of earnings reserved without distributing in current year, for future specified purpose or future business commitment or distributions.

CIS
Common wealth of Independent states

CGU
Cash Generating Units

Consumable Biological Assets
The biological assets those that are to be harvested as agricultural produce or sold as biological assets.

Contingent Liabilities
Conditions or situations at the reporting date, the financial effect of which are to be determined by future events which may or may not occur

Cost of production (COP)
Cost of producing a kilo/unit of tea/rubber/ coconut/oil palm at estate level.

CPO
Crude Palm Oil

CRRO
Climate Related Risk & Opportunities

CRTA
Colombo Rubber Trader's Association

CRI
Coconut Research Institute.

CSR
Corporate Social Responsibility

CTA
Colombo Tea Auction

CTC
Crush Tear and Curl - Method of Black Tea Processing.

CTR
Colombo Tea Auction

Current ratio
Current assets divided by Current liabilities.

CSE
Colombo Stock Exchange

CDSB
Climate Disclosure Standards Board

CEB
Ceylon Electricity Board

CPP
Climate Prosperity Plan

D

DCF
Discounted Cash Flow

Debt Equity Ratio
Total liabilities divided by its shareholders' equity.

Debt Ratio
Total borrowings divided by Total assets

Deferred taxation
The tax effect of timing differences deferred to/ from other periods, which would only qualify for inclusion on a tax return at a future date.

Derivative
Is a financial instrument or other contract whose prices is dependent upon or derived from one or another underline asset

Diluted Earnings per Share
Diluted Earnings per Share calculated by net income minus Preferred Dividends divided by Weighted Average Shares Outstanding plus Conversion of Dilutive Securities.

Dividends
Distribution of profits to holders of equity investments

DPS
Dividend per Share

Dividend cover
Profits after tax divided by dividends

Dividend Payout
The Percentage of Earnings paid to shareholders in dividends.

Dividend Yield
Annual dividend divided by current stock price.

Discount Rate
The discount rate refers to the interest rate used in discounted cash flow analysis to determine the present value of future cash flows.

DMC
Disaster Management Centre

E

EBIT
Earnings before Interest and Tax

EBITDA
Earnings before Interest, Tax, Depreciation, and Amortization

Effective Tax Rate
Income tax expenses divided by profit from ordinary activities before tax

Earnings Yield
The earnings per share for the most recent 12 months period divided by the current market price per share

EPS
Profit attributable to ordinary shareholders divided by the number of ordinary shares in ranking for dividend

Equity
The value of an ownership interest in property, including shareholders' equity in a business. Equity or shareholders' equity is part of the total capital of a business.

Equity / Assets ratio
Shareholders' funds divided by Non-current assets plus current assets

Equity Instruments
Any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities

Equity method
The equity method is a method of accounting whereby the investment is initially recognized at cost and adjusted thereafter for the post acquisition changes in the investor's share of net assets of the investee. The profit or loss of the investor includes the investor's share of the profit or loss of the investee.

EIR
Effective Interest Rate

ESG
Environment, Social & Governance

ESMS
Environmental and Social Management System

ESMP
Environmental and Social Management Plan

EU
European Union

EUDR
European Union Deforestation Regulation

F

Fair value
Fair value is the amount for which an asset could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in arm's length transaction.

Fair Value through Profit and Loss
A financial asset/liability acquired/incurred principally for the purpose of selling or repurchasing it in the near term, part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or a derivative (except for a derivative that is a financial guarantee contract).

Fellow Subsidiary
A subsidiary is an entity, including an unincorporated entity such as a partnership that is controlled by another entity (known as the parent).

FFB
Fresh Fruit Bunch.

Field
An unit extent of land. Estates are divided into fields in order to facilitate management.

Financial Asset
Any asset that is cash, an equity instrument of another entity or a contractual right to receive cash or another financial asset from another entity.

Financial Instrument
A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity instrument in another entity.

Financial liability
Any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

Float Adjusted Market Capitalization
Float Adjusted Market Capitalization is calculated by multiplying the Public Holding Percentage of the company by the Market Capitalization.

G

GDP
Gross Domestic Production.

Gearing ratio
Total interest bearing loans & borrowings as a percentage of total Shareholders' funds plus total interest bearing loans & borrowings

GHG
Green House Gas

GICS
Global Industry Classification Standards

Goodwill
Goodwill in accounting is an intangible asset that arises when a buyer acquires an existing business.

GOSL
Government of Sri Lanka

GRI
Global Reporting Initiatives

Gross dividends
Portion of profits inclusive of tax withheld, distributed to shareholders during the year.

Glossary

GSA
Gross Sale Average. Average sale price obtained (over a period of time, for a kilo of produce) before any deductions such as brokerage, etc.

H

HACCP
Hazard Analysis Critical Control Point system. Internationally accepted food safety standard.

Ha
Hectare.

I

IAS
International Accounting Standards.

IFRS
International Financial Reporting Standards.

IIRC
International Integrated Reporting Council.

Immature plantation.
The extent of plantation that is under development and is not being harvested

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 ratio
Profit before tax and interest divided by interest charge.

Inventory Turnover Ratio
Cost of goods sold divided by Average inventory.

ISO
International Standards Organization

J

JEDB
Janatha Estate Development Board

JV Profit
Joint Venture Profit

K

Key management personnel
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

KPI
Key Performance indicators

L

Liquidity
An asset or security can be quickly bought or sold in the market without affecting the asset's price.

LKR
Sri Lanka Rupee

M

Mature plantation
The area of land developed with a perennial crop, which has been brought into bearing ready for commercial harvesting. A perennial crop is a crop with a useful economic life which extends over more than one accounting period.

Market capitalization
Number of shares in issue multiplied by the market value of each share at the reporting date.

MCPA
MCPA is a powerful, selective, widely used phenoxy herbicide. The pure compound is a brown-colored powder.

N

NAMU.N0000 Share
CSE stock code for the company

Net assets
Total assets less Current liabilities and non-current liabilities.

Net assets per share
Net assets at the end of period divided by the number of Ordinary Shares issued.

Net Profit Margin Ratio
Profit after tax divided by Total Revenue

Net sale average (NSA)
This is the average sale price obtained (Over a period of time) after deducting brokerage fees and cost of gratis from Gross Sale Average (GSA).

Net Tangible Assets per share
Total Tangible Assets less Intangible Assets, divided by total no. of shares.

NIPM
National Institute of Plantation Management

NOx
Nitrogen Oxide

NDC
Nationally Determined Contribution

NGFS
Network for Greening the Financial System

O

Operating Cash Flow Ratio
Operating cash flow divided by Current liabilities

Other Comprehensive Income
Items of income and expenses that are not recognized in profit or loss as required or permitted by other SLFRS's.

P

PAT
Profit After Tax.

PHDT
Plantation Human Development Trust.

PMMD
Plantation Management Monitoring. Division

PPE
Property, Plant & Equipment.

Price earnings
Market price of a share divided by Earnings per Share

Public shareholding
Shares of a listed entity held by any person other than those directly or indirectly held by;

a) Its parent, subsidiary or associate companies or any subsidiaries or associates of its parent company; and,
b) Its directors who are holding office as directors of the entity, their spouses and children under 18 years of age; and'
c) Chief Executive Officer, his/her spouse and children under 18 years of age; and'
d) Any single shareholder who holds 10% or more of the shares.

PLT
Plantations share price index, a stock indices of the Colombo stock exchange in Sri Lanka

PBT
Profit before Tax

Q

Quick Ratio
Current asset other than inventory divided by current liability

R

Receivables Turnover Ratio
Total Revenue divided by Average accounts receivable.

Related parties
One party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, directly or indirectly.

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.

Retirement Benefits
Present value of a defined benefit obligation is the present value of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

- Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.
- Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period

Return on assets
Profit after tax as a percentage of total assets.

Return on capital employed
Profit before interest and tax as a percentage of total Capital Employed (Shareholders' funds plus total Interest bearing borrowings)

Return on equity
Profit after tax as a percentage of shareholder's funds

Revenue Reserves
Reserves considered as being available for distributions and investments.

ROI
Return on Investment

RPTs
Related Party Transactions.

RRI
Rubber Research Institute.

RSS - 1
Ribbed Smoked Sheet - Grade 1.

S

Segments
Constituent business units grouped in terms of similarity of operations and location.

Shareholders' funds
Funds attributable to Shareholders and comprising of share capital, reserves and retained profit

SIC
Standard Interpretations Committee.

SLFRS/LKAS
Sri Lanka Accounting standards corresponding to international Financial Reporting Standards.

SLSPC
Sri Lanka State Plantations Corporation.

SORP
Statement of Recommended Practice issued by the Institute of Chartered Accountants of Sri Lanka

SOX
Sulfur Oxide

S&P SL20
Standard & Poor's Sri Lanka 20 covers the largest and most liquid stocks from the Sri Lankan Equity market.

SBU
Specified Business Unit.

SEC
Security Exchange Commission of Sri Lanka

SIA
Social Impact Assessment

SRRO
Sustainability Related Risk & Opportunities.

SASB
Sustainability Accounting Standards Board.

SLSEA
Sri Lanka Sustainable Energy Authority.

SLCCs
Sri Lanka Carbon Credits.

SSPs
Shared Socioeconomic Pathways.

T

TASL
Tea Association of Sri Lanka

TRI
Tea Research Institute.

TNFD
Taskforce on Nature-related Financial Disclosures

U

UITF
Urgent Issues Task Force of the Institute of Chartered Accountants of Sri Lanka

UNEP
United Nations Environment Programme

V

Value addition
The quantum of wealth generated by the activities of the Company and its application

Value Creation
Value creation is the process that results in increases, decreases or transformations of the capitals caused by the organization's business activities and outputs.

W

WACC
Weighted average cost of capital.

Working capital
Capital required financing the day to day operations computed as the excess of current assets over current liabilities.

Y

Yield (YPH)
Average Periodical output of produce from hectare of plantation

YOY
Year on Year

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Thirty-Third (33rd) Annual General Meeting of Namunukula Plantations PLC will be held at the Auditorium of the Registered Office, 310, High Level Road, Nawinna, Maharagama on Friday, 25th September, 2026 at 12.00 noon and the business to be brought before the meeting will be as follows

1. To consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2026 with the Report of the Auditors thereon.

2. To approve the appointment of Dr. Sena Yaddehige as a Director

   Pursuant to Section 211 of the Companies Act No. 07 of 2007, a Notice of the following Ordinary Resolution has been received by the Company, from RPC Plantation Management Services (Private) Limited, 310, High Level Road, Nawinna, Maharagama, a shareholder of the Company.

   "That Dr. Sena Yaddehige of Le Neuf , Chemin, St. Saviours, Guernsey, United Kingdom who is 80 years of age be and is hereby appointed a Director of the Company in terms of section 211 of the Companies Act No. 07 of 2007, and it is further specially declared that the age limit of 70 years referred to in Section 210 of the Companies Act no. 07 of 2007 shall not apply to the said Dr. Sena Yaddehige "

3. To re- elect Mr. Shaminda Yaddehige, who retires by rotation in terms of Article 92 at the Annual General Meeting, a Director

4. To re- elect Mr. Ranil Goonetilleke, who retires by rotation in terms of Article 92 at the Annual General Meeting, a Director

5. To re -appoint M/s. Ernst & Young, Chartered Accountants as Auditors of the Company and to authorize the Directors to determine their remuneration.

6. To authorize the Directors to determine contributions to charities

7. To consider any other business of which due notice has been given

By Order of the Board
(Sgd.)
Richard Pieris Group Services (Private) Limited
Secretaries
No. 310, High Level Road, Nawinna, Maharagama

25th August 2026

Note:

a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her.

b) A proxy need not be a member of the Company. The form of proxy will be found inserted in the Annual Report

c) The completed form of proxy should be deposited at the registered office of the Company No. 310, High Level Road, Nawinna, Maharagama., not less than 48 hours before the time appointed for the holding of the meeting.

Form of Proxy

I/We* (in block letters) ..... of ..... being a member / members of the NAMUNUKULA PLANTATIONS PLC , hereby appoint.....of .....

whom failing DR. SENA YADDEHIGE whom failing SHAMINDA YADDEHIGE whom failing SHIRLY GERARD DEVINDA AMERASINGHE whom failing RANIL GOONETILLEKE whom failing BANDARA REKOGAMA whom failing MRS. KUSALANI DE SILVA *as my/our proxy to represent me/us and to vote on my/our behalf at the 33rd ANNUAL GENERAL MEETING of the Company to be held on Friday, 25th September 2026 and any adjournment thereof, and at every poll which may be taken in consequence thereof to vote:-

	In favour	Against
1. To consider the Report of the Directors and the Statement of Accounts for the year ended 31st March 2026 with the Report of the Auditors thereon.		
2. To approve under and in terms of Section 211 of the Companies Act No. 07 of 2007, the appointment of Dr. Sena Yaddehige at the Annual General Meeting, a Director.		
3. To re – elect Mr. Shaminda Yaddehige, who retires by rotation in terms of Article 92 at the Annual General Meeting , a Director.		
4. To re – elect Mr. Ranil Gonnetilleke, who retires by rotation in terms of Article 92 at the Annual General Meeting , a Director		
5. To re-appoint M/s Ernst & Young, Chartered Accountants as Auditors of the Company and to authorise the Directors to determine their remuneration.		
6. To authorize the Directors to determine contributions to charities.		
7. To consider any other business of which due notice has been given		

Dated this ..... day of..... 2026.

.....
Signature of shareholder

Notes:

(i) Please delete the inappropriate words

(ii) A proxy need not be a member of the Company.

(iii) Instruction as to completion appear on the reverse of this form.

Form of Proxy

INSTRUCTIONS AS TO COMPLETION OF PROXY FORM

To be valid, this Form of Proxy must be deposited at the registered office of the Company No. 310, High Level Road, Nawinna, Maharagama, not later than 12.00 noon on Wednesday, 23rd September 2026

In perfecting the Form of Proxy, please ensure that all details are legible.

In the case of a Company/Corporation, the proxy must be under its Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.

Please indicate with an 'X' in the space provided how your proxy is to vote on each resolution. If no indication is given the proxy at his/her discretion will vote as he/she thinks fit.

This Form of Proxy shall in the case of an individual be signed by the appointor or his/her Attorney. Where the Form of Proxy is signed under a Power of Attorney, which has not been registered with the Company, the original Power of Attorney together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company, along with the Form of Proxy.

Notes

Notes

Corporate Information

Name of Company	:	Namunukula Plantations PLC
Legal Form	:	A Quoted Public Limited Liability Company Incorporated in Sr Lanka.
Date of incorporation	:	22 June 1992
Company Registration	:	PQ136
Tax Identification No.	:	294001395
Principal Business Activities	:	Cultivation, manufacture & sale of Tea, Rubber, Oil palm, Coconut & Cinnamon Plantations.
Ultimate Parent Enterprise	:	Richard Pieris & Company PLC.
Board of Directors	:	Dr. S Yaddehige - Chairman Mr. N C Peiris (Retired from the directorate W.E.F. 15th July 2025) Mr. Shaminda Yaddehige Mr. Gerard Amerasinghe Mr. Ranil Goonetilleke Ms. C.S. Perera Ceased to be a director W.E.F. 09th April 2026) Dr. Bandara Rekogama (Appointed on 16th July 2025) Ms. Kusalani De Silva (Appointed on 09th April 2026)
Stock Exchange Listings.	:	The Ordinary shares of the Company are listed with the Colombo Stock Exchange of Sri Lanka.
Registered / Head Office	:	No: 310, High Level Road, Nawinna, Maharagama, Sri Lanka.
Company Secretaries	:	Richard Pieris Group Services (Pvt) Ltd Secretaries, No: 310, High Level Road, Nawinna, Maharagama, Sri Lanka. Telephone: + (94) 114310564
Auditors	:	Messrs. Ernst & Young, Chartered Accountants, Rotunda Towers, No 109, Galle Road, P.O. Box 101, Colombo 03, Sri Lanka. Deloitte Partners No.100 Braybrooke Place, Colombo 02, , Sri Lanka
Bankers	:	Bank of Ceylon - Corporate Branch & Regional Branches People's Bank - Pelawatta Branch Hatton National Bank PLC - City Branch Sampath Bank PLC - Head Office Branch National Development Bank PLC Indian Overseas Bank / Indian Bank Nations Trust Bank PLC Commercial Bank of Ceylon PLC
Contact Details	:	Telephone : + (94) 11 4310500 Fax : + (94) 11 2801400 Website : www.arpico.com Email : npl.rpk@arpico.com

Namunukula Plantations PLC
No. 310, High Level Road, Nawinna, Maharagama, Sri Lanka.
Telephone : +(94) 11 4310500, Fax : +(94) 11 2801400
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