BEYOND WHAT WE WERE

ELPITIYA PLANTATIONS PLC | Annual Report 2025/26

BEYOND WHAT WE WERE

To become more is a steady process of building on what already exists, refining it with purpose to create new ways of thinking, and growing towards the future. As Elpitiya Plantations steps into open waters where emerging currents shape our progress, purpose, and possibility, the strength we have built over the years, carries us beyond expectations and the boundaries that once defined us.

With momentum gaining pace, our path unfolds with clarity, revealing new dimensions shaped by both ambition and responsiveness. As we navigate shifting currents and harness their energy, this report outlines how we have strengthened our capabilities to signal our readiness for what lies ahead.

Looking ahead, the landscape is rich with potential, enabling us to refine our identity, build a brand that resonates with a new generation, and deepen our connection to the ecosystem in which we operate.

Waves are driven by energy in motion: rising, building, and advancing with force. Each carries momentum within a vast, interconnected ocean, where continuous movement pushes boundaries across a sea of possibility. In the same way, Elpitiya Plantations is moving into a broader, more dynamic landscape, where growth is shaped by change, sustained by energy, and guided by the ability to harness it.

ep
elpitiya

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CORPORATE OVERVIEW

SUSTAINABILITY RELATED DISCLOSURES

MANAGEMENT DISCUSSION AND ANALYSIS

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GOVERNANCE AND RISK

FINANCIAL REPORTS

SUPPLEMENTARY INFORMATION

ABOUT THE REPORT

ELPITIYA PLANTATIONS PLC IS PROUD TO PRESENT ITS 8TH INTEGRATED ANNUAL REPORT, REFLECTING THE COMPANY'S ENVIRONMENTAL, SOCIAL, GOVERNANCE, AND FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST MARCH 2026. THIS REPORT SHOWCASES OUR INTEGRATED APPROACH TO VALUE CREATION, PROVIDING A COMPREHENSIVE ACCOUNT OF OUR PERFORMANCE ACROSS ECONOMIC, ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (EESG) DIMENSIONS.

Scan the QR code with your smart device to view this report online

https://www.elpitiya.com

As the organisation's primary communication tool for its stakeholders, this report is structured to deliver a transparent and holistic view of our operations, strategic direction, governance practices, key milestones, and future outlook. It highlights how we continue to create sustainable value while upholding our commitment to responsible and ethical business practices.

GRI 2-2, 2-3, 2-6

SCOPE AND BOUNDARY

The reporting period spans from 1 April 2025 to 31 March 2026, in line with our established annual cycle for financial and sustainability disclosures. This report serves as a continuation of our previous Annual Report (FY 2024/25). All information presented pertains to the Group unless stated otherwise. During the reporting period, there were no significant changes to the Group's structure, size, or supply chain.

FINANCIAL REPORTING BOUNDARY

Subsidiaries:

- EPP Hydro Power Company (Private) Limited
- Escape Parks Ceylon (Private) Limited
- Water Villas (Private) Limited*
- The Dunsinane Valley Company (Private) Limited
- Harrow House (Private) Limited

Joint Ventures:

- AEN Palm Oil Processing (Private) Limited
- Elpitiya Harrow Tea Company (Private) Limited
- Elpitiya Lifestyle Solutions (Private) Limited*
- Ceylon Agro Food Technologies (Private) Limited

SUSTAINABILITY REPORTING BOUNDARY

Subsidiaries:

- EPP Hydro Power Company (Private) Limited
- Escape Parks Ceylon (Private) Limited**
- Water Villas (Private) Limited**
- The Dunsinane Valley Company (Private) Limited**
- Harrow House (Private) Limited

Joint Ventures:

- Elpitiya Harrow Tea Company (Private) Limited
- Elpitiya Lifestyle Solutions (Private) Limited**
- Ceylon Agro Food Technologies (Private) Limited

*Under proceedings for liquidation

** Non-operational and do not contribute to the Group's non-financial performance

GRI 2-4

IMPROVEMENTS TO THE REPORT 2025/26

In preparing this report, we enhanced the quality, clarity, and alignment of our disclosures to better meet the requirements of the GRI Standards and reflect our most significant impacts.

- Alignment of the report with the Company's updated strategic framework to ensure consistency between strategic priorities and disclosures
- Adoption of SLFRS S1 and SLFRS S2 Sustainability Disclosure Standards, enhancing compatibility with GRI and strengthening the completeness and quality of sustainability reporting
- Refinement of reporting boundaries for financial and non financial disclosures, with a clearer definition of the entities and operations included in the report
- Reassessment and enhancement of material topics to better reflect environmental and sustainability priorities relevant to plantation operations.
- Expanded climate related disclosures, offering greater transparency on climate risks, impacts, and resilience measures.
- Strengthened sustainability governance disclosures, outlining roles, responsibilities, and oversight mechanisms.
- Improved integration between strategy, risk management, sustainability priorities, and performance indicators to support a more coherent and integrated reporting approach.

ABOUT THE REPORT

Additionally:

Where necessary, comparative figures have been restated or reclassified to ensure consistency in presentation and comparability across reporting periods. Any such changes have been disclosed in the relevant notes to the financial statements.

Certain information has been omitted where disclosure could compromise commercial sensitivity, including details related to strategic investments, proprietary technologies, and ongoing negotiations, as such disclosure could materially prejudice the Company's competitive position.

FORWARD LOOKING STATEMENTS

This report includes forward-looking statements that reflect our current expectations, assumptions, and analyses, based on information available to us at the time of preparation. Such statements inherently involve risks and uncertainties, as they relate to future events and circumstances that are largely beyond the Group's control. As a result, actual performance and outcomes may differ materially from those expressed or implied in these statements.

Readers are therefore advised not to place undue reliance on these forward looking statements. This information is provided without recourse, and neither the Board of Directors nor the preparers of this report accept any liability for decisions made based on it.

REPORTING FRAMEWORKS

Below is a full list of frameworks and guidelines used in preparing this Report.

Financial Reporting Frameworks

- Sri Lanka Accounting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka

Corporate Governance and Regulatory Frameworks

- Laws and regulations of the Companies Act No. 7 of 2007.
- Listing Rules of the Colombo Stock Exchange (CSE)
- Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including directives and circulars.
- Guided by the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka
- Code of Best Practices on Related Party Transactions (2013) advocated by SEC.

Global Sustainability Commitments

- United Nations Sustainable Development Goals (SDGs)

Integrated Reporting Frameworks

- International Integrated Reporting (<IR>) Framework
- Guided by the Preparer's Guide to Integrated Reporting and its Supplements issued by the Institute of Chartered Accountants of Sri Lanka

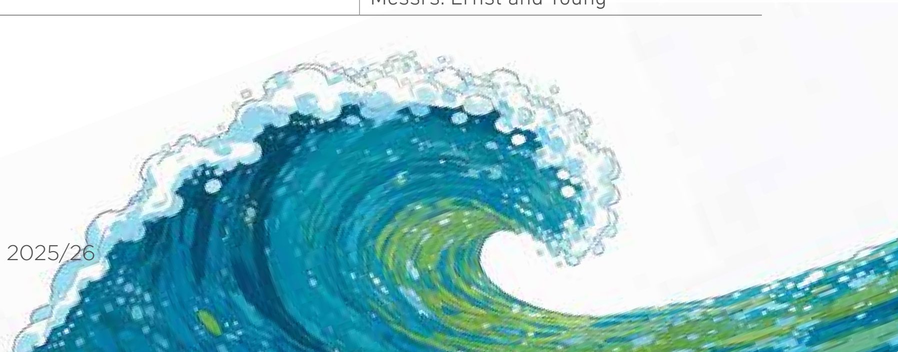
Sustainability Reporting Frameworks

- Global Reporting Initiative (GRI) Standards
- SLFRS S1 – General Requirements for Sustainability-related Financial Disclosures
- SLFRS S2 – Climate-related Disclosures
- Greenhouse Gas (GHG) Protocol
- Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- Sustainability Accounting Standards Board (SASB) Agricultural Products Standard
- Guided by the Gender Equity and Equality Initiative (GEEI) of the Institute of Chartered Accountants of Sri Lanka,

GRI 2-5

ASSURANCE

Reporting Area	Internal Assurance	External Assurance
Financial Reporting	Audit and Risk Committee and Internal Audit function	Messrs. Ernst and Young
Sustainability Reporting	Aitken Spence PLC Group Sustainability Unit	Messrs. Ernst and Young
Narrative Reporting		Messrs. Ernst and Young



CONNECTIVITY OF INFORMATION

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

NAVIGATING OUR REPORT

CAPITALS'

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

STAKEHOLDERS

- Investors
- Customers
- Employees
- Business Partners
- Community
- Regulators

STRATEGIC ENABLERS

- Mechanisation, Automation and Digitalisation
- People and Culture
- Environmental, Social and Economic Sustainability
- Corporate Branding
- Partnerships and Financing
- Governance

TIME HORIZONS

• Short term - 2026/27 - 2027/28 (1-2 Years) • Medium Term -2028/29 -2029/30 (3-4 years) • Long term - 2030/31 and beyond (5+ years)

GRI 2-14

APPROVAL BY THE BOARD

The Board of Directors acknowledges its responsibility to ensure the integrity of this Report. The Board hereby confirms that the 2025/26 Report addresses all relevant material matters and fairly represents the Group's integrated performance. The Board also confirms that the Report has been prepared in line with the guidance provided in the Integrated Reporting Framework of the International Integrated Reporting Council.

The report was approved by the Board of Directors on 04th June 2026.

GRI 2-3

FEEDBACK & INQUIRIES

We are committed to continually enhancing our reporting practices and welcome feedback that can help improve the quality and usefulness of future reports. Please share your suggestions or comments with us:

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

E-mail: info@elpitiya.com

ABOUT US

ELPITIYA PLANTATIONS PLC IS ONE OF SRI LANKA'S TOP THREE MOST PROFITABLE REGIONAL PLANTATION COMPANIES, MANAGING OVER 8,800 HECTARES ACROSS 13 ESTATES. BUILDING ON A STRONG PLANTATION HERITAGE, WE CONTINUE TO TRANSFORM OUR BUSINESS BEYOND TRADITIONAL COMMODITIES.

Leveraging decades of agro-economic expertise, we have diversified into value-added manufacturing, non-traditional crops, renewable energy, eco-tourism, sustainable forestry, hydropower, and specialty tea, strengthening resilience and positioning the Company for long-term, sustainable growth. Today, the Company is strategically repositioning itself under Transformation 2030, driven by focused initiatives in technology and innovation, people and culture, sustainability, and diversified growth.

As custodians of land and natural capital, we operate with a deep sense of responsibility toward the socio-ecological systems under our care. Our triple-bottom-line approach, integrating economic performance, social progress, and environmental stewardship, has driven our evolution from financial distress in 1997 to sector leadership today, powered by visionary leadership and the commitment of our people.

13
Estates

4,563
Employees

98.5%
Resident workforce

OUR PURPOSE

"Shaping the future through transformational thinking – reimagining lives, communities and the planet."

OUR VISION

"We will transform into a diversified, sustainable and innovative conglomerate by 2030."

OUR VALUES

- **Agility:**
  Act fast, adapt smarter, and stay competitive in a changing environment.
- **Resilience:**
  Stay focused, learn from setbacks, and move forward stronger.
- **Innovative Value Creation:**
  Turn ideas into sustainable value through efficiency and growth.
- **Sustainability Mindset:**
  Make responsible choices every day for long term environmental, social, and economic impact.
- **Empathy to Community and Colleagues:**
  Put people first by listening, caring, and building strong, respectful relationships.

GRI 2-6

OUR BUSINESS PORTFOLIO

Agribusiness

TEA

We cultivate **1,772** hectares of high, medium, and low-grown teas across our **13** estates.

23% Land allocation

RUBBER

We cultivate **509** hectares of rubber

6% Land allocation

OIL PALM

Driven by our diversification strategy, the Group began oil palm cultivation in 2014, now covering **1,709** hectares.

19% Land allocation

OTHER

Crops under agribusiness operations including Cinnamon, Coconut, Pineapple and Avocado

18% Land allocation

Diversified Business

HIGH VALUE HORTICULTURE

Cultivation of strawberries, blueberries, blackberries, raspberries, and cape gooseberries across 53 polytunnels covering 22 hectares

RENEWABLE ENERGY

Operation of 2 hydro power plants and 6,224 solar panels with an installed capacity of 2,600 kW

VALUE -ADDED PRODUCTS

Over 75 SKUs, encompassing a diverse product portfolio that includes spreads, canned beverages, mixed nuts, handcrafted chocolates, premium kithul products, bee honey, and related specialty offerings

GRI 201-1, 203-2

OUR SOCIAL AND ECONOMIC IMPACT

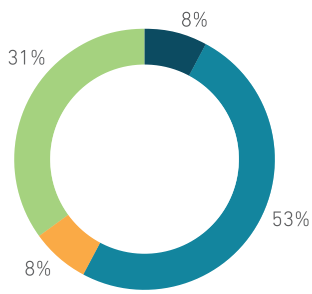
Our value creation approach extends beyond financial performance. Through responsible business practices, sustainable investments, community empowerment, environmental stewardship and innovation-driven operations, we continue to generate long-term value for stakeholders while contributing meaningfully to national development and global sustainability priorities.

ABOUT US

As a leading plantation company, we play a significant role in supporting Sri Lanka's socio economic development. Beyond generating employment and promoting greater equity, we contribute to national development through sustained economic activity while adhering strictly to all legal and regulatory requirements, including the timely payment of taxes. We employ over 4,000 individuals, primarily from vulnerable communities, providing stable livelihoods and long term economic security. As custodians of more than 8,800 hectares of biodiverse land, we are committed to conserving vital natural resources and safeguarding them for future generations.

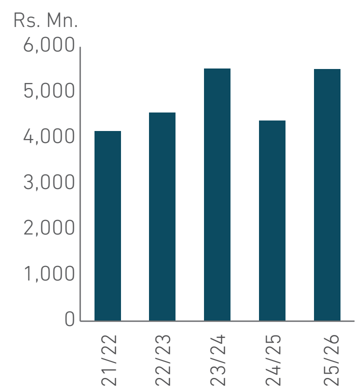
Economic Value Added -FY 2025/26

Value Distributed - 2025/26



- To Government (Income Tax and lease rental)
- To employees (Salaries and other staff costs)
- To lenders of Capital (Interest on Loan Outstanding)
- To Shareholders (Dividends)
- Retained for re-investment and future growth

Value Added

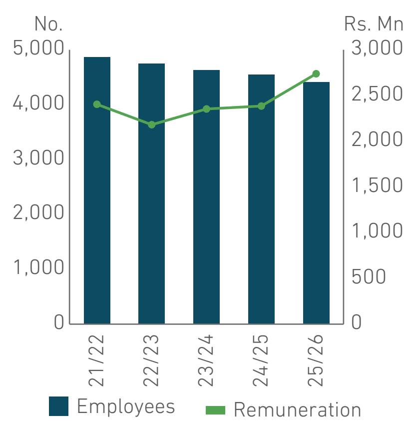


GRI 201-1, 13.22.2

Generating sustainable livelihoods

We generate employment opportunities across the nation through our extensive operations. Beyond job creation, we invest in the socio economic development of our estate communities through sustained community focused initiatives. Moreover, we prioritise inclusive hiring and local community recruitment, supporting economic empowerment, particularly among underserved populations. By providing fair wages, safe working conditions, and clear career progression pathways, we promote job stability, workforce well-being, and greater social equity.

No. of employees and benefits paid



ECONOMIC VALUE ADDED

Rs.5,509Mn.

26% ↑ - RS. 4,385 Mn. in 2024/25

ECONOMIC VALUE DISTRIBUTED

Rs.3,596Mn.

19% ↑ - RS. 3,024 Mn. in 2024/25

ECONOMIC VALUE RETAINED

Rs.1,913Mn.

41% ↑ - RS. 1,361 Mn. in 2024/25

PAYMENT TO EMPLOYEES

Rs.2,738Mn.

Rs. 2,385 Mn. in 2024/25

PAYMENT TO GOVERNMENT

Rs.457Mn.

Rs. 271 Mn. in 2024/25

PAYMENT TO SHAREHOLDERS

Rs.401Mn.

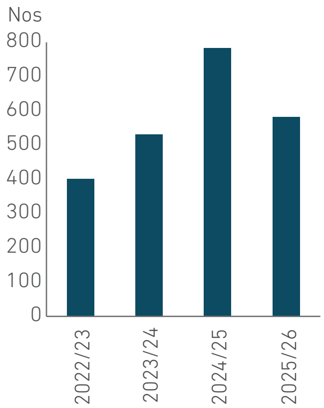
Rs. 364 Mn. in 2024/25

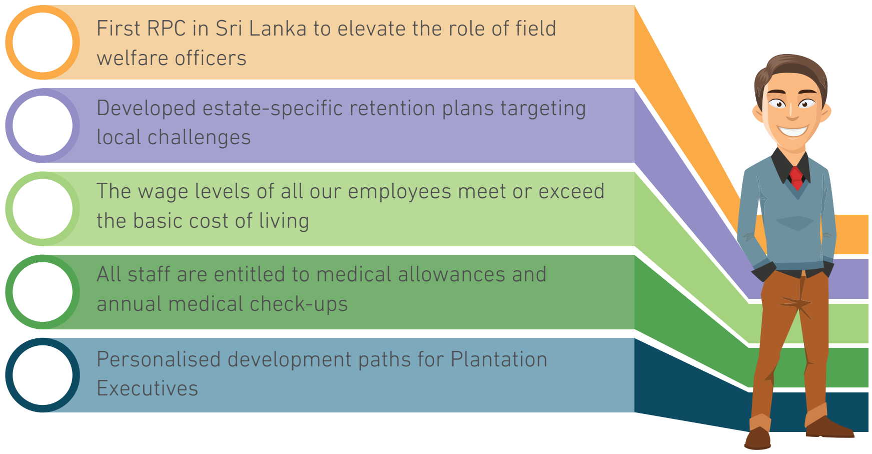
PAYMENT TO LENDERS OF CAPITAL

Rs.0.4Mn.

Rs. 3.7 Mn. in 2024/25

New Recruits

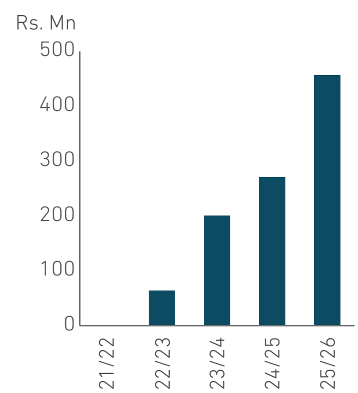




Value to Government

We remained a significant contributor to Sri Lanka's revenue and foreign exchange reserves during the year. Our strong commitment to fiscal responsibility supports national development, reflected in our strict adherence to all legal and regulatory requirements and the timely and complete payment of taxes.

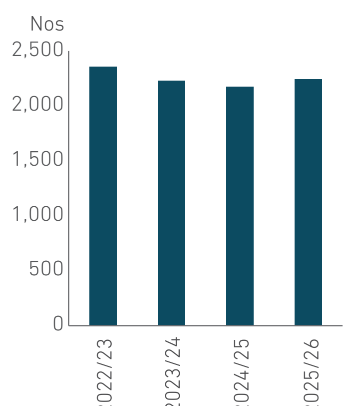
Taxes Paid

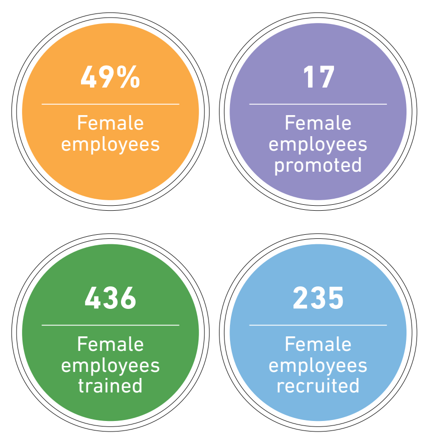


Women empowerment

We foster a safe, inclusive, and empowering workplace, with a strong focus on supporting and advancing women across the organisation. Central to this commitment is our zero tolerance policy on sexual harassment and gender based violence, supported by robust prevention and reporting mechanisms. Moreover, we promote gender equity by increasing female representation, ensuring equal pay for equal work, and enabling career progression into leadership roles, while providing a secure, supportive, and rewarding work environment.

Female employees





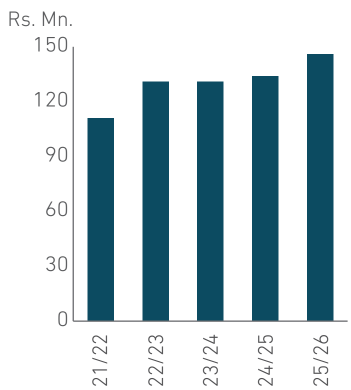
ABOUT US

GRI 2-6

Uplifting Communities

We serve a community of over 30,000 individuals living within our plantation boundaries, with a strong commitment to enhancing overall well-being, improving livelihoods, and fostering long-term independence. Through targeted social and economic initiatives, we prioritise community empowerment, resilience, and sustainable development, enabling our communities to progress with dignity and self-reliance

Investment in CSR



Improving Access to Healthcare

3,981 Beneficiaries

Supporting Quality Childcare

2,104 Beneficiaries

Expanding Educational Opportunities

40 Beneficiaries

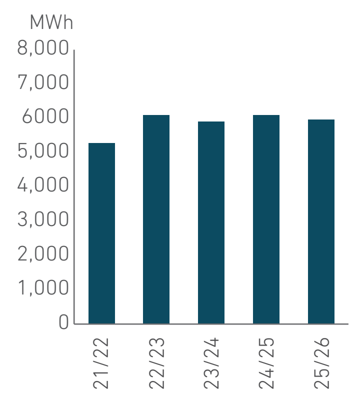
Community engagement for development

5,656 Beneficiaries

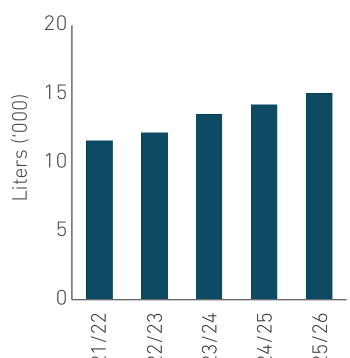
Boosting Renewable Energy (RE) Generation and Enhancing Estate Productivity

In alignment with the National 2030 Renewable Energy strategy, we expanded renewable energy generation, reducing reliance on fossil fuels while improving estate productivity through sustainable production practices. Our approach integrates technology upgrades and operational efficiency to optimise energy use and deliver measurable reductions in consumption. Guided by a structured land-use management framework, we balance productive use with conservation and long-term resilience, supported by near-term emissions reduction targets on our pathway to net-zero by 2030. In parallel, we have implemented comprehensive water conservation, waste management, and circular economy initiatives, optimising resource use and promoting regenerative practices across our estate operations and value chain.

Renewable Energy Generation



Application of Chemical Weedicides

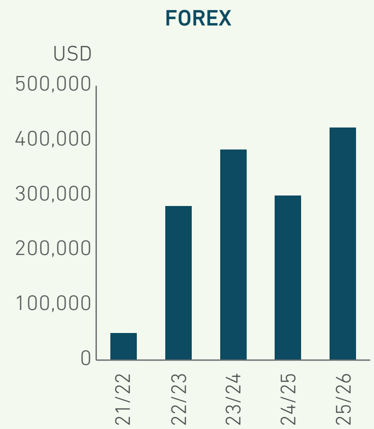


Foreign currency earnings and savings

Our foreign exchange earnings and savings make a meaningful contribution to strengthening Sri Lanka's foreign currency position. Through export oriented operations and import substitution initiatives, we support broader macroeconomic resilience.

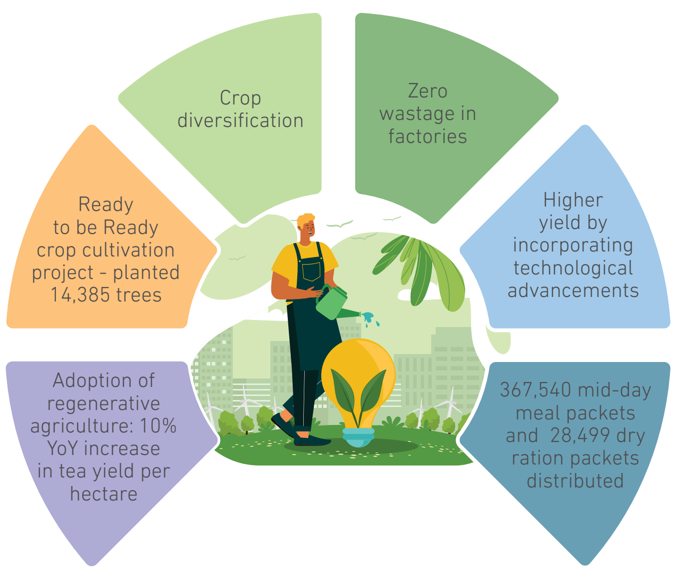
FOREX EARNED FROM EXPORT-ORIENTED OPERATIONS & IMPORT SUBSTITUTIONS

USD 423,782



Supporting food security

We contribute to Sri Lanka's food security by implementing proactive measures to reduce food waste and enhance sustainable food cultivation, strengthening availability and resilience across the agricultural value chain.



Innovation and future readiness

We are driving the transformation of the plantation industry by shifting to a modern, technology driven model. Through innovation, digitalisation, and the practical application of research and technology, including value added products, drone enabled mechanisation, and precision agriculture, we enhance productivity, reduce environmental impact, address operational challenges, and strengthen long-term sustainability and competitiveness.

- Implemented a Value Vault to facilitate digital inclusion for plantation communities
- Established a Power BI analytics & dashboard platform
- AMIDS and the establishment of the technology adaptation & innovation unit
- Higher yield by incorporating technological advancements
- Adopted drone-based precision paddy planting in uniform patterns
- Piloted a telescopic, ground-based system for spraying, harvesting, and crown management
- Automated tea harvesting and spraying using drone technology

OUR ESTATES

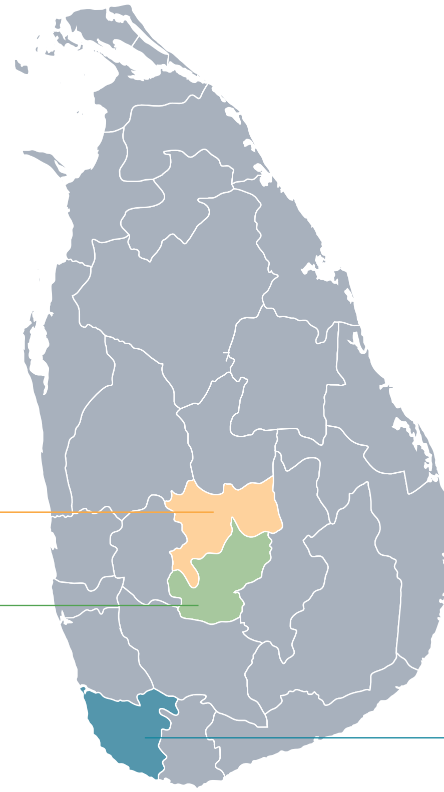
KANDY DISTRICT

New Peacock

Extent (Ha)	
Tea	265.29
Rubber	-
Oil Palm	-
Others	236.27
Total cultivated area	501.56
Total Extent	535.73
Crop (Kgs'000)	
Tea	867
Rubber	-
Oil Palm	-

Nayapane

Extent (Ha)	
Tea	234.40
Rubber	-
Oil Palm	-
Others	184.25
Total cultivated area	418.65
Total Extent	576.50
Crop (Kgs'000)	
Tea	508
Rubber	-
Oil Palm	-



NUWARA ELIYA DISTRICT

Dunsinane

Extent (Ha)	
Tea	426.35
Rubber	-
Oil Palm	-
Others	170.79
Total cultivated area	597.14
Total Extent	790.00
Crop (Kgs'000)	
Tea	1,398
Rubber	-
Oil Palm	-

Sheen

Extent (Ha)	
Tea	190.44
Rubber	-
Oil Palm	-
Others	219.70
Total cultivated area	410.14
Total Extent	503.75
Crop (Kgs'000)	
Tea	479
Rubber	-
Oil Palm	-

Meddecombra

Extent (Ha)	
Tea	334.22
Rubber	-
Oil Palm	-
Others	388.14
Total cultivated area	722.36
Total Extent	890.00
Crop (Kgs'000)	
Tea	530
Rubber	-
Oil Palm	-

Fernlands

Extent (Ha)	
Tea	280.36
Rubber	-
Oil Palm	-
Others	120.39
Total cultivated area	400.75
Total Extent	484.25
Crop (Kgs'000)	
Tea	446
Rubber	-
Oil Palm	-

GALLE DISTRICT

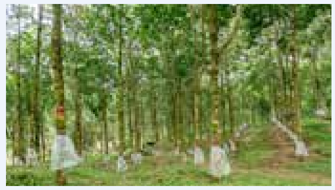
Devitura

Extent (Ha)	
Tea	17.23
Rubber	84.39
Oil Palm	274.22
Others	177.16
Total cultivated area	553.00
Total Extent	896.22
Crop (Kgs'000)	
Tea	12
Rubber	51
Oil Palm	4,248

Thalgaswella

Extent (Ha)	
Tea	19.56
Rubber	65.12
Oil Palm	574.98
Others	42.49
Total cultivated area	702.15
Total Extent	1,033.85
Crop (Kgs'000)	
Tea	29
Rubber	31
Oil Palm	9,682

Ketandola

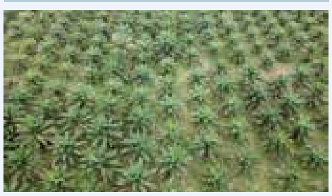


Extent (Ha)	
Tea	1.15
Rubber	27.04
Oil Palm	248.64
Others	49.87
Total cultivated area	326.70
Total Extent	832.69
Crop (Kgs'000)	
Tea	4
Rubber	15
Oil Palm	3,906

Bentota

Extent (Ha)	
Tea	-
Rubber	115.20
Oil Palm	123.32
Others	48.05
Total cultivated area	286.57
Total Extent	726.14
Crop (Kgs'000)	
Tea	-
Rubber	53
Oil Palm	1,341

Gulugahakande



Extent (Ha)	
Tea	-
Rubber	24.28
Oil Palm	114.20
Others	62.16
Total cultivated area	200.64
Total Extent	418.18
Crop (Kgs'000)	
Tea	-
Rubber	14
Oil Palm	1,665

Lelwala

Extent (Ha)	
Tea	3.20
Rubber	35.66
Oil Palm	67.11
Others	34.57
Total cultivated area	140.54
Total Extent	240.35
Crop (Kgs'000)	
Tea	4
Rubber	20
Oil Palm	1,391

Elpitiya

Extent (Ha)	
Tea	-
Rubber	154.25
Oil Palm	306.78
Others	73.77
Total cultivated area	534.80
Total Extent	910.36
Crop (Kgs'000)	
Tea	-
Rubber	75
Oil Palm	4,725

PERFORMANCE SCORECARD

			Group		Company	
			2025/26	2024/25	2025/26	2024/25
Financial Indicators						
Financial Performance	Revenue	Rs. Million	9,078	7,692	9,066	7,683
	Gross profit	Rs. Million	3,202	2,384	3,203	2,389
	Operating profit	Rs. Million	1,868	1,277	2,008	1,323
	EBIT	Rs. Million	2,207	1,785	2,123	1,724
	EBITDA	Rs. Million	2,756	2,273	2,664	2,202
	Profit before tax	Rs. Million	2,377	1,935	2,294	1,874
	Profit for the year	Rs. Million	1,688	1,329	1,625	1,280
	GP margin	%	35.28	30.99	35.34	31.09
	OP margin	%	20.58	16.60	22.15	17.22
	Net profit margin	%	18.59	17.28	17.92	16.66
	Return on equity	%	16.67	14.73	16.74	14.78
	Return on assets	%	14.81	13.47	14.67	13.38
	Return on Capital Employed	%	16.19	13.84	16.09	13.78
Financial Position	Total assets	Rs. Million	15,743	14,063	15,284	13,665
	Non-current assets	Rs. Million	10,107	9,300	9,617	8,874
	Current assets	Rs. Million	5,636	4,763	5,666	4,791
	Working Capital	Rs. Million	4,241	3,603	4,273	3,635
	Cash and Cash Equivalents	Rs. Million	464	258	448	255
	Short Term Investments	Rs. Million	3,472	2,999	3,472	2,999
	Total equity	Rs. Million	10,742	9,500	10,294	9,115
	Borrowings	Rs. Million	-	-	-	-
	Debt to equity ratio	Times	Nil	Nil	Nil	Nil
	Equity to assets ratio	Times	0.68	0.68	0.67	0.67
	Current ratio	Times	4.04	4.11	4.07	4.14
Investor information	Earnings per share	Rs.	23.17	18.24	22.30	17.56
	Dividend per share	Rs.	7.00	5.50	7.00	5.50
	Net Asset Value per share	Rs.	147.42	130.38	141.27	125.09
	Market value per share					
	Highest value	Rs.	215.00	140.00	215.00	140.00
	Lowest value	Rs.	108.25	90.00	108.25	90.00
	Closing as at 31st March	Rs.	161.25	117.75	161.25	117.75
	Market capitalisation as at 31st March	Rs. Million	11,750	8,580	11,750	8,580
	Dividend pay out	%	30.21	30.15	31.39	31.31
	Dividend cover	Times	3.31	3.32	3.19	3.19
	Dividend yield	%	4.34	4.67	4.34	4.67
	Price Earnings Ratio	Times	6.96	6.45	7.23	6.70

			Group		Company	
			2025/26	2024/25	2025/26	2024/25
	Non-Financial Indicators					
Human Capital	Total employees	No.	4,563	4,407	4,556	4,403
	Payments to employees	Rs. Million	2,738	2,385	2,731	2,382
	Employee retention rate	%	81.85	79.44	81.85	79.44
	Female representation	%	49.18	49.35	49.18	49.40
	New recruits	No.	582	784	582	784
	Investment in training	Rs. Million	19	14	19	14
	Total training hours	Hours	84,850	85,178	84,850	85,178
	Average training hours/employee	Hours	19	18	19	18
	Union representation	%	83.39	82.00	83.52	82.00
Manufactured Capital	Property, plant and equipment	Rs. Million	2,481	2,055	2,334	1,898
	Investment in capex	Rs. Million	1,037	657	1,037	656
	Investment in automation and digitisation	Rs. Million	24	68	24	68
Intellectual Capital	R&D investment	Rs. Million	27	20	2	20
	Innovations	No.	10	9	7	9
	Certifications and standards	No.	4	4	4	4
Natural Capital	Raw material consumption	MT	33,554	30,152	33,554	30,152
	Energy consumption	GJ	203,570	163,554	203,570	163,554
	Water consumption	M3	77,353	81,101	77,353	81,101
	Solid waste generation	MT	333	299	333	299
	GHG Emissions	tCO2e	8,013	6,817	7,997	6,817
Social & Relationship Capital	Investment in community	Rs. Million	146	134	146	134
	Payments to suppliers	Rs. Million	3,528	3,412	3,528	3,412
	Proportional spending to local suppliers	%	46.95	41.00	46.95	41.00

OUR JOURNEY OF GROWTH - WHO WE ARE TODAY

Our journey reflects resilience, renewal, and purposeful transformation.

1997

Period of Financial Distress:

We faced significant financial challenges, marking a critical turning point that called for decisive action and restructuring.

2000–2010

Operational Turnaround and Stabilisation

Through disciplined management, operational improvements, and financial restructuring, we achieved stability and rebuilt its foundations.

2010–2020

Strategic Diversification:

Building on stability, we expanded beyond traditional plantations, diversifying into renewable energy, forestry, and value-added sectors to strengthen resilience and unlock new growth avenues.

2020–2025

Innovation and Sustainability Acceleration:

We accelerated our focus on sustainability, innovation, and digitalisation, embedding responsible practices and technology-enabled solutions across operations.

Today

Transformation 2030:

Transformation 2030 represents our strategic leap forward, from a traditional plantation company to a future-ready, diversified enterprise. Driven by innovation, sustainability, and transformational thinking, we are redefining our business model to create long-term value for stakeholders while remaining resilient in a rapidly changing world.

CHAIRMAN'S MESSAGE

> TODAY, WE STAND AT THE THRESHOLD OF A NEW PHASE, ONE THAT IS REDEFINING OUR IDENTITY AS WE TRANSITION BEYOND PLANTATIONS TOWARD A MULTI-DIMENSIONAL, VALUE-DRIVEN ORGANISATION.

REVENUE	PROFIT AFTER TAX	NET ASSETS PER SHARE
Rs.9Bn	**Rs.1.68Bn**	**Rs.147**
↑18% YoY	↑27% YoY	↑13% YoY

GRI 2-22

Dear Stakeholders,

It is my privilege to present the Annual Report and Audited Financial Statements of Elpitiya Plantations PLC for the year ended 31 March 2026. As I deliver my first message as Chairman, following many years in the company, I do so with a renewed perspective shaped by both continuity and transition.

As I assume this role, I am deeply mindful of the legacy built over nearly three decades. From its origins as a traditional plantation enterprise, the Company has evolved into a dynamic and increasingly diversified business. Today, we stand at the threshold of a new phase, one that is redefining our identity as we transition beyond plantations toward a multi-dimensional, value-driven organisation.

STEPPING INTO OPEN WATERS

At Elpitiya Plantations, we step into open waters, where new currents reshape direction, test resilience, and carry us beyond traditional boundaries. Our journey is gathering momentum, advancing decisively toward a future that is progressive, transformative, and firmly forward-looking.

The year under review marks a defining phase in this evolution. By many measures, it has been one of our strongest years operationally. More importantly, it reflects a fundamental shift in how we position ourselves, not solely as a plantation company, but as an enterprise expanding into new horizons, unlocking new opportunities, and building new dimensions of sustainable growth.

While encouraged by our performance, we recognise that true progress cannot be measured by financial outcomes alone. It lies in the strength of our people, the clarity of our strategy, and the enduring foundations we continue to build for long-term value creation.

During the year, we crystallised this direction through a renewed vision: to transform into a diversified, sustainable, and innovative conglomerate by 2030. In line with this ambition, we are evolving into a diversified, technology-enabled and sustainability-driven enterprise, supported by a more balanced portfolio spanning agribusiness, renewable energy, horticulture, value-added products, tourism, and selected international ventures.

This transformation is underpinned by the development of a future-ready operating model, supported by innovation, digitalisation, mechanisation, and strong governance frameworks. These enablers will enhance resilience, improve productivity, and support consistent long-term performance. Over time, we will progressively reduce reliance on traditional commodity-driven income streams while strengthening our position as a progressive and globally connected organisation.

PERFORMANCE BEYOND PROFIT

In FY 2025/26, we recorded strong performance across our key commodities, including tea, rubber, palm oil, cinnamon, and emerging crops, exceeding expectations built over several years.

However, profitability alone does not define our progress. Financial outcomes are often influenced by factors beyond our control, such as market conditions, pricing dynamics, and macroeconomic developments. Our true strength lies in what we build and sustain: capability, resilience, and consistency.

This year reaffirmed that our performance is anchored not in favourable conditions alone, but in the discipline, focus, and commitment of our people.

RESILIENCE IN A CHALLENGING ENVIRONMENT

The operating environment remained complex and demanding. A government-mandated wage increase, rising input costs, supply chain disruptions, and climatic impacts placed pressure on performance. In parallel, evolving policy and regulatory conditions, including taxation changes and governance considerations, continued to shape the operating landscape, adding further uncertainty to long-term planning.

> **"OUR AMBITION IS TO CREATE A MODEL WHERE ECONOMIC, SOCIAL, AND ENVIRONMENTAL OUTCOMES ARE MUTUALLY REINFORCING, DELIVERING LONG-TERM VALUE FOR ALL STAKEHOLDERS"**

Global geopolitical developments, particularly in the Middle East, contributed to heightened volatility across commodity and energy markets, with implications for trade, input costs, and export demand.

Despite these headwinds, the Group responded with agility and discipline. Through productivity improvements, effective cost management, and operational focus, we delivered a resilient performance, underpinned by strong gains in yield and production.

A key strength was the stability maintained across our operations. Sustained industrial harmony and alignment at all levels ensured continuity, an important advantage in an industry often exposed to disruption.

While Sri Lanka's economy showed encouraging recovery, recording a GDP growth of 5% in 2025, supported by broad-based growth across sectors, the plantation industry continues to face structural challenges, including climate variability, labour shortages, rising costs, and productivity constraints.

Within the tea sector, near-term price stability driven by supply constraints is accompanied by increasing global competition, reinforcing the need to strengthen quality, differentiation, and value-added offerings to sustain competitiveness.

FINANCIAL PERFORMANCE

Over the years, the Group has progressively strengthened its balance sheet and asset base, reflecting consistent value delivered to shareholders and investors. Today, we are recognised as a credible and trusted partner by financial institutions, reinforcing our capacity to pursue future growth opportunities with confidence.

During the year under review, the Group delivered a strong and resilient performance, underpinned by disciplined execution and operational excellence. Revenue grew by 18% to Rs. 9,078 Mn, driven by higher volumes and improved pricing across key segments. This momentum, combined with enhanced efficiency, resulted in a 34% increase in gross profit and a 46% rise in operating profit. Profit before tax increased by 23% YoY, while profit after tax rose by 27% to Rs. 1,688 Mn, demonstrating our ability to consistently translate growth into sustainable returns.

The Group further enhanced its financial strength during the year, with total assets increasing by 12% and equity growth supported by retained earnings and strong cash generation. Prudent financial management, coupled with improved liquidity and a solid balance sheet, positions the Group well to advance its strategic priorities and deliver sustained shareholder value in the years ahead.

KEY ACHIEVEMENTS AND MILESTONES

In FY 2025/26, the Group was recognised across several prestigious national platforms, reflecting our continued commitment to excellence, sustainability, and responsible corporate citizenship. We were honoured to receive the Gold Award at the Green Productivity Awards presented by the Sri Lanka Association for the Advancement of Quality and Productivity, underscoring our focus on operational efficiency and environmental stewardship. At the Best Corporate Citizen Awards organised by the Ceylon Chamber of Commerce, we were ranked among the Ten Best Corporate Citizens in Sri Lanka, while also being named 1st Runner-up in Category B for entities with turnover below LKR 15 billion. Further reinforcing our commitment to stakeholder engagement and social impact, we secured the Category Award for Community Relations, alongside a Merit Award for Project Sustainability in recognition of the Best Harvest initiative. In addition, our dedication to transparency and quality corporate reporting was acknowledged with a Bronze Award at the TAGS Awards 2025 conducted by the Institute of Chartered Accountants of Sri Lanka. Together, these accolades reflect the strength of our governance practices, our focus on sustainable value creation, and the consistent efforts of our teams across all areas of the business.

OUR PEOPLE: THE DEFINING ADVANTAGE

Across this journey, one constant has defined our progress: our people.

Their capability, perseverance, and shared purpose continue to drive this Company forward. We are strengthened by a unique blend of experience and renewal, with a significant proportion of our leadership having grown within the organisation, complemented by new talent shaping our future.

We have always believed that strategy alone does not deliver outcomes; people do. From the estates to the leadership team, execution is embedded across all levels, ensuring that our vision translates into tangible results.

INNOVATION AND EXPANSION INTO NEW FRONTIERS

Innovation has always been central to our journey. Our continued investment in research, strategic partnerships, and new capabilities reflects our intent to remain ahead of the curve.

We are also expanding beyond traditional boundaries. The regenerative tourism project represents a new model of value creation, bringing together business, community, biodiversity, and experience into a unique, integrated ecosystem.

At the same time, we are exploring opportunities beyond Sri Lanka, including new ventures and partnerships that extend our reach and diversify our growth platforms.

CREATING VALUE FOR ALL STAKEHOLDERS

Our growth is designed to create value that extends across all stakeholders.

For our shareholders, the transformation of the Company over time tells a compelling story. From modest beginnings, Elpitiya Plantations has evolved into a financially strong, largely debt-free organisation with a robust asset base and strong cash flows, positioning it as a credible and attractive investment proposition.

For our employees and communities, our focus goes beyond livelihoods. Through targeted initiatives, ranging from income support to education, nutrition, and social care, we are working towards a vision of zero hunger and zero poverty across our estates.

For our partners and industry stakeholders, we continue to contribute actively to sector development, sharing insights and supporting broader progress.

SUSTAINABILITY AS A CORE ENABLER

Sustainability is not an adjunct to our strategy; it is integral to it.

We have strengthened governance structures, embedded sustainability across operations, and aligned our practices with evolving standards. This approach ensures that our growth is responsible, resilient, and future-focused.

Our ambition is to create a model where economic, social, and environmental outcomes are mutually reinforcing, delivering long-term value for all stakeholders.

Moreover, the Group continues to strengthen the integration of sustainability and climate-related considerations into its enterprise-wide risk assessment processes, in line with evolving regulatory expectations, including the disclosure requirements of SLFRS S1 and SLFRS S2. The Board's sustainability oversight mechanisms, together with established governance processes, support the effective integration of sustainability-related risks into the broader Enterprise Risk Management (ERM) framework. This approach is guided by the Aitken Spence Integrated Sustainability Policy, which provides a comprehensive framework for managing business activities while ensuring adherence to applicable compliance and regulatory requirements.

THE ROLE OF POLICY AND LONG-TERM STABILITY

As we expand into new areas and scale our ambitions, the importance of a stable and enabling policy environment becomes increasingly clear.

Consistency in policy frameworks, investor-friendly conditions, and clarity on long-term factors such as land tenure will significantly enhance our ability to attract investment, foster innovation, and realise our full potential.

We remain committed to working constructively with all stakeholders to support the sustainable development of the industry.

LEADERSHIP TRANSITION AND ACKNOWLEDGEMENTS

During the year, the Company underwent a leadership transition. I assumed the role of Chairman, following the invaluable contributions of my predecessor, Dr. Parakrama Dissanayake.

I extend my sincere gratitude to him, to the Board of Directors, past and present, and to all those who have contributed to the growth of this Company over its journey. This organisation stands today not because of any one individual, but because of the collective effort of many, across generations, who have shaped its path.

In closing, I wish to express my sincere gratitude to all who have contributed to our success. To my colleagues on the Board, thank you for your unwavering support and wise counsel over the years.

On behalf of the Board, I applaud the Group's leadership team for their tireless efforts, which have propelled us to new heights. To our dedicated employees, our achievements over the past years are a direct result of your hard work and commitment to excellence. Your dedication inspires me deeply. Finally, I extend my heartfelt thanks to our valued stakeholders, including shareholders, customers, suppliers, distributors, and partners, for your continued trust and belief in our Company.

LOOKING AHEAD

The path ahead is neither linear nor predictable. It is shaped by shifting currents, economic, environmental, technological, and social, that demand agility and foresight.

As we navigate these forces, we do so with confidence: in our strategy, in our direction, and most importantly, in our people.

We move forward with clarity of purpose, continuing to reimagine our business, redefine our boundaries, and expand into new horizons.

With each step, we venture deeper into open waters, reaching spaces that once lay beyond view, guided by a vision that is ambitious and enduring.

Dr. R. M. Fernando
Chairman

Colombo
04th June 2026

CHIEF EXECUTIVE OFFICER'S REVIEW

AT ELPITIYA PLANTATIONS, TRANSFORMATION IS NOT A PROGRAMME; IT IS AN INSTITUTIONAL MINDSET ALIGNED WITH OUR PURPOSE OF SHAPING THE FUTURE THROUGH TRANSFORMATIONAL THINKING

TOTAL ASSETS

Rs.16Bn

↑ 12% YoY

RENEWABLE ENERGY GENERATION

5.9GWh

COMMUNITY BENEFICIARIES

30,000+

Dear Stakeholders,

I am pleased to present the Annual Report of Elpitiya Plantations PLC for the year ended 31 March 2026, a defining year in which strong operational performance was matched by decisive progress in advancing our strategic transformation.

At Elpitiya Plantations, transformation is not a programme; it is an institutional mindset aligned with our purpose of shaping the future through transformational thinking. It reflects our collective belief that long-term progress must create value not only for business, but also for the people, communities, and ecosystems connected to it. It is embedded in how we think, operate, and lead, shaping our response to complexity, sharpening our ability to capture opportunity, and strengthening our capacity to deliver sustainable, long-term value.

A YEAR OF STRONG PERFORMANCE AND STRATEGIC MOMENTUM

The financial year 2025/26 stands among the most successful in our recent history. Across our diversified portfolio, tea, rubber, palm oil, cinnamon, and emerging crops, we outperformed internal benchmarks and delivered record production levels in multiple segments.

Importantly, this performance was not incidental. It was achieved within a demanding operating context and is a direct outcome of disciplined execution, stringent operational controls, and the deep-rooted productivity culture we continue to institutionalise across the Group.

RESILIENCE IN A COMPLEX OPERATING LANDSCAPE

Significant external pressures characterised the year under review testing not only operational resilience but also the adaptability and commitment of our people across estates, factories, and support functions. Wage increases, rising input costs, climate variability, and global supply chain disruptions collectively tested operational stability. In parallel, shifting geopolitical dynamics and market volatility continued to influence commodity prices and demand patterns.

Despite these challenges, we demonstrated resilience and control. Through targeted interventions, productivity-focused strategies, and disciplined cost management, we effectively mitigated external pressures while sustaining operational momentum.

This ability to absorb shocks while maintaining performance reflects the robustness of our operating model and the strength of our long-term strategic direction.

In this context, the Group recorded a strong financial and operational performance during FY 2025/26, driven by higher production volumes, improved pricing, and focused execution across all key segments. Revenue increased by 18% to Rs. 9,078 Mn, supported by growth in Oil Palm, Tea, Rubber and Cinnamon, which collectively contributed to improved top-line performance.

This translated into a 34% increase in gross profit to Rs. 3,202 Mn and a 46% growth in operating profit to Rs. 1,868 Mn, reflecting improved cost efficiencies, better margins, and effective cost management initiatives. Profit before tax rose by 23% to Rs. 2,377 Mn, while profit after tax increased by 27% to Rs. 1,688 Mn, supported by both operational improvements and stronger finance income. These outcomes reflect more than financial progress. They represent the collective discipline, resilience, and consistency demonstrated across the company in navigating a complex and evolving operating environment.

From a financial position perspective, total assets grew by 12% to Rs. 15,743 Mn, driven by investments in operational capacity and working capital, while equity increased to Rs. 10,742 Mn on the back of retained earnings. The Group maintained a strong balance sheet with improved liquidity and no term debt, enhancing financial flexibility to support future growth.

DRIVING OPERATIONAL EXCELLENCE

Operational excellence remained a defining feature of our performance. We achieved notable productivity gains across core segments, including record yields in oil palm and sustained leadership in tea productivity among Regional Plantation Companies.

These outcomes were underpinned by precision agronomy, enhanced field-level discipline, continuous process optimisation in our factories, and the tireless efforts of our estate and operational teams who continue to sustain performance under increasingly demanding conditions.

Equally critical was the stability of our operations. Strong industrial harmony, built on trust and engagement, ensured continuity across all estates, reinforcing a key strength that underpins our performance.

ACCELERATING TRANSFORMATION AND DIVERSIFICATION

Our transformation journey continues to reposition Elpitiya Plantations as a diversified, future-ready conglomerate. We continue to evolve from a traditional plantation company into a diversified, multi-dimensional enterprise, expanding into high-value sectors, strengthening our presence in horticulture and value-added products, and unlocking new engines of growth.

One defining symbol of this shift is our regenerative tourism initiative, an integrated ecosystem that brings together enterprise, community, biodiversity, and experiential value within a single landscape. It represents a new paradigm of value creation, where economic, environmental stewardship, and community empowerment coexist within a single integrated ecosystem.

Beyond Sri Lanka, we are also extending our footprint into international agricultural ventures, positioning the Group as a globally connected and future-focused organisation.

CHIEF EXECUTIVE OFFICER'S REVIEW

EMBEDDING TECHNOLOGY AND INNOVATION

As we scale and diversify, technology is becoming a central force in shaping our next phase of growth.

During the year, we accelerated the integration of digital platforms, automation, and data-driven decision-making across the business. Our ambition is clear: to build an intelligent, connected enterprise that not only improves efficiency and insight, but also enables safer, smarter, and more sustainable ways of working for our people.

We are also exploring advanced technologies, including AI-driven applications, to address long-standing structural challenges such as labour constraints and efficiency gaps.

PEOPLE AND CULTURE: OUR ENDURING STRENGTH

Behind every achievement lies the strength of our people.

Managing a business of our scale and complexity requires more than expertise; it demands commitment, adaptability, and a shared sense of purpose. Our people continue to meet this challenge, driving performance while embracing change with resilience and agility.

We remain committed to strengthening this foundation by investing in leadership, enhancing capabilities, and embedding a high-performance culture aligned with our long-term vision.

Our responsibility extends beyond our workforce to over 30,000 individuals within our plantation communities. We continue to invest in improving livelihoods, strengthening resilience, and enhancing quality of life, recognising that sustainable success is inseparable from community well-being.

We ensure all employees earn wages that meet or exceed regional living costs, supported by structured compensation frameworks and regular reviews. This is reinforced through the provision of a nutritious midday meal, a significant investment that has positively impacted productivity and attendance.

We also provide strong support for women and families, including access to nutrition, healthcare, crèche facilities, and educational support for children. Regular health screenings promote early intervention, while our dedicated elderly care facility at Meddecombra Estate supports approximately 70 retired workers, reflecting our people-centric approach.

Health and safety remain paramount, given the manual and field-based nature of operations. Through proactive risk management and continuous awareness, we safeguard employee well-being.

Compensation is regularly benchmarked to ensure competitiveness and compliance. At the same time, our commitment to diversity, equity, and inclusion is embedded across our practices, from merit-based recruitment to equitable development opportunities and fair compensation.

Moreover, we foster an inclusive environment, with particular focus on supporting female employees, reinforced by a strict zero-tolerance policy on harassment and continued investment in leadership development.

The stability and industrial harmony maintained throughout the year reflect the depth of this engagement and remain a key strategic strength.

SUSTAINABILITY AS A CORE BUSINESS IMPERATIVE

Sustainability is intrinsic to how we operate and how we grow, reflecting our vision of creating sustainable value through responsible and future-focused growth.

It remains integral to our value creation model and is embedded within our strategy, operations, and decision-making frameworks.

During the year, we recorded measurable progress across key environmental indicators, including a 2% reduction in chemical usage, increased adoption of renewable energy, and lower reliance on the national grid.

We expanded circular economy initiatives, including 19,525 kilograms of biochar production from agricultural waste, while ensuring full compliance with regulatory and certification standards, including EPL and FSC requirements.

Our increasing shift toward renewable energy has contributed to the generation of 5.9 GWh of clean energy, complemented by investments in nature-based solutions that enhance carbon sequestration, biodiversity, and climate resilience.

LOOKING AHEAD WITH CONFIDENCE

We close the year with a strong financial position, underpinned by healthy cash flows, a resilient balance sheet, and disciplined capital management. While we remain confident in our long-term direction, we also recognise the responsibility that comes with shaping the future of an industry that supports livelihoods, communities, and national economic value creation.

Our transformation is increasingly translating into structural strength, enhancing not only current performance but also the long-term adaptability and sustainability of the business. As we look ahead, our priorities remain firmly defined: deepening productivity and operational efficiency, accelerating diversification into high-value sectors, scaling technology integration across the Group, and expanding our international footprint.

At the same time, we recognise the critical importance of a stable and enabling policy environment to support sustained investment and the long-term growth of the industry.

CONCLUSION

The year under review affirms that Elpitiya Plantations is not only resilient but also purposefully evolving, with clarity of vision, strength of execution, and confidence in its future.

Our progress reflects disciplined leadership, strategic foresight, and the dedication of our people.

I extend my sincere appreciation to the Chairman, Board of Directors, and Management Committee for their guidance and stewardship. I also thank our employees whose commitment, resilience, and dedication continue to drive our success. I am grateful to our shareholders, customers, partners, and communities for their continued trust, confidence, and support throughout our journey.

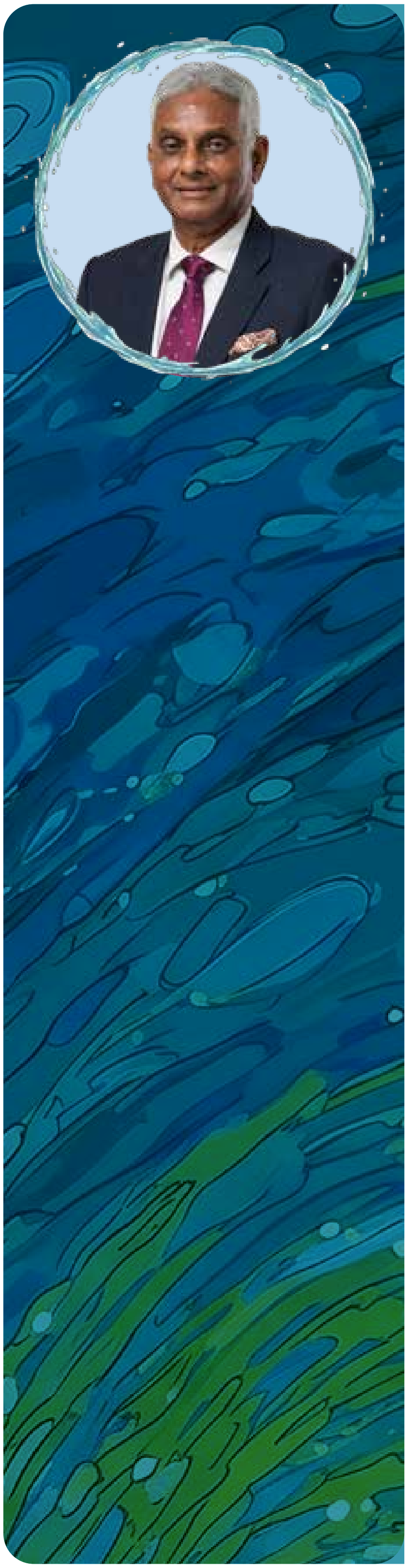
Together, we remain committed to building a stronger, more diversified, and future-ready enterprise that creates lasting value for our shareholders, empowers our communities, and contributes meaningfully to the future of Sri Lanka's plantation sector.

Mr. A. G. Geeth Kumara Dayananda
Director / Chief Executive Officer

04th June 2026

BOARD OF DIRECTORS

GRI 2-11



DR. R. M. FERNANDO

Chairman (Executive Director)

Date of First Appointment to the Board:
1st August 1997

Board Tenure:
29 years

Board Committee Memberships:
None.

Professional Background:
Dr. Fernando is a highly experienced plantation sector professional with a distinguished career spanning both public and private sectors, currently serving as the Chairman of Elpitiya Plantations PLC and as an Executive Director of Aitken Spence PLC. He has played a pivotal role in the transformation of Sri Lanka's plantation industry following privatisation, driving operational efficiency, diversification of crops, and the integration of sustainability practices across estates. His leadership in industry bodies such as the Palm Oil Industry Association reflects his contribution to sector development, policy advocacy, and the promotion of sustainable agricultural practices, positioning the plantation sector for long-term value creation.

Key Areas of Expertise:
Plantations / Strategy / Sustainability / Agribusiness

Qualifications:
- PhD – University of Colombo
- MBA – University of Colombo
- Chartered Marketer; Fellow – CIM (UK)

Other Notable Contributions:
- President of the Palm Oil Industry Association
- Committee Member of the Asian Palm Oil Alliance (APOA)
- Member of the UNICEF Sri Lanka Business Council
- Past Chairman of United Nations Global Compact Network, Sri Lanka,
- Past President of the Chartered Institute of Marketing Sri Lanka Chapter
- Past Chairman of the Planters Association of Ceylon

MR. A. G. GEETH KUMARA DAYANANDA

Executive Director / Chief Executive Officer

Date of First Appointment to the Board:
01st October 2025

Board Tenure:
08 months

Board Committee Memberships:
None.

Professional Background:
Mr. Geeth Kumara has over 38 years of experience in the plantation sector, having joined Elpitiya Plantations Limited at the time of privatisation under the management of Carsons Agro Services (Pvt) Limited in June 1992 and continuing to serve the Company since then. Over the course of his career, he has held progressively senior roles from Estate Manager to Senior General Manager of the Low Country Region, contributing extensively to estate management and operational development. He was appointed Chief Operating Officer – Plantations & Sustainability in 2021 and subsequently promoted to Deputy Chief Executive Officer in 2023, playing a key role in strengthening operational performance and sustainability integration. He has been actively involved in expanding palm oil and cinnamon cultivation within the Company and was recognised with a special award for achieving the highest profitability in the plantations during the period 1997–2017 under challenging operating conditions.

Key Areas of Expertise:
Plantations / Agriculture / Estate Management / Sustainability / Operations

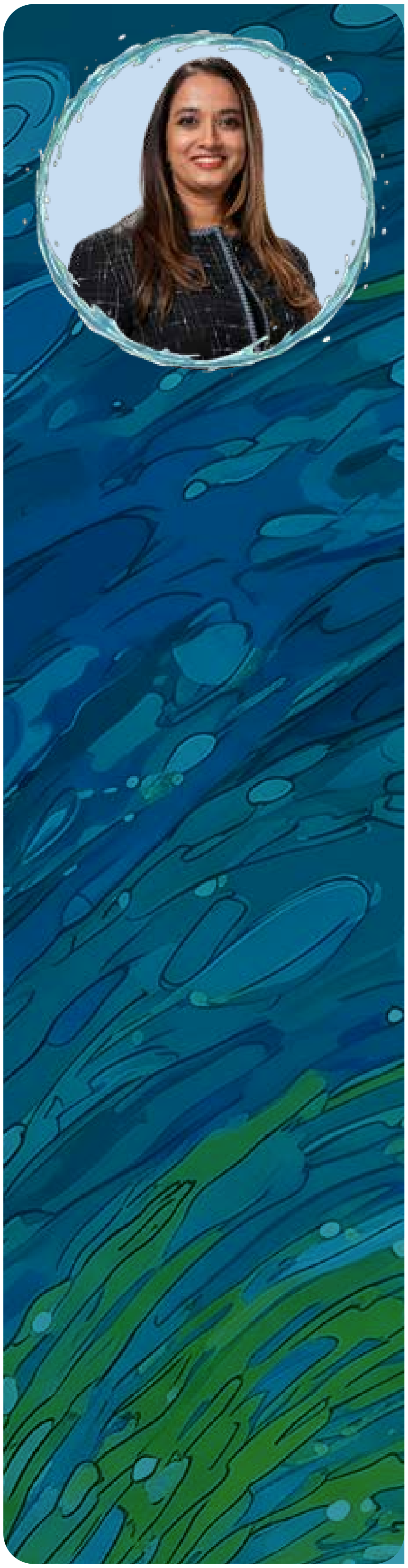
Qualifications:

- Doctorate in Business Administration (DBA) (Reading) – University of Colombo
- Master's Degree in Conflict & Peace Studies – University of Colombo
- Diploma in Plantation Management – National Institute of Plantation Management (NIPM)
- Diploma in Marketing – London Business School

Other Notable Contributions:

- Former Chairman – Regional Scientific Committee, Tea Research Institute (Galle District)
- Former Honorary Secretary – Galle District Planters' Association of Ceylon
- Former Secretary – Forest and Timber Certification Foundation
- Former Treasurer – Ceylon Cinnamon Geographical Indication Association

BOARD OF DIRECTORS



MS. D. S. T. JAYAWARDENA

Non-Executive Director

Date of First Appointment to the Board:
1st April 2026

Board Tenure:
2 months

Board Committee Memberships:
None.

Professional Background:
Ms. Stasshani Jayawardena marks several milestones for the Aitken Spence Group as the first female Chairperson in its 157-year history, with her appointment as Executive Chairperson in February 2025. She was also the youngest, and the first female to be appointed to the Board of Aitken Spence PLC, Aitken Spence Hotel Holdings PLC, and Browns Beach Hotels PLC, in December 2013.

With a career spanning over 10 years at Aitken Spence, she wields a fresh perspective in management and heads strategic business units across the Group. She leads several key strategic teams as the Interim Managing Director of Aitken Spence PLC, Chairperson of Aitken Spence Hotel Managements (Pvt) Ltd., as Deputy Chairperson of Lanka Milk Foods (CWE) PLC., and as a Member of the Board of Directors of Stassen Group, Melstacorp PLC and Distilleries Company of Sri Lanka PLC.

The youngest intern to work under US Senator Hilary Rodham Clinton and the Former US President Bill Clinton in 2003, Ms. Jayawardena was appointed as the Sri Lankan Ambassador for EY NextGen Club from 2017 to 2019. She has served as a Member of the PwC Next- and Now-Generation Advisory Council since 2020.

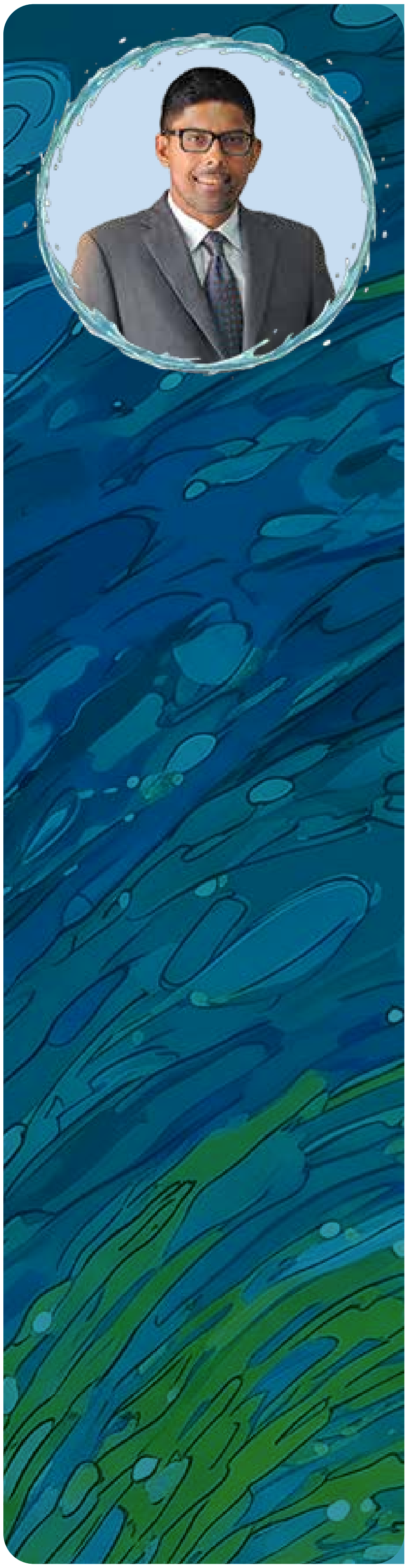
Key Areas of Expertise:
Strategy / Corporate Leadership / Hospitality & Leisure / Governance / Business Transformation

Qualifications:

- Graduate of St. James' & Lucie Clayton College and Keele University, United Kingdom
- Graduate of the Emeritus Institute of Management, Singapore
- Associate Alumni – University of Cambridge (Judge Business School), United Kingdom

Other Notable Contributions:

- Sri Lankan Ambassador for EY NextGen Club (2017–2019)
- Member – PwC Next- and Now-Generation Advisory Council (since 2020)
- Member – Executive Board of The Hotel Association of Sri Lanka (THASL); representative at the Ceylon Chamber of Commerce Committee (since 2019)
- Executive Committee Member – International Chamber of Commerce Sri Lanka (since 2020)
- Vice Chairman and Steering Committee Member – Tourism Sector, Ceylon Chamber of Commerce
- Former Chairperson – Employers' Federation of Ceylon (EFC) Hotels and Tourism Employers Group (2020/21)
- Director – Colombo International Arbitration Centre (appointed January 2025)
- Ambassador – Aitken Spence PLC at UN Global Compact Target Gender Equality initiative (since 2020)
- Recipient of multiple recognitions including:
    - Top 50 Professional & Career Women Awards Sri Lanka (Gold Award – Hospitality Sector, 2017)
    - Echelon recognition as one of Sri Lanka's most innovative young business leaders (2020)
    - Expatriate Contribution Award – Women in Management Maldives (2022)
    - Global CEO Leadership Excellence Awards (2024)
    - Global CEO Top Businesswomen Award (2025)
    - Trailblazing Corporate Leader Award – Top 50 Global Awards (2025)
    - LMD Emerging Businessperson of the Year (2025)
    - CEO of the Year Awards – Trailblazing Leadership recognition (2025)



MR. MALIK J. FERNANDO

Non-Executive Director

Date of First Appointment to the Board:
1st August 1997

Board Tenure:
29 years

Board Committee Memberships:
- Remuneration Committee – Member

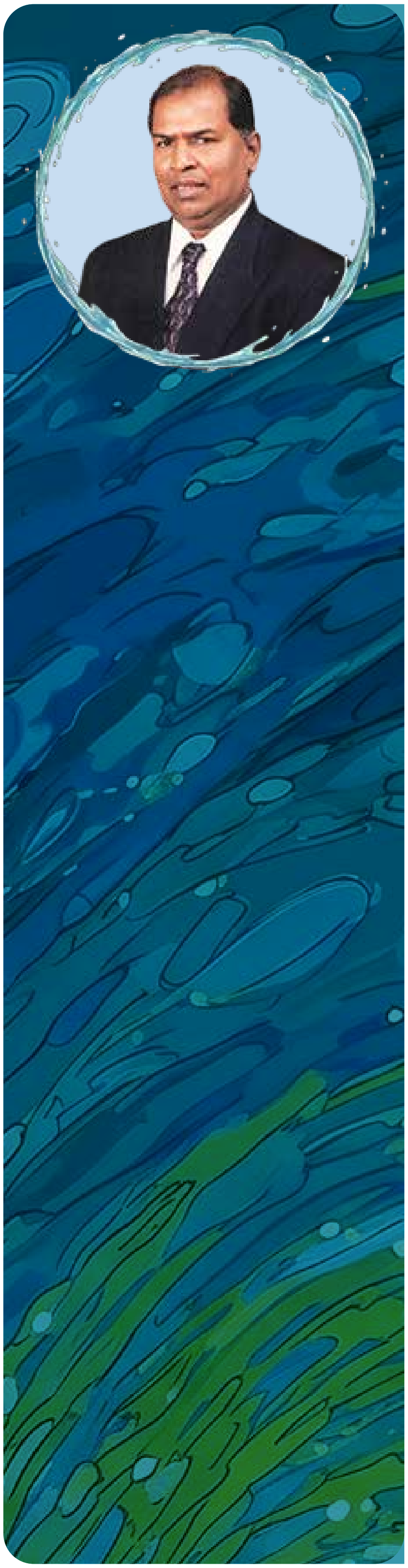
Professional Background:
Mr. Malik Fernando is a renowned entrepreneur and business leader with significant contributions to Sri Lanka's tea, tourism, and sustainability sectors. As Co-Chair of MJF Holdings, he has been instrumental in shaping Dilmah Tea into a globally recognised, origin-based tea brand, promoting value addition within Sri Lanka's export economy. Through the establishment of Resplendent Ceylon, he has pioneered the development of high-end, sustainable tourism experiences in Sri Lanka, integrating conservation, community upliftment, and heritage preservation. His work has contributed to elevating Sri Lanka's global brand positioning in both tea and tourism, while promoting environmentally responsible business practices.

Key Areas of Expertise:
Tourism / Brand Development / Sustainability / Strategy

Qualifications:
BSc (Business Management), Babson College, Boston

Other Notable Contributions:
Founder – Sri Lanka Tourism Alliance

BOARD OF DIRECTORS



MR. D. A. DE S. WICKREMANAYAKE

Non-Executive Director

Date of First Appointment to the Board:
2nd October 2017

Board Tenure:
8 years and 7 months

Board Committee Memberships:
None.

Professional Background:
Mr. Wickremanayake is an experienced industrialist with a diversified business portfolio spanning agriculture, dairy, marine engineering, and manufacturing sectors. As Founder and Chairman/Managing Director of Master Divers (Pvt) Ltd, he has contributed to the development of Sri Lanka's marine engineering and offshore services industry. In his role as Chairman of Pelwatte Dairy Industries Ltd, he has played a key role in strengthening the domestic dairy sector through value-added production and supply chain development. His leadership experience in state institutions, including the National Livestock Development Board, further reflects his contribution to national agricultural policy and sector advancement.

Key Areas of Expertise:
Agriculture / Diversified Business / Corporate Management

Qualifications:
Shipwright Diver

Other Notable Contributions:

- Chairman of Mawbima Lanka Foundation
- Former Chairman – National Livestock Development Board
- Former Chairman - State Engineering Corporation
- Member of the University Grant Commission Standing Committee on Agriculture, Veterinary, Medicine and Animal Science, Advisory Board
- Member of Sabaragamuwa University, Council Member of Ocean University
- Faculty Representative for the Faculty of Technology, University of Colombo

MS. M. K. D. N. MADAMPE

Non-Executive Director

Date of First Appointment to the Board:
27th November 2024

Board Tenure:
1 year and 06 months

Board Committee Memberships:
None

Professional Background:
Ms. Madampe is a senior public sector professional of the Sri Lanka Administrative Service with over two decades of experience in public administration, fiscal policy, and institutional governance. Currently serving as Additional Director General at the Department of Management Services at the Ministry of Finance, she plays a key role in overseeing human resource management and public sector organisational structures. Over her career, she has held positions across key divisions of the Treasury, including Fiscal Policy, Trade Tariff and Investment Policy, and Development Finance, contributing to policy formulation, regulatory frameworks, and economic governance. Her experience across statutory boards, regulatory agencies, and policy committees has enabled her to support national-level decision-making and strengthen public sector management practices, particularly in areas relating to efficiency, resource optimisation, and institutional reform.

Key Areas of Expertise:
Public Policy / HR Governance / Public Administration

Qualifications:
- Master's in Public Policy - National Graduate Institute for Policy Studies (GRIPS), Japan
- BA (Hons) in Geography - University of Colombo

BOARD OF DIRECTORS

MR. M. J. S. RAJAKARIAR

Independent Non-Executive Director

Date of First Appointment to the Board:
01st January 2025

Board Tenure:
1 year and 5 months

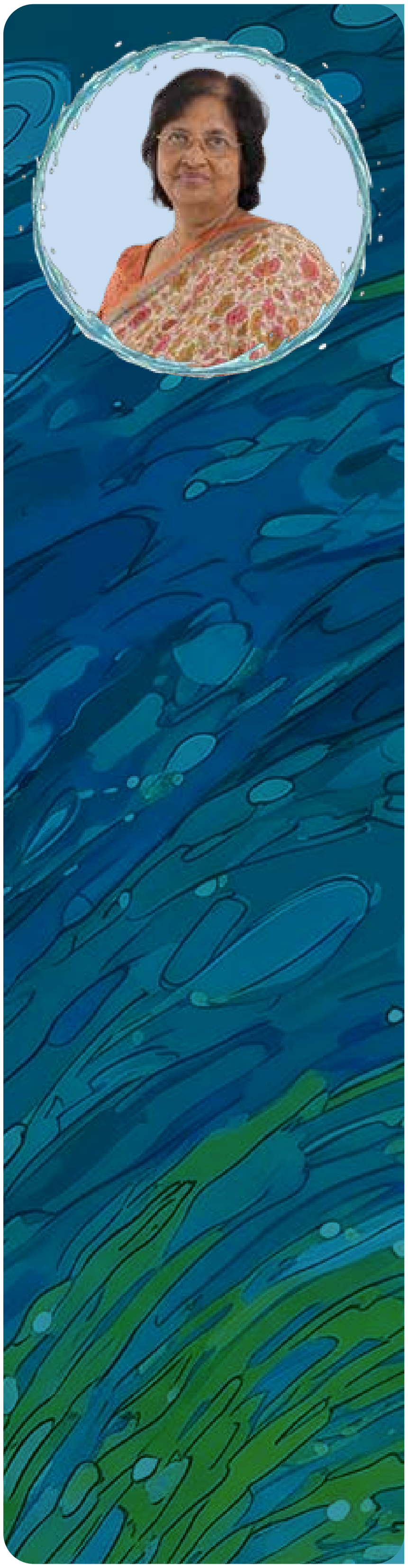
Board Committee Memberships:
- Audit and Risk Committee – Chairman
- Related Party Transactions Review Committee – Member
- Remuneration Committee – Member
- Nominations & Governance Committee – Member

Professional Background:
Mr. Rajakariar is a senior finance professional with over three decades of experience across leading corporates and international audit firms. He most recently served as Chief Financial Officer of South Asia Gateway Terminals (SAGT), where he contributed to financial strategy, capital management, and operational oversight within the port and logistics sector. Prior to this, he was Group Financial Controller of John Keells Holdings PLC, overseeing group financial reporting, consolidation, and governance across a diversified conglomerate, and also served within the Group as Sector Financial Controller for the Tea Broking and Plantations sector and as Head of Shared Services. He commenced his career with Coopers & Lybrand (PwC) in Sri Lanka and overseas, gaining experience in audit, assurance, and financial compliance.

Key Areas of Expertise:
Finance / Audit / Governance

Qualifications:
- Fellow of the Institute of Chartered Accountants (CA) Sri Lanka
- Fellow of Chartered Institute of Management Accountants, UK
- Fellow of the Institute of Certified Management Accountants of Sri Lanka

Other Notable Contributions:
- Member of the Ethics Committee - CA Sri Lanka
- Member of the Finance Committee of Sri Lanka Cancer Society
- Member of the Audit Committee and Board of Management of the SAB Campus of CA Sri Lanka.
- Member of the Audit Committee of David Pieris Holdings Limited.



MS. M. D. A. PERERA

Non-Executive Director

Date of First Appointment to the Board:
27th August 2024

Board Tenure:
1 year and 10 months

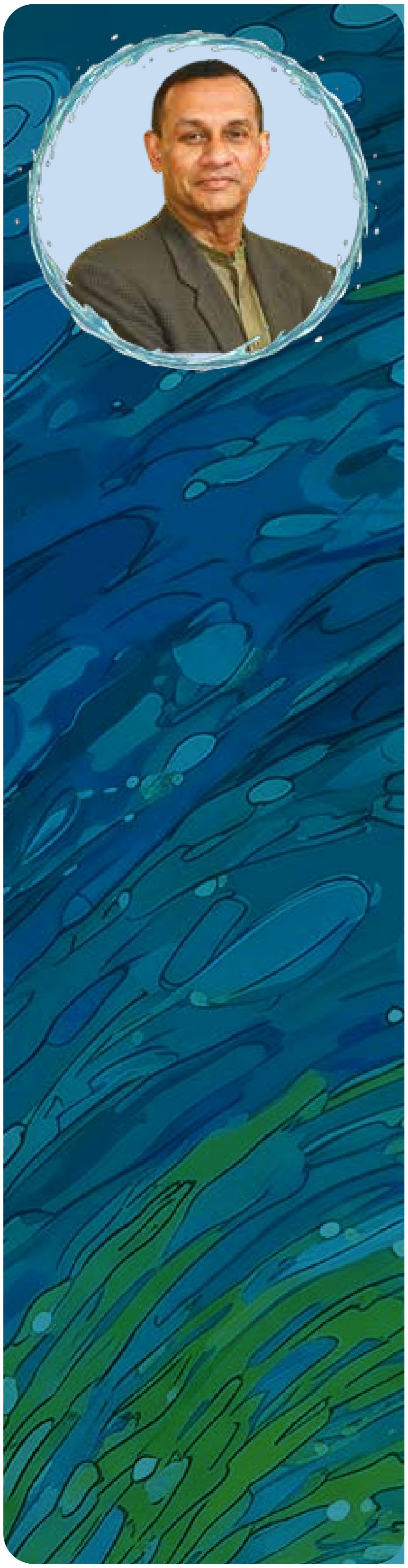
Board Committee Memberships:
- Audit and Risk Committee – Member
- Related Party Transactions Review Committee – Member
- Nominations and Governance Committee – Member

Professional Background:
Ms. Perera is a senior finance professional with over four decades of experience in financial management and corporate governance. As former Group Finance Director of the MJF Group, she played a key role in strengthening financial controls, reporting frameworks, and regulatory compliance. She has held senior finance and board roles across listed and private entities and, through her service on Board Audit Committees and other sub-committees, continues to provide oversight on financial integrity, risk management, and governance.

Key Areas of Expertise:
Finance / Audit / Governance

Qualifications:
- Fellow of the Institute of Chartered Accountants (CA) Sri Lanka
- Fellow of Chartered Institute of Management Accountants, UK
- Fellow of the Association of Chartered Certified Accountants, UK

BOARD OF DIRECTORS



DR. R. A. FERNANDO

Independent Non-Executive Director

Date of First Appointment to the Board:
01st January 2025

Board Tenure:
1 year and 5 months

Board Committee Memberships:
- Audit and Risk Committee – Member
- Related Party Transactions Review Committee – Chairman
- Remuneration Committee – Member
- Nominations and Governance Committee – Member
- Sustainability Committee – Chairman

Professional Background:
Dr. R. A. Fernando is a strategy and sustainability expert with extensive experience in innovation-led organisational development, having served as Chief Executive Officer of the Sri Lanka Institute of Nanotechnology and as Operations Director at the Malaysia Blue Ocean Strategy Institute. His work has focused on driving transformative strategies, promoting research and innovation ecosystems, and advancing sustainability-oriented business practices. Through his involvement in multiple listed companies, he contributes to strengthening governance frameworks and guiding organisations in navigating complex strategic and environmental challenges.

Key Areas of Expertise:
Strategy / Sustainability / Governance / Innovation

Qualifications:
- Doctor of Business Administration Degree - the European Business School
- Master of Business Administration - the University of Colombo
- Master of Studies in Sustainability Leadership - University of Cambridge
- Post Graduate Certificate in Sustainable Business – University of Cambridge
- Advanced Management Program - INSEAD Business School (France)

Other Notable Contributions:
- Creation of the '21st Century Board Leadership Model-MasterClass'© for the Institute of Directors of Luxembourg (2020)
- 21st Century Leadership to Fight the Code Red for Business (Archway Publishing USA, 2023)
- First CEO of the Sri Lanka Institute of Nanotechnology (2008-2011)
- "Global Strategy Leadership Award" - World Strategy Summit (2007)
- First UN Global Compact Focal point (2007)
- Setting up of the UNGC Sri Lanka Network

PROF. A. S. DHARMASIRI

Independent Non-Executive Director

Date of First Appointment to the Board:
01st January 2025

Board Tenure:
1 year and 5 months

Board Committee Memberships:

- Remuneration Committee - Chairman
- Nominations and Governance Committee – Chairman
- Sustainability Committee – Member

Professional Background:
Prof. Dharmasiri is a leading academic and practitioner in the field of human resource management and organisational leadership, serving as a Senior Professor at the Postgraduate Institute of Management, University of Sri Jayewardenepura. He is also an acclaimed conference speaker, corporate trainer, strategy consultant and scholarly author, who identifies as one who transitioned from being an "Engineer of Electrical" to an "Engineer of Hearts and Minds". His work has significantly contributed to advancing HR practices in Sri Lanka through research, teaching, and advisory roles with corporate and public sector institutions.

Key Areas of Expertise:
Human Resources / Leadership / Strategy / Governance

Qualifications:

- Commonwealth AMDISA Doctoral Fellow
- Fulbright Postdoctoral Fellow
- Commonwealth Postdoctoral Fellow
- Chartered Manager (CMI – UK)
- Chartered HR Professional (CIPM)
- Chartered Electrical Engineer (IESL)
- PhD and MBA (Merit) from Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura
- BSc. Eng (Electrical) from Faculty of Engineering, University of Moratuwa

Other Notable Contributions:

- Former Chairman - Board of Management, Postgraduate Institute of Management (PIM), University of Sri Jayewardenepura
- Adjunct Professor at Price College of Business, University of Oklahoma.
- Former Editor of the Sri Lankan Journal of Management (SLJM).
- Past President of Chartered Institute of Personnel Management (CIPM) and Chartered Management Institute (CMI) Sri Lanka Branch.

STRATEGIC MANAGEMENT

Seated (L to R) : Mr. A. G. G. K. Dayananda - Chief Executive Officer, Dr. R. M. Fernando - Chairman, Mr. P. S. Dissanayake - Chief Operating Officer- Engineering, Project Management & Business Strategies

Standing : Mr. J. A. R. Nissanka - Chief Operating Officer– Finance & IT Development

CORPORATE MANAGEMENT

MR. M. I. IZZADEEN
Chief Sustainability Officer

MR. L. D. N. G. NANAYAKKARA
Senior General Manager
Administration & Legal

MR. V. A. A. D. VITHARANA
General Manager
Horticulture Project

MRS. M. A. D. T. P. EDIRISINGHE
General Manager
Human Resources

MR. D. J. MIRIYAGALLAGE
General Manager
Marketing

MR. S. M. D. THALGASWATTE
General Manager
IT

MRS. N. WIJETUNGA
General Manager
Finance

MR. D. V. PATHIRANA
Deputy General Manager
Marketing

MR. W. M. L. D. WEERAKOON
Deputy General Manager
Berry Project

CORPORATE MANAGEMENT

MR. P. D. W. WITHANAGE
Senior Manager
Sustainability

MR. M. A. A. S. MADAWALAARACHCHI
Senior Manager
Forestry, Other Crops & Sustainability

MR. W. A. D. U. R. DE SILVA
Senior Manager
Business Development

MR. W. J. W. DUNUKEWILA
Senior Manager
Sales

MR H. G. C. N. SENEVIRATNE
Senior Manager
IT

MR. D. H. C. SAMARANAYAKE
Manager
Oil Palm Quality Assurance

MS. M. N. S. MADURIKA
Manager
Finance

MR. T. S. PRIYANTHA
Manager
MIS & Risk

MRS. L. KEKULAWALA
Manager
Procurement

MR. W. D. T. D. UPANANDA
Manager
Engineering & Projects

MRS. T. M. P. A. GUNAWARDENA
Manager
Projects

MR. G. K. M. B. JAYASENA
Manager
Farm Operations

MR. C. S. FERNANDO
Manager
Business Development

MR. K. M. P. RANGANA
Manager
Agriculture & Training

ESTATE MANAGEMENT TEAM

UP-COUNTRY

MR. K. R. MATHAVAN
General Manager
Upcountry Cluster II & Meddecombra Estate

MR. U. A. E. GUNASENA
Deputy General Manager
Upcountry Cluster I & Dunsinane Estate

MR. K. M. RANCHAGODA
Manager
Sheen Estate

MR. S. DILUKSHAN
Manager
Fernlands Estate

MID-COUNTRY

MR. S. K. S. B. PAHATHKUMBURA
Senior General Manager
Mid Country & New Peacock Estate

MR. D. A. U. A BADDEVITHANA
Manager
Nayapane Estate

LOW-COUNTRY

MR. L. M. C. P. LIYADIPITA
Senior General Manager
Low Country

MR. D. U. H. BULUGAHAPITIYA
Senior General Manager
Devitura Estate

MR. R. B. S. DOUGLAS
Deputy General Manager
Ketandola Estate

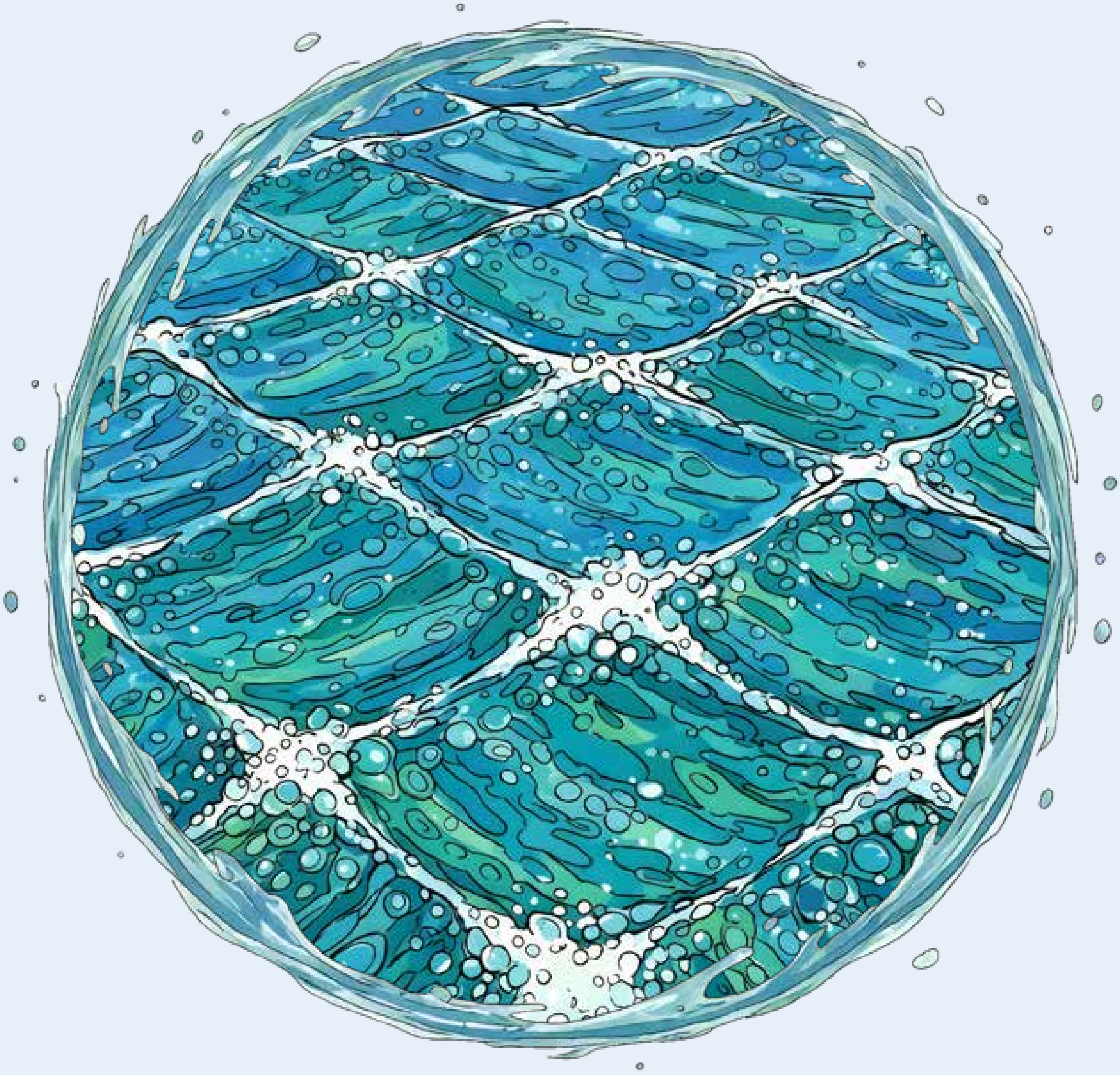
MR. K. S. GANEWATTA
Manager
Talgaswella Estate

MR. R. K. P. D. BANDARA
Manager
Bentota Estate

MR. W. K. G. M. RAJAPAKSHA
Manager
Elpitiya Estate

MR. M. C. L. WIMALASENA
Manager
Lelwala Estate

MR. A. M. C. ATTANAYAKE
Manager
Gulugahakande Estate



BEYOND WHAT WE NAVIGATE

At Elpitiya Plantations, we move beyond surface-level performance to navigate the deeper currents shaping our progress. Our approach brings together strategy, operations, and market dynamics into a unified flow to generate meaningful insight and build a more connected, resilient understanding of how value is created.

Cross waves form when multiple wave systems converge from different directions, creating intricate, layered patterns on the surface. These formations are the result of a dynamic yet structured system where forces intersect and influence one another. These waves also reveal that complexity is not disorder, but the visible outcome of multiple systems operating together within a unified framework.

THE MANAGEMENT DISCUSSION AND ANALYSIS SEGMENT CONSISTS OF THE FOLLOWING SECTIONS;

1

STRATEGIC DIRECTION

Our long-term success is guided by a clear strategic direction that balances growth, sustainability, and stakeholder value. This section includes;

2

YEAR IN REVIEW

This section provides insight into the operating landscape, the contribution of our business segments, and the strategic initiatives that supported our continued growth and transformation.

3

LEVERAGING ON OUR CAPITALS

Our ability to create enduring value depends on how effectively we utilise and enhance our capitals. This section presents;

OUR TRANSFORMATIONAL STRATEGY- "TRANSFORMATION 2030"

STRATEGIC DIRECTION

Our strategic direction is anchored in our purpose: "Shaping the future through transformational thinking – reimagining lives, communities and the planet."
While our purpose remains constant, our strategic ambitions are guided by our Vision. This purpose reflects a commitment to responsible land stewardship and long-term value creation for people, communities and ecosystems. Our vision calls for the evolution of our business model beyond traditional plantation operations, positioning us to explore new growth avenues, create sustainable value, and build a more diversified and resilient enterprise.

As a land-based organisation with a significant residential workforce and a deep plantation heritage, we view our land portfolio as part of a wider socio-ecological system. Guided by this understanding, we seek to responsibly manage our resources while pursuing innovation, partnerships and new opportunities that strengthen resilience and sustainable growth.

Our strategic transformation has been shaped by structural shifts within the plantation industry, including rising cost pressures, climate-related disruptions, workforce constraints and increasing demand for sustainable and value-added products. The strategy therefore seeks to reposition the organisation into a diversified, technology-enabled and sustainability-led enterprise capable of delivering resilient long-term growth.

Our Strategy

Purpose : Shaping the future through transformational thinking – reimagining lives, communities and the planet.

Vision: We will transform into a diversified, sustainable and innovative conglomerate by 2030

Transformation Management Office (TMO)

Corporate Support Function	Strategic Business Units: Agribusiness SBU (Strengthen the core)	Strategic Business Units: Diversified Business SBU (Grow beyond the core)
Finance, Risk and Compliance	Tea | Oil Palm | Forestry | Cinnamon | Other	High-value Horticulture
Administration, Legal, and Facility Mgt.	Up Country Cluster I	Renewable Energy
IT and Digital Infrastructure	Up Country Cluster II	Value-added Products & Branding
Engineering and Projects	Mid Country Cluster	International Business
People & Culture	Low Country Cluster	Regenerative Tourism
Sustainability		
Processing		
New Business Incubation		

Strategy Enablers

Mechanisation, Automation and Digitalisation	People and Culture	Environmental, Social and Economic Sustainability	Corporate Branding	Partnerships and Financing	Governance

Strategy Facilitation Engines (Task Forces)

Technology Adaptation and Innovation Task Force	People and Culture Transformation Task Force	Corporate Communication and Branding Task Force	Sustainability Task Force

Strategic Business Units

To deliver on this ambition, operations are structured around two core SBUs:

- Agribusiness SBU: Strengthens core plantation crops, including tea, oil palm, timber, cinnamon and other agricultural products across all regions. Priorities include productivity enhancement, operational efficiency, value addition and sustainable agricultural practices.
- Diversified Business SBU: Expands into new business opportunities to reduce dependence on traditional plantation income. Selected ventures will be developed under specialised sub business units, leveraging land

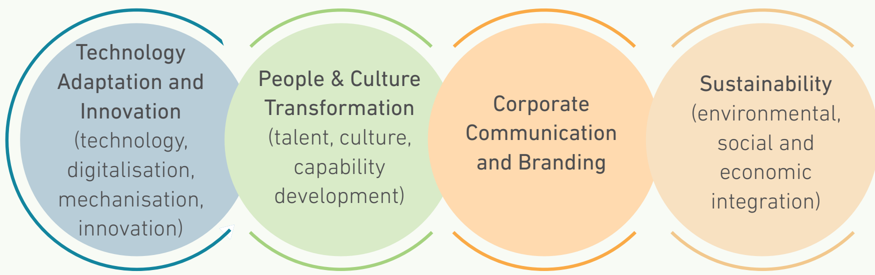
resources, value-added agriculture and emerging sustainable industries. We also seek to progressively strengthen our international presence through export market expansion, overseas partnerships, and selective international ventures. This approach supports geographic diversification, broadens access to new markets and reduces exposure to country-specific operational and market risks while positioning the organisation as a globally connected enterprise.

Corporate Support Function

Centralised shared services to provide governance, expertise and operational support across all SBUs, ensuring efficiency and alignment.

Transformation Management Office (TMO)

An independent TMO oversees our transformation journey, coordinating strategic initiatives and monitoring delivery. The TMO is supported by four specialised task forces:



An external industry expert involves in each task force to ensure best practice implementation and effective knowledge transfer.

Strategic Enablers

Execution of our strategy is supported by key enablers:

Our Transformation Ambition

By 2030, we aspire to evolve from a traditional plantation company into a diversified, technology-enabled and sustainability-driven conglomerate with a balanced portfolio of businesses spanning agribusiness, renewable energy, horticulture, value-added products, international ventures and tourism-related operations.

We envision a future-ready operating model supported by innovation, digitalisation, mechanisation and strong governance frameworks, enabling greater operational resilience, improved productivity and long-term sustainable value creation. Through this transformation, we aim to reduce reliance on traditional commodity-driven income streams while strengthening our position as a progressive and globally connected enterprise

A Future-Ready Organisation

Through this integrated strategy, we aim to strengthen our core agribusiness while accelerating diversification into new growth areas. By combining innovation, sustainability and strategic partnerships, we are building a resilient, future-ready organisation that creates sustainable long-term value for all stakeholders.

OUR TRANSFORMATIONAL STRATEGY- "TRANSFORMATION 2030"

STRATEGIC BUSINESS UNITS

1: Agribusiness SBU

Focus Area

Strengthening the performance and long term sustainability of the Company's core plantation operations by enhancing productivity, driving cost leadership, and optimising value across key crops including tea, oil palm, cinnamon, coconut, and timber. The pillar also emphasises improving crop yields, enhancing leaf quality, optimising land use, and increasing operational efficiency through mechanisation and digital agriculture technologies across all regions, covering 8,800 hectares.

Value Creation Activities During the Year

- Implemented improved agronomic practices and crop management programmes across 8,800 hectares, resulting in enhanced productivity and crop quality. Replanting and infilling programmes were carried out across estates, focusing on high yielding cultivars.
- Expanded mechanisation initiatives, machine plucking, drone assisted crop monitoring, and mechanised weeding, leading to improved labour productivity and operational efficiency.
- Oil palm operations remained a strong contributor to agribusiness profitability, generating 27 Mn kg of Fresh Fruit Bunches (FFB). Cinnamon and coconut cultivation expanded to 144 hectares, strengthening crop diversification.
- Implemented sustainability-driven agricultural practices, including soil carbon enhancement, rainwater harvesting, and reductions in chemical inputs across all estates.

Key Risks	Opportunities
• Climate variability and extreme weather events affecting crop yields. • Labour shortages affecting plantation operations. • Commodity price volatility in global tea markets. • Regulatory uncertainty and policy inconsistency.	• Productivity gains through mechanisation and digital agriculture technologies. • Expansion of high value crops such as cinnamon and coconut. • Higher value realisation through improved tea quality. • Optimisation of land use by transitioning out of unproductive crop segments

Targets for FY 26/27	Key Performance Indicators (KPIs)
• Continue improving operational efficiency and crop productivity through data-driven agribusiness practices • Expand and optimise selected high-potential cultivation areas • Strengthen the Company's cinnamon operations through productivity enhancement and value-added processing initiatives	• Yield per hectare (YPH) • Net Sales Average (NSA) per kilogramme • Cost of Production per kilogramme • Extent under crop diversification for high value crops • Factory efficiency and processing volumes • Labour productivity indicators (RLO, Made Tea Outturn, PLO)

Resources allocated

- Capital investment of Rs. 566 Mn in replanting, mechanisation, and irrigation infrastructure.
- Investment of Rs. 3 Mn in digital agriculture tools, including drone based crop monitoring, sensors, and data analytics platforms.
- 23 training and capacity building programmes covering field staff and estate management teams.

Future Focus

Short Term	Medium Term	Long Term
• Improve crop productivity through better agronomic practices and mechanisation across all estates	• Expand high value crops such as coconut and cinnamon by 25 hectares. • Introduce advanced digital agriculture and AI driven crop monitoring tools. • Optimise land use by reallocating unproductive crop segments	• Develop a technology enabled, climate resilient plantation model capable of sustaining higher yields, while strengthening the agribusiness segment's contribution to overall Company revenue.

Relevant SDGs	Stakeholders Impacted	Capitals Impacted
9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production; 15 Life on Land; 17 Partnerships for the Goals	Investors, Customers, Employees, Business Partners, Community, Regulators	Financial Capital, Manufactured Capital, Intellectual Capital, Human Capital, Natural Capital, Social & Relationship Capital

OUR TRANSFORMATIONAL STRATEGY- "TRANSFORMATION 2030"

Diversified Business SBU

Focus Area

Expanding and strengthening diversified revenue streams beyond traditional plantation operations by developing scalable businesses in high value horticulture, renewable energy, value added food products and branding, international markets, and tourism related ventures. This strategic pillar supports revenue resilience, enhances value addition across agricultural supply chains, and accelerates the Company's long term objectives.

Value Creation Activities During FY 2025/26

- Controlled environment berry cultivation expanded to 53 polytunnels covering 22 hectares, increasing annual berry production by 56%.
- Solar and mini hydro operations reached a combined installed capacity of 4,210 kW, generating approximately 5,962,507 kWh of renewable energy during the year.
- Introduced 3 new SKUs under the Berry Much and Tropifrut brands, with distribution expanding to 502 retail outlets across the island
- Export operations expanded across target markets in near-shore countries, generating export revenue of Rs. 128 million from tea, berries, and spices.
- Regenerative tourism development progressed with feasibility studies and master planning. R&D initiatives continued for emerging agribusiness opportunities such as agarwood cultivation.

Key Risks	Opportunities
• Market volatility for premium horticultural and value added food products • Operational complexities in scaling controlled environment agriculture and maintaining cold chain logistics. • Regulatory and permitting challenges impacting renewable energy development timelines. • Export market risks, including exchange rate volatility and trade policy changes	• Rising domestic and regional demand for premium berries and value added food products • Strong national policy support for renewable energy expansion • Significant export growth potential in markets such as Fiji, the Maldives, and others • Growing demand for premium tea, spices, and horticultural products in international markets

Targets for FY 26/27	Key Performance Indicators (KPIs)
• Expand horticulture operations and improve production capabilities through modern agricultural technologies • Strengthen market presence and distribution reach for value-added products. • Scale up R&D operations and expand coverage for drone based spraying. • Explore opportunities to expand value-added products into selected export markets	• Revenue contribution from diversified businesses • Berry production (kg) • Number of berry polytunnels • Installed renewable energy capacity (MW) • Renewable energy generation (MWh) • Number of value added product SKUs • Export revenue from international markets

Resources allocated

- Capital investment of approximately Rs.173 Mn for horticulture expansion, including 13 polytunnels valued at Rs. 117 Mn.
- Rs. 6 Mn invested in renewable energy development, including solar assets and related infrastructure.
- Rs. 69 Mn allocated for value added product development, branding, marketing, and distribution.
- Strategic investments in international market development, including export partnerships and distribution networks.

Future Focus

Short Term	Medium Term	Long Term
• Scale up berry production capacity and expand nationwide distribution of value added products. • Advance renewable energy project development and strengthen operational capabilities across the diversified business portfolio.	• Expand international market presence for premium tea, spices, and horticultural products. • Operationalise renewable energy assets and increase installed clean energy capacity.	• Establish diversified businesses as a major contributor to Group performance, achieving the strategic targets while strengthening long term resilience.

Relevant SDGs	Stakeholders Impacted	Capitals Impacted
7 Affordable and Clean Energy 9 Industry, Innovation and Infrastructure 12 Responsible Consumption and Production 13 Climate Action 15 Life on Land 17 Partnerships for the Goals	Investors Customers Employees Business Partners Community Regulators	Financial Capital Manufactured Capital Intellectual Capital Human Capital Natural Capital Social & Relationship Capital

OUR TRANSFORMATIONAL STRATEGY- "TRANSFORMATION 2030"

STRATEGY ENABLERS

1. Mechanisation, Automation and Digitalisation

The Company continues to advance its digital transformation journey through investments in mechanisation, automation, data-driven decision-making, and operational technologies aimed at improving productivity, efficiency, sustainability, and resilience across business operations.

Focus areas included enhancing operational visibility, strengthening digital infrastructure, supporting responsible technology adoption, and improving overall business agility through innovation-led initiatives.

Relevant SDGS

Relevant Material Topics

Research & Innovation

Knowledge enhancement

2. People and Culture

The Company continues strengthening its people and culture framework through talent development, leadership capability building, employee engagement, workforce well-being, succession planning, and performance enhancement initiatives aligned with its long-term transformation agenda.

Focus remains on fostering an agile, inclusive, and future-ready workforce capable of supporting the Company's evolving business model and strategic ambitions.

Relevant SDGS

Relevant Material Topics

Employee Relations

Employee Well-being

Knowledge enhancement

Local communities

Compliance & ESG

3. Environmental, Social and Economic Sustainability

The Company continues to strengthen its environmental, social, and economic sustainability agenda through initiatives focused on climate resilience, responsible resource management, renewable energy, sustainable agricultural practices, community well-being, employee welfare, and long-term value creation.

Focus remains on integrating sustainability principles into business operations while enhancing environmental stewardship, supporting local communities, improving operational resilience, and fostering sustainable growth aligned with the Company's long-term transformation strategy and stakeholder expectations. The Company also continues to promote innovation, collaboration, and responsible business practices across its operations to ensure sustainable outcomes for people, the environment, and the broader economy.

Relevant SDGS

Relevant Material Topics

Compliance & ESG

Soil Health

Chemical use

Energy Management

Biodiversity

Local communities

Water

Waste Management

Supplier Assessment

4. Corporate Branding

Company focuses on strengthening its corporate brand positioning by enhancing stakeholder engagement, strategic communications, and market visibility in line with its long-term transformation agenda.

Focus on reinforcing a consistent and future-focused corporate identity that reflects the Company's evolving business model, sustainability aspirations, innovation-driven approach, and commitment to creating long-term value for stakeholders.

Relevant SDGS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 17 PARTNERSHIPS FOR THE GOALS

Relevant Material Topics

Food safety

Compliance & ESG

5. Partnerships and Financing

The Company will continue evaluating strategic partnerships, financing opportunities, and collaborative growth initiatives that support long-term value creation, business diversification, sustainability ambitions, and operational resilience.

Focus will remain on maintaining a prudent and balanced approach to capital allocation while supporting the Company's strategic transformation priorities.

Relevant SDGS

17 PARTNERSHIPS FOR THE GOALS

Relevant Material Topics

Financial Stability

Taxation

6. Governance

The Company continued strengthening its governance framework through robust oversight structures, effective internal controls, risk management practices, ethical business conduct, regulatory compliance, and transparent decision-making processes aligned with recognised governance standards and stakeholder expectations.

Relevant SDGS

16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS

Relevant Material Topics

Government policy & regulatory development

VALUE CREATION MODEL

GRI 2-6

Our integrated value creation model illustrates how we deploy and manage key resources to create value for stakeholders through defined outputs and outcomes. These resources are structured around the six capitals of the Integrated Reporting Framework. The value creation process reflects our strategic vision, guided by two core strategic pillars that drive sustainable performance and long term value creation.

Operating Environment

CAPITAL INPUTS

FINANCIAL CAPITAL

- Shareholders' Funds
- **Rs. 10.7 Bn**
- CAPEX
- **Rs.1,037 Mn**

(Refer to pages 96 to 101)

HUMAN CAPITAL

- **4,563** Employees
- **Rs. 19 Mn.** Training and development
- Talent management
- Health and well-being
- Grievance handling

(Refer to pages 128 to 149)

MANUFACTURED CAPITAL

- **19** Factories
- **Rs. 633 Mn** Fixed assets additions
- **6,224** rooftop solar
- **79** Rainwater harvesting ponds

(Refer to pages 102 to 109)

INTELLECTUAL CAPITAL

- Investment in innovation and research
- Investment in digital infrastructure **Rs. 24 Mn.**
- Brand Reputation
- Systems and processes
- Certifications
- Industry expertise
- Best practices

(Refer to pages 110 to 127)

SOCIAL AND RELATIONSHIP CAPITAL

- Relationship with:
- **5** Brokers
- **176** Buyers
- Communities and non-governmental organisations

(Refer to pages 150 to 173)

NATURAL CAPITAL

- Installation of rooftop solar panels
- **8,800** Hectares of biological assets
- **33,554 MT** - Raw materials consumption
- **203,570 GJ** - Energy consumption
- **77,353 M³.** - Water consumption
- Sustainable use of resources
- Waste management
- Applied **19,525, kgs** of biochar and **5,642,902 kgs** of compost

(Refer to pages 174 to 198)

Our Vision

We will transform into a diversified, sustainable and innovative conglomerate by 2030

Our Purpose

"Shaping the future through transformational thinking – reimagining lives, communities and the planet."

Our Vision is based on two strategic pillars

- Agribusiness SBU (Strengthen the core)
- Diversified Business SBU (Grow beyond the core)

Strategy execution is driven by six strategic enablers

- Mechanisation, Automation and Digitalisation
- People and Culture
- Environmental, Social and Economic Sustainability
- Corporate Branding
- Partnerships and Financing
- Governance

Supported by shared services

- Finance & Strategy
- Administration, Legal, and FM
- IT and Digital Infrastructure
- Engineering Services
- People & Culture
- Sustainability
- Processing
- New Business Incubation

3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 15 LIFE ON LAND | 17 PARTNERSHIPS FOR THE GOALS

Corporate Governance and Risk Management

OUTPUTS	OUTCOMES		
• **Rs. 9.1 Bn** Revenue • **Rs. 2.4 Bn** PBT • **Rs. 457 Mn.** taxes paid to the government	• **18%** increases in revenue • **23%** increase in PBT	Relevant Stakeholder SDGs Material Topics	 8 Financial stability Taxation
• **84,850** total hours of training • **Rs. 2,738 Mn** remuneration and benefits • **49%** of female employees • **82%** employee retention	• **3%** increase female employees • A skilled and committed team	Relevant Stakeholder SDGs Material Topics	 3, 8, 9 Employee relations, Employee well-being
• **596 Mn.** Litres of rainwater harvested • **2,600 kW** solar capacity	• High-quality products • Improved productivity • Enhanced efficiency	Relevant Stakeholder SDGs Material Topics	 7, 9, 12 Research & Innovation, Food safety
• **28%** of employees with over 20 years of service • **3** New value added products launched	• Enhanced operational resilience • Premium prices at the Colombo Auctions • Cutting-edge technology • Secure systems • Crop diversification, value-added products, and speciality teas • Enhanced product quality • Cost saving and efficiency gains	Relevant Stakeholder SDGs Material Topics	 9, 12 Research & innovation, Knowledge enhancement, Compliance & ESG
• **Rs. 146 Mn.** investment in CSR • **Rs. 3,528 Mn.** paid to suppliers • **140** new suppliers	• Enhanced operational resilience • Premium prices at the Colombo Auctions • Cutting-edge technology • Secure systems • Crop diversification, value-added products, and speciality teas • Enhanced product quality • Cost saving and efficiency gains	Relevant Stakeholder SDGs Material Topics	 3, 4, 6, 8, 17 Local committees, Supplier assessment, Food safety, Compliance & ESG
• **8,013 tCO2e** GHG Emissions • Wastewater discharged – **58 Mn. Litres** • Solid waste – **333 Mt** • **5,962,507 Kwh** renewable energy generation	• Loyal customers • Contributing to food security • Strong supplier relationships • Sustainable supply chain • Empowered communities • Enhanced product quality • Cost saving and efficiency gain	Relevant Stakeholder SDGs Material Topics	 6, 7, 15 Soil health, Chemical use, Energy Management, Water, Waste Management, Biodiversity, Compliance & ESG

OUR COMMITMENT TO ESG AND SUSTAINABILITY

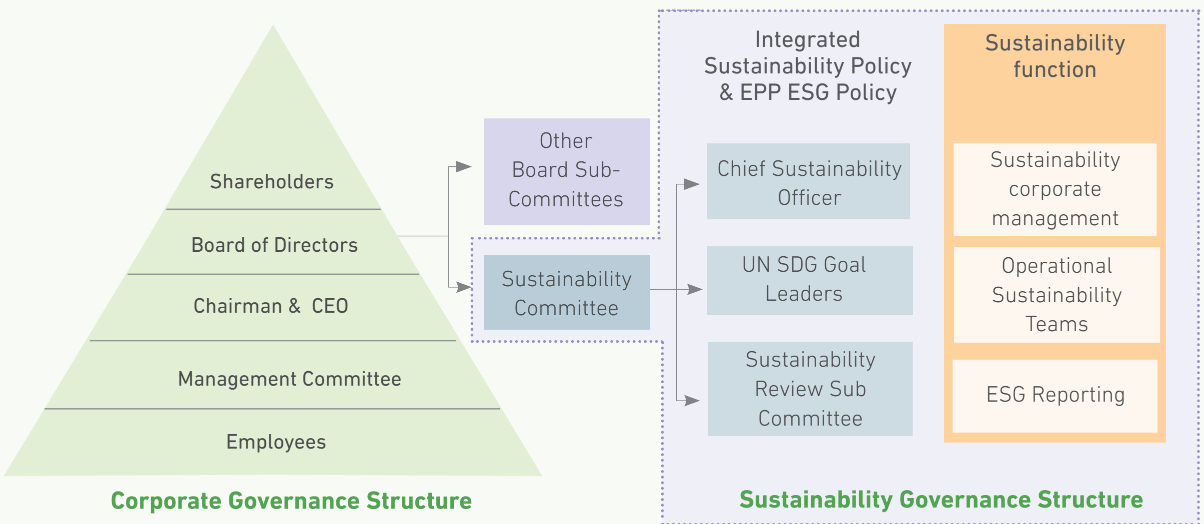
Our strategic direction is firmly grounded in our purpose and vision, guiding sustainable growth and responsible long term value creation. Anchored in transformational thinking and responsible land stewardship, our strategy focuses on delivering positive outcomes for people, communities, and ecosystems. Recognising our land portfolio as part of a broader socio ecological system, we prioritise sustainable resource management while actively pursuing innovation, partnerships, and new growth opportunities. To provide focus and operational clarity, our operations are structured around two core Strategic Business Units (SBUs), supported by the continued strengthening of our diversified business portfolio to unlock new growth avenues and reduce reliance on traditional plantation revenues.

Strategy execution is enabled by a set of key strategic enablers that collectively support organisational transformation and long term sustainability. These enablers reflect the operating environment, stakeholder expectations, and critical sustainability priorities, and they inform decision making, resource allocation, and performance management across the organisation. Together, they reinforce strong governance, social responsibility, environmental stewardship, and financial resilience.

ESG GOVERNANCE FRAMEWORK

The following outlines our ESG governance framework, which facilitates sustainability leadership and effective oversight.

Our sustainability efforts are supported by a multi layered governance structure designed to provide strategic oversight and ensure effective implementation.



Board Level Oversight: The Sustainability Board Committee provides strategic leadership and oversight of ESG matters, ensuring accountability and the integration of sustainability considerations into Board level decision making.

Operational Implementation: The Sustainability Review Committee translates strategic priorities into actionable initiatives, providing guidance on execution and ensuring alignment with business objectives across functions.

CORE SUSTAINABILITY FUNCTIONS

Core sustainability functions are led by the Chief Sustainability Officer, who provides strategic direction and oversight across the Group. Execution is supported by dedicated operational sustainability teams, complemented by corporate sustainability management to embed sustainability into business strategy and operations. These efforts are further strengthened by specialised ESG reporting functions, ensuring accurate, transparent, and compliant sustainability disclosures.

Our sustainability functions are guided by the Aitken Spence Integrated Sustainability Policy and EPP ESG Policy.

Sustainability Board Committee

Key Functions:
- Strategic Direction
- Highest Level Oversight
- ESG Integration into Core Strategy
- Ultimate Accountability

Stakeholder Engagement

Key Functions:
- Supports Board Committee
- Guides ESG Implementation
- Monitors Progress
- Aligns Strategy with Operations

ESG Reporting

Key Functions:
- Strengthens Data Management (Collection, Verification)
- Ensures Accurate & Compliant Disclosures
- Drives Performance Improvement
- Provides Data Foundation

Stakeholder Engagement

The perspectives of our stakeholders play a key role in shaping our sustainability strategy. Through a structured and ongoing engagement process, we engage with our diverse stakeholder groups to understand the issues that matter most to them. The identification and prioritisation of material topics are fundamental to this approach, ensuring that our sustainability agenda remains aligned with stakeholder expectations and effectively addresses shared priorities and concerns. A detailed overview of our stakeholder engagement process is provided on page 66.

Risk & Opportunity Management

- The Board of Directors and the Sustainability Committee are accountable for the identification, assessment, and management of climate related risks and opportunities, in line with SLFRS S1 and S2 Sustainability Disclosure Standards provided on page 202 - 229. As a Top 100 publicly listed company, the Group is disclosing its climate related risks, opportunities, and associated financial impacts for the first time in the current financial year.
- Economic, environmental, and social risks are systematically identified and assessed through the Enterprise Risk Management (ERM) Framework, as detailed in the Risk Management section on page 269.
- The Audit and Risk Committee, Sustainability Committee, and Management Committee are jointly accountable for overseeing and managing sustainability related risks and opportunities across the Group, ensuring effective integration into strategic and operational decision making.

Regular Review of ESG Performance

ESG targets and performance are subject to rigorous oversight through a structured, multi tiered review process. Monthly sub committee meetings are held with members of the Sustainability Review Committee and designated Goal Leaders to monitor operational level progress against established targets and KPIs. In addition, quarterly Board Sub Committee (Sustainability Committee) meetings provide formal oversight, reinforcing the Board's accountability in sustainability related decision making. These reviews are supported by regular management inputs, enabling strategic alignment, timely identification of challenges, and effective corrective action where required.

Climate related actions, including greenhouse gas emissions reduction and clean energy initiatives, are overseen at Board level through monthly sustainability meetings chaired by Dr. R. A. Fernando. Further strengthening governance, the Sustainability Review Committee assesses climate related risks, such as changing precipitation patterns, and opportunities, including the growing demand for carbon sequestration solutions. The Committee is also responsible for developing mitigation strategies and ensuring that the Company's sustainability agenda remains closely aligned with overall business objectives.

Further details on the ESG governance structure are provided on page 56.

Linking Incentives to ESG Performance

To further embed accountability for sustainability outcomes across the organisation, we are in the process of developing an ESG linked incentive framework for the Board and Management. This initiative would align leadership remuneration with the achievement of key ESG objectives and reinforce responsible decision making.

Transparency and Reporting

We are committed to transparency and accountability in all aspects of our business, including sustainability performance. As a publicly listed company, EPP complies with the reporting requirements of the Colombo Stock Exchange, publishing quarterly financial results and annual reports in accordance with established accounting and auditing standards.

Our commitment extends beyond regulatory compliance to embrace internationally recognised best practices in sustainability and integrated reporting. Accordingly, we report in alignment with the Global Reporting Initiative (GRI) Standards, Integrated Reporting Framework (IR) and the SASB-Agricultural products standards, enabling comprehensive and balanced disclosure of our economic, environmental, and social impacts. As a top 100 publicly listed company, we are disclosing our climate-related risks and opportunities in compliance with SLFRS S1 & S2 sustainability disclosure standards.

To reinforce the credibility and integrity of our disclosures, we apply a combined assurance model supported by independent verification. Ernst & Young (EY) provides third party assurance covering both our Integrated Report and GRI aligned Sustainability Report. Additionally, we have verified our GHG emissions under ISO 14064-1:2018 & GHG Protocol. Independent verification has been provided by Sri Lanka Climate fund. Detailed emissions summaries are provided on page 184 to 185.

Further information on our reporting frameworks, assurance processes, and disclosures is provided on page 200 to 201 and Page 367 to 370.

Progress in Our ESG Goals

Outlined below is our progress against key sustainability goals and commitments. For more detailed information on the initiatives supporting these outcomes, please refer to the relevant Capital Reports on pages 96 to 198.

OUR COMMITMENT TO ESG AND SUSTAINABILITY

ENVIRONMENT

Protect, restore, and promote sustainable use of land

Initiative	Key Performance Indicator (KPI)	2030 Target	Base Year (2017/18)	2023/24	2024/25	2025/26
Reduction of chemical fertiliser usage	% reduction from base year	50% reduction	658 kg/ha	-11%	-17%	-19%
Reduction of chemical weedicide usage	% reduction from base year	65% reduction	18 L/ha	37%	34%	30%
Reduction of chemical pesticide usage	% reduction from base year	75% reduction	40 L/ha	84%	88%	83%
Increase in green shade cover	% increase from base year (number of trees)	10% increase	21,200 trees	13,483	17,276	14,385

Ensure Availability and Sustainable Management of Water

Initiative	Key Performance Indicator (KPI)	2030 Target	Base Year (2017/18)	2023/24	2024/25	2025/26
Increase soil carbon level	% increase in soil carbon content	3%	3%	2.75%	2.76%	2.8%
Increase rainwater harvesting capacity	Total rainwater harvested (Mn litres) and number of ponds	300 Mn litres	77 ponds	265 Mn litres 77 ponds	312 Mn litres 79 ponds	596 Mn litres 79 ponds

Ensure self-sufficiency in energy through sustainable energy sources

Initiative	Key Performance Indicator (KPI)	2030 Target	Base Year (2017/18)	2023/24	2024/25	2025/26
Achieve self sufficiency in energy through renewable sources	Percentage of total electrical energy requirements met or offset by renewable energy generation	300%	0%	174%	168%	143%

ECONOMIC

Ensure Sustainable Consumption and Production Patterns

Initiative	Key Performance Indicator (KPI)	2030 Target	Base Year (2017/18)	2023/24	2024/25	2025/26
Drive innovation to grow revenue from branded value added products	Percentage of total revenue derived from branded value added products	40%	0%	6%	7%	9%

Build Resilient Infrastructure, Promote Inclusive and Sustainable Industrialisation, and Foster Innovation

Initiative	Key Performance Indicator (KPI)	2030 Target	Base Year (2017/18)	2023/24	2024/25	2025/26
Drive factory process automation	Percentage of factory processes automated	60%	Not applicable	32%	32%	41%
Increase field mechanisation	Percentage of field operations mechanised	70%	Not applicable	35%	35%	40%

SOCIAL

Ensure Healthy Lives and Promote Well-being for All at All Ages

Initiative	Key Performance Indicator (KPI)	2030 Target	2023/24	2024/25	2025/26
Increase access to quality healthcare and nutrition	Percentage of the estate and the surrounding community with access to quality healthcare services	100%	98%	100%	100%

Ensure Inclusive and Equitable Quality Education and Promote Lifelong Learning Opportunities for All

Initiative	Key Performance Indicator (KPI)	2030 Target	2023/24	2024/25	2025/26
Increase access to quality educational facilities	Percentage of the community with access to quality educational facilities	100%	65%	68%	70%

Promote Sustained, Inclusive and Sustainable Economic Growth, Full and Productive Employment, and Decent Work for All

Initiative	Key Performance Indicator (KPI)	2030 Target	2023/24	2024/25	2025/26
Ensure a home for every plantation worker, transitioning away from line rooms	Percentage of estate workers provided with housing outside line rooms	100%	47%	63%	49%
Increase employment from local communities	Percentage of permanent employees recruited from local communities	90%	92%	96%	98.4%

GOVERNANCE

Strengthen the Means of Implementation and Revitalise Global Partnerships for Sustainable Development

Initiative	Key Performance Indicator (KPI)	2023/24	2024/25	2025/26
Establish strategic partnerships to diversify and expand the Company's business portfolio	Number of active strategic partnerships	4	1	2

MATERIALITY AND MATERIAL TOPICS

Material topics are assessed annually by the Aitken Spence Group through a structured process involving key stakeholders, including Senior Management, sustainability team members, investors, and new joiners. This approach ensures a comprehensive understanding of business priorities and stakeholder expectations.

At the EPP, these insights are further complemented through desk research, compliance requirements, and an evaluation of emerging risks to determine overall materiality.

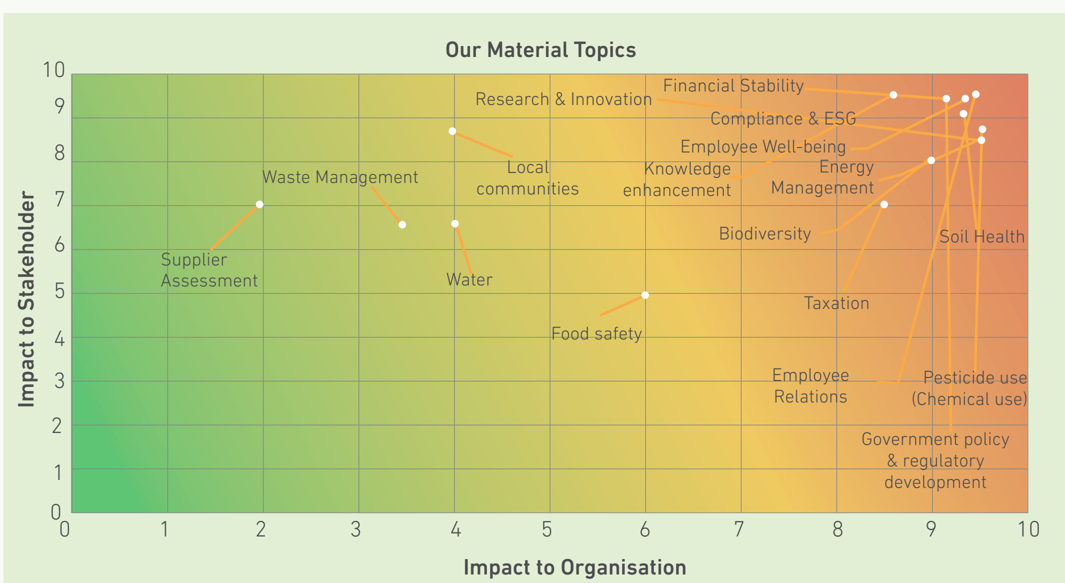
This process is also aligned with the Stakeholder Prioritisation and Mapping stage of our stakeholder identification process. This ensures a robust and integrated approach to identifying and prioritising key sustainability topics.

GRI 3-1

Refer stakeholder relations in Pg: 66

GRI 3-2

MATERIALITY MATRIX



Impact to Organisation

GRI 2-23, 2-24, 202, 406, 408, 409, 410, 417, 418, 13.4,13.5, 13.6,13.9, 13.10, 13.20, 13.21

Topic No.	Material Topic	Category (Env./ Social/Economic/ Governance)	Reason for materiality	Policies and commitments related to the material topic	Measures to mitigate risks and maximise opportunities	Change in level of materiality YoY (INC/DEC/SAME)	Affected stakeholder/s	Relevant Strategic Pillars	Capitals impacted	Relevant GRI standard/SASB indicator	SDG
1	Government policy and regulatory development	Governance	Increasing ESG, labour, and climate disclosure requirements impact plantation operations, exports and reporting obligations	Anti-bribery & anti-corruption policy Parental leave policy Sexual harassment prevention policy Forced labour policy	Regular compliance reviews, Board oversight, alignment with SLFRS S1 & S2, internal audits and policy updates **Link**: Refer to Assurance on About our Report section on page 6)	INC		Agribusiness Diversified Business Corporate Services		GRI 205, GRI 415	16
2	Compliance and ESG	Governance	ESG performance increasingly influences investor confidence, assurance outcomes, and stakeholder trust.	Aitken Spence Integrated sustainability policy EPP ESG Policy Supplier Code of Conduct AI Usage Policy Anti-bribery and anti-corruption Policy Whistleblowing Policy Grievance Handling Policy Group Diversity and Inclusion Policy Group Gender Equality Policy Group Remote Working Policy Parental Leave Policy Sexual Harassment Prevention Policy Forced Labour Policy	Group ESG governance, ESG audits, sustainability reporting, supplier screening, and grievance mechanisms. **Link:** Refer to Our Commitment to ESG and Sustainability on page 56. Capital Reports from pages 96 to 198.	INC		Agribusiness Diversified Business Corporate Services		GRI 3, GRI 205, SASB Agricultural Products	12 13 16
3.	Research and Innovation	Economic	Technology adoption is critical to improve agricultural productivity, diversification, and climate resilience.	AI Usage Policy Anti-Bribery and Anti-Corruption Policy Group Remote Working Policy	Implementation of Transformation Management Office (TMO), drone technology partnerships, AI usage integration, crop diversification, and value-added product development **Link:** Refer to the Transformation Strategy on page 46.	INC		Agribusiness Diversified Business		GRI 203	8 9 10

MATERIALITY AND MATERIAL TOPICS

Topic No.	Material Topic	Category (Env./ Social/Economic/ Governance)	Reason for materiality	Policies and commitments related to the material topic	Measures to mitigate risks and maximise opportunities	Change in level of materiality YoY (INC/DEC/SAME)	Affected stakeholder/s	Relevant Strategic Pillars	Capitals impacted	Relevant GRI standard/SASB indicator	SDG
4	Financial Stability	Economic	Commodity price volatility and climate impacts directly affect profitability and long-term viability.	Aitken Spence Integrated Sustainability Policy EPP ESG Policy	Revenue diversification, renewable energy investments, high-value horticulture, and cost optimisation initiatives. **Link:** Refer to the Transformation Strategy on page 46.	INC		Agribusiness Diversified Business Corporate Services		GRI 201	
5	Energy Management	Environment	Fuel and electricity usage contribute significantly to operational costs and GHG emissions.	Aitken Spence Integrated Sustainability Policy EPP ESG Policy Supplier Code of Conduct	Renewable energy generation, energy efficiency improvements, and a gradual transition to hybrid vehicles **Link:** Refer to the Natural capital, energy and emissions management sections on page 184.	INC		Diversified Business		GRI 302, GRI 305	
6	Water Management	Environment	Plantation productivity and estate communities depend on sustainable water availability.	Aitken Spence Integrated Sustainability Policy EPP ESG Policy Supplier Code of Conduct	Rainwater harvesting, water monitoring, and watershed protection initiatives **Link:** Refer to water management on page 186.	INC		Agribusiness		GRI 303	
7	Waste Management	Environment	Agricultural and operational waste can create environmental and community impacts.	Aitken Spence Integrated Sustainability Policy EPP ESG Policy Supplier Code of Conduct	Composting, waste segregation, recycling, and reduction of agrochemical waste streams. **Link:** Refer to waste management on page 188.	DEC		Agribusiness Diversified Business		GRI 306	

Topic No.	Material Topic	Category (Env./ Social/Economic/ Governance)	Reason for materiality	Policies and commitments related to the material topic	Measures to mitigate risks and maximise opportunities	Change in level of materiality YoY (INC/DEC/SAME)	Affected stakeholder/s	Relevant Strategic Pillars	Capitals impacted	Relevant GRI standard/SASB indicator	SDG
8	Biodiversity	Environment	EPP manages over 8,800 hectares of environmentally sensitive plantation landscapes.	Aitken Spence Integrated Sustainability Policy EPP ESG Policy Supplier Code of Conduct	Green shade enhancement, regenerative agriculture, and habitat conservation programmes. **Link:** Refer to biodiversity conservation on page 193.	INC		Agribusiness		GRI 101	
9	Supplier Assessment	Social	Supplier practices directly impact product quality, ethics, emissions, and ESG compliance.	Aitken Spence Integrated Sustainability Policy EPP ESG Policy Supplier Code of Conduct	Supplier Code of Conduct implementation and supplier ESG evaluations **Link:** Refer to suppliers on page 160.	DEC		Agribusiness Diversified Business Corporate Services		GRI 204, GRI 308, GRI 414	
10	Employee Well-being	Social	Estate workforce well-being directly affects productivity and retention. and operational continuity.	Aitken Spence Integrated Sustainability Policy EPP ESG Policy Whistleblowing Policy Grievance Handling Policy Group Diversity & Inclusion Policy Group Gender Equality Policy Group Remote Working Policy Parental Leave Policy Sexual Harassment Prevention Policy Forced Labour Policy	Insurance coverage, annual health checks, safety committees and welfare programmes. **Link:** Refer to employee well-being on page 134.	INC		Agribusiness Diversified Business Corporate Services		GRI 401, GRI 403	

MATERIALITY AND MATERIAL TOPICS

Topic No.	Material Topic	Category (Env./ Social/Economic/ Governance)	Reason for materiality	Policies and commitments related to the material topic	Measures to mitigate risks and maximise opportunities	Change in level of materiality YoY (INC/DEC/SAME)	Affected stakeholder/s	Relevant Strategic Pillars	Capitals impacted	Relevant GRI standard/SASB indicator	SDG
11	Knowledge enhancement	Social	Modern plantation operations and diversified businesses require improved technical and digital capabilities.	Aitken Spence Integrated Sustainability Policy EPP ESG Policy AI Usage Policy	Employee training, AI awareness programmes, and personalised executive development pathways. **Link:** Refer to the training and development section under human capital on page 141. IT-related training under Intellectual capital on page 119.	INC		Agribusiness Diversified Business Corporate Services		GRI 404	4 8
12	Local communities	Social	Estate communities are directly linked to the Company's social license to operate.	Aitken Spence Integrated Sustainability Policy EPP ESG Policy Supplier Code of Conduct Forced Labour Policy	Community livelihood projects, education support, and infrastructure development initiatives. **Link:** Refer to community development on page 165.	DEC		Agribusiness Diversified Business Corporate Services		GRI 413	1 8 11
13	Food safety	Governance	Export competitiveness and product innovation rely on maintaining high standards of quality and traceability.	Aitken Spence Integrated sustainability policy EPP ESG Policy Supplier Code of Conduct	Product quality controls, responsible sourcing, and compliance with food safety requirements. **Link:** Refer to standards and certifications on page 118.	DEC		Agribusiness Diversified business		GRI 416	3 12
14	Soil health	Environment	Soil degradation directly impacts agricultural productivity and long-term land sustainability.	Aitken Spence Integrated Sustainability Policy EPP ESG Policy	Organic fertiliser application, reduced chemical fertiliser use, and regenerative agriculture practices.	INC		Agribusiness		GRI 13, SASB Agriculture Sector	2 15

Topic No.	Material Topic	Category (Env./ Social/Economic/ Governance)	Reason for materiality	Policies and commitments related to the material topic	Measures to mitigate risks and maximise opportunities	Change in level of materiality YoY (INC/DEC/SAME)	Affected stakeholder/s	Relevant Strategic Pillars	Capitals impacted	Relevant GRI standard/SASB indicator	SDG
15	Employee relations	Social	Stable labour relations are essential for uninterrupted operations.	Aitken Spence Integrated Sustainability Policy EPP ESG Policy Whistleblowing policy Grievance handling policy Group diversity & inclusion policy Group gender equality policy Group remote working policy Parental leave policy Sexual harassment prevention policy Forced labour policy	Grievance handling, employee engagement, and diversity and inclusion initiatives. **Link:** Refer to human capital on page 144.	INC		Agribusiness Diversified Business Corporate Services		GRI 402, GRI 405	
16	Taxation	Economic	Transparent tax practices support regulatory compliance and shareholder confidence.	None	Strengthened tax governance and regular regulatory compliance reviews.	SAME		Agribusiness Diversified Business Corporate Services		GRI 207	
17	Chemical use	Environment	Nitrogenic chemicals emit Nitrogen dioxide into the atmosphere. Agrochemical usage impacts biodiversity, soil quality, and community health.	Aitken Spence Integrated Sustainability Policy EPP ESG Policy	Reduction targets for chemical fertiliser, weedicide, and pesticide application supported by organic fertiliser adoption.	INC		Agribusiness		GRI 301, GRI 304	

STAKEHOLDER ENGAGEMENT PROCESS

GRI 2-29

At EPP, proactive engagement with stakeholders is fundamental to sustaining responsible value creation across our diversified business portfolio. As the Group operates beyond traditional plantation activities, including renewable energy, CAFT operations, and other non plantation ventures, our stakeholder engagement framework is designed to address the full breadth of our value chain. Through a structured and systematic engagement process, we seek to understand and respond to the expectations of stakeholders who influence or are affected by our environmental, social, technological, and economic footprint across all operations. This inclusive approach strengthens decision making, enhances long term resilience, and supports the delivery of sustainable outcomes throughout our integrated business ecosystem.

1. Stakeholder Identification

Stakeholders are identified based on their,

- Operational influence
- Exposure to ESG impacts
- Economic relationships
- Regulatory authority
- Community proximity to estates and the potential impacts of the Company's activities on them across the value chain.

2. Stakeholder Prioritisation and Mapping (Materiality)

- Assess stakeholder influence on the Company
- Evaluate dependency on operations
- Determine relevance to economic, environmental and social matters
- Review stakeholder landscape annually as part of the materiality process

3. Engagement and Planning

- Select appropriate engagement methods
- Ensure meaningful two-way communication
- Use channels such as:

* Meetings
* Consultations
* Surveys & feedback mechanisms
* Community outreach
* Digital communication platforms
* Compliance and regulatory forums

4. Integration into Decision-Making

- Incorporate engagement insights into:

Strategic planning
Enterprise risk management
Operational improvements
ESG and materiality assessments

5. Monitoring & Communication

- Senior and operational management track engagement outcomes
- Evaluate stakeholder value creation
- Communicate findings through:
Internal reviews
ESG dashboards
Annual Report disclosures

6. Continuous Improvement

- Periodically review engagement mechanisms
- Strengthen transparency & responsiveness
- Align with global best practices and evolving stakeholder expectations

Frequency of engagement

W	C	A	Q	D	N
Weekly	Continuous	Annually	Quarterly	Daily	As Needed

Level of engagement

↓	—	↑
Low	Medium	High

CUSTOMERS

Level of Engagement

High

Key Concerns Raised

- Strict adherence to food safety standards, certifications, and regulatory requirements to ensure product safety, traceability, and consistence.
- Customer-centric product design that evolves in line with emerging needs and market expectations.
- Affordable and accessible solutions that promote inclusivity and ease of use.
- Prompt, transparent, and reliable claims settlement, reinforcing trust and long-term confidence.
- Consistently high-quality service delivery across every customer touchpoint.
- Digitally enabled and automated service platforms that enhance operational efficiency and elevate the overall customer experience.

Our Response

- ISO 22000:2005, HACCP, RA, FSC Certified products
- Seasonal and attractive discounts
- Responsible sourcing
- Case-by-case complaint management

Engagement Channel and Frequency

Tea buyer & broker visits	W
Social media (FB, IG, LinkedIn)	C
Digital Platforms (HarrowHouse.lk)	C
Complaint Management (WhatsApp)	C

Value Created

6 RA Certified Estates

7 FSC Certified Estates

6 ISO 22000:2005 certified factories

1 HACCP Certified factory

3 New products Introduced

Oversight

- Diversified SBU
- Marketing Department
- Plantations & Sustainability Department

Key Impacts

- Revenue generation
- Repeat customer base
- Brand image & reputation enhancement

Future Focus

- Regen Agri Certified Products
- EUDR Compliant Products

Material Topics

Food safety

Compliance & ESG

Capitals Impacted

Relevant SDGs

Link to Strategy Enablers

STAKEHOLDER ENGAGEMENT PROCESS

EMPLOYEES

Level of Engagement

High

Key Concerns Raised

- Employee health & safety
- Job security
- Labour rights
- Remuneration
- Career progression
- Welfare
- Training requirements

Our Response

- Nurturing lives – the employee retention strategy
- HR and Diversity & inclusion policy enforcement
- Plantation executive development plan
- Employee engagement surveys
- Training requirement survey
- Living wage
- Employee support initiatives

Engagement Channel and Frequency

Estate level engagement • Welfare officers • Union representatives • Complaint registers	N
Muster Meetings	D
Employee Calendar (Year-round)	A
Employee Surveys	N

Value Created

84,850 training hours

19 training hours per employee

Rs. 2,738 Mn Remunerations & benefits

82% Employee retention rate

29% female employees promoted

Oversight

- HR Department
- Administration & legal Department
- Remuneration committee

Key Impacts

- Employee satisfaction
- Retention of employees
- Worker productivity enhancement
- Talented workforce

Future Focus

Provide all workers with safe, comfortable, and dignified accommodation beyond traditional line rooms

Material Topics

Employee relations
Employee well-being
Knowledge enhancement
Financial stability
Compliance & ESG

Capitals Impacted

Relevant SDGs

3 GOOD HEALTH AND WELL-BEING
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Link to Strategy Enablers

SUPPLIERS

Level of Engagement

High

Key Concerns Raised

- Prices
- Timely payments
- Material/Product quality
- Growth opportunities
- Supply chain disruption risk mitigation

Our Response

- Supplier code of conduct
- Supplier upskilling programmes

Engagement Channel and Frequency

One-on-one supplier meetings	N
Site visits	D

Value Created

Rs. 3,528 Mn Payment to suppliers

Rs. 1,656 Mn paid for local suppliers

Oversight

Finance Department - procurement division

Key Impacts

- Quality raw materials/products
- On time and supply continuity

Future Focus

Screening all key suppliers using Supplier code of conduct

Material Topics

Supplier assessment
Local communities
Compliance & ESG

Capitals Impacted

Relevant SDGs

Link to Strategy Enablers

COMMUNITY

Level of Engagement

High

Key Concerns Raised

- Health & nutrition
- Youth development
- Employment opportunities & livelihood development
- Child & elderly care

Our Response

- Medical camps
- Family block concept
- Meal programmes
- Educational scholarship opportunities

Engagement Channel and Frequency

Community Development Programmes	N
Village forums	N

Value Created

53 Medical camps

28,499 dry ration packs given

40 Scholarships granted

Oversight

- HR Department
- Operations Department

Key Impacts

- Safe & secured community
- Socioeconomic development

Future Focus

Recruit 90% of permanent employees from the local community

Material Topics

Local communities
Compliance & ESG

Capitals Impacted

Relevant SDGs

Link to Strategy Enablers

STAKEHOLDER ENGAGEMENT PROCESS

SHAREHOLDERS

Level of Engagement

Medium

Key Concerns Raised
- Financial Performance and Returns
- Strategic Growth and Long-Term Value Creation
- Risk Management and Sustainability
- Corporate Governance and Transparency

Our Response
- Enterprise Risk Management Framework
- Business Continuity Plan

Engagement Channel and Frequency

Annual General Meeting	A
Quarterly & Annual Financial and non-financial reporting	Q
Press Releases	N
CSE Announcements	N

Value Created
17% ROE

Rs. 23 EPS

16% Return on Capital Employed

Oversight
- Finance Department
- Audit and Risk Committee
- Related party transactions review committee

Key Impacts
- Capital Investment and Financial Stability
- Accountability and Performance Discipline
- Market Confidence and Corporate Reputation
- Long-Term Value Orientation

Future Focus
Business expansion into non-traditional business avenues in eco-tourism, energy generation, horticulture, and value-added products

Material Topics
Financial stability
Compliance & ESG

Capitals Impacted

Relevant SDGs
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
17 PARTNERSHIPS FOR THE GOALS

Link to Strategy Enablers

REGULATOR

Level of Engagement
Medium

Key Concerns Raised

- Compliance with industry-specific laws & regulations
- Industry Stability and Responsible Sector Development
- Labour Rights and Worker Welfare

Our Response

- The transformation 2030 strategy
- Group's policies on:
  HR
  Forced labour
  Anti-corruption & bribery
  Whistleblowing
  Health & safety mechanism

Engagement Channel and Frequency

One-to-one engagement with local government agents in estate level	N
Continuous engagement with industry organisations (TRI, RRI, Tea Board)	N

Value Created

Rs. 457 Tax payments

Zero incidents of non-compliance

Oversight

- Finance Department
- Admin & Legal Department
- Plantations & Sustainability Department
- Operational management

Key Impacts

- Policy Direction and Sector Development
- Institutional Support and Collaboration
- Clear Regulatory Framework

Future Focus

Business expansion into non-traditional business avenues in eco-tourism, energy generation, horticulture, and value-added products

Material Topics

Government policy & regulatory development
Taxation
Compliance & ESG

Capitals Impacted

Relevant SDGs

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
17 PARTNERSHIPS FOR THE GOALS

Link to Strategy Enablers

OPERATING ENVIRONMENT

GLOBAL ECONOMIC GROWTH

The global economy faced renewed downside risks following the outbreak of conflict in the Middle East in February 2026. While resilience over the past year was supported by strong technology-led investment, accommodative financial conditions, and policy support, these gains are threatened by rising geopolitical tensions.

The conflict is expected to exert pressure through heightened commodity price volatility, rising inflation expectations, and tighter financial conditions. As a result, global growth is projected to moderate to 3.1% in 2026, before stabilising at 3.2% in 2027, assuming the conflict remains contained under a reference forecast based on a bottom-up assessment.

However, further attacks on critical energy infrastructure and the risk of a prolonged disruption to the Strait of Hormuz are heightening concerns of a more severe and sustained shock to the global economy.

Under an adverse scenario—broadly aligned with market conditions observed toward the end of March 2026, global growth could slow to 2.5%, while inflation rises to 5.4%.

In a more severe scenario, where energy market disruptions persist into the following year, inflation expectations become unanchored, and financial conditions tighten significantly, the global economy could approach recessionary conditions. In this case, growth would decline to around 2% in both this year and next, with global headline inflation nearing 6%.

COMMODITY PRICES AND INFLATION

Energy prices are projected to rise sharply, with overall increases of approximately 19% in 2026. Oil prices are expected to increase by over 21%, while natural gas markets may face greater volatility due to supply constraints. Rising energy costs, coupled with higher fertiliser prices and supply chain disruptions, are also expected to drive food price inflation.

These pressures are likely to interrupt the decline in global inflation, with headline inflation increasing from 4.1% in 2025 to 4.4% in 2026, before easing to 3.7% in 2027.

GLOBAL TRADE

World trade growth is expected to slow significantly, declining from 5.1% in 2025 to 2.8% in 2026, before recovering to 3.8% in 2027. This reflects the combined effects of trade restrictions, geopolitical uncertainty, and shifting supply chains. While both goods and services trade are expected to weaken as a share of global GDP, services trade is likely to remain more resilient.

OUTLOOK AND KEY RISKS

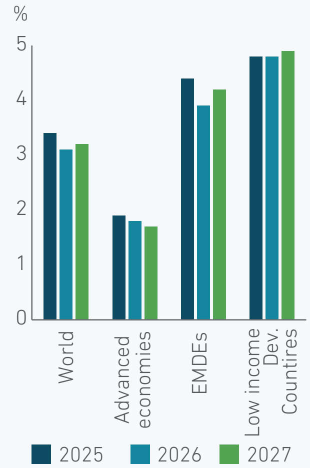
The global outlook remains fragile, with escalating conflicts and domestic political tensions posing significant risks. Existing pressures such as volatile commodity prices, supply chain disruptions, and currency depreciation could intensify, threatening food security through fertiliser shortages and rising food prices. These pressures may worsen external imbalances, increase the risk of financial distress, and heighten the potential for social and political instability.

Sri Lanka

The Sri Lankan economy recorded robust growth in 2025, with Gross Domestic Product (GDP) at constant prices expanding by 5.0%, despite the adverse impact of Cyclone Ditwah in November 2025. Growth was broad-based, with all four quarters contributing positively to overall economic performance.

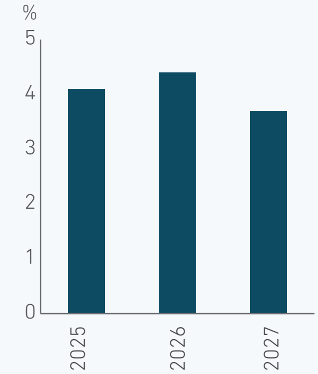
This expansion was primarily driven by strong activity in the industrial sector, which grew by 11.1%, led by manufacturing and construction. The services sector also made a significant contribution, expanding by 3.3%, supported by continued growth in financial services and transport-related activities. Meanwhile, the agricultural sector demonstrated improved performance, growing by 1.4%, surpassing the 0.6% growth recorded in 2024.

Global Growth



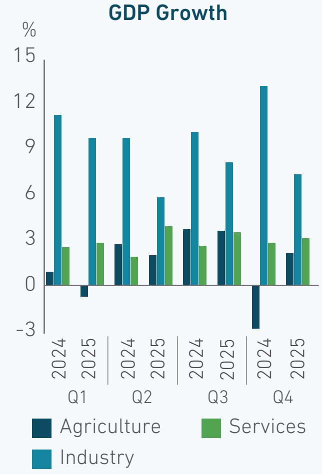
Source: IMF World Economic Outlook, April 2026 Update

Global Inflation



Source: IMF World Economic Outlook, April 2026 Update

GDP Growth



Source: CBSL

INFLATION

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

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

MARKET INTEREST RATES

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

The overall decline was supported by an accommodative monetary policy stance, a low-inflation environment, and well-anchored inflation expectations. Additionally, reduced risk premia, driven by improvements in the country's credit profile, further contributed to easing market rates.

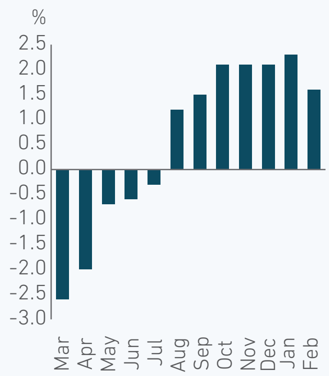
EXTERNAL SECTOR

Sri Lanka's external sector strengthened further in 2025, with the current account recording a surplus for the third consecutive year. The surplus is estimated at USD 1.7 billion, increasing from USD 1.2 billion in 2024. This improvement was driven by a stronger surplus in the services account, a significant rise in workers' remittances, and a narrowing of the primary income account deficit.

Gross Official Reserves (GOR) also improved, reaching USD 6.8 billion by end-2025, up from USD 6.1 billion at end-2024, despite ongoing foreign currency debt servicing obligations. The increase in reserves was largely supported by the Central Bank's net foreign exchange purchases of USD 2.0 billion (on a value date basis) from the domestic market, along with inflows from the fourth and fifth tranches of the IMF Extended Fund Facility (EFF) programme, emergency financing under the Rapid Financing Instrument (RFI), and funding from the Asian Development Bank (ADB).

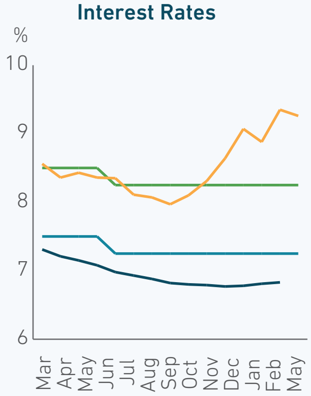
Despite these gains, the Sri Lankan rupee depreciated against the US dollar during the year, following two consecutive years of appreciation. The exchange rate moved from Rs. 292.58 per US dollar at end-2024 to Rs. 309.99 per US dollar by end-2025, reflecting a depreciation of 5.6%.

Inflation - 2025



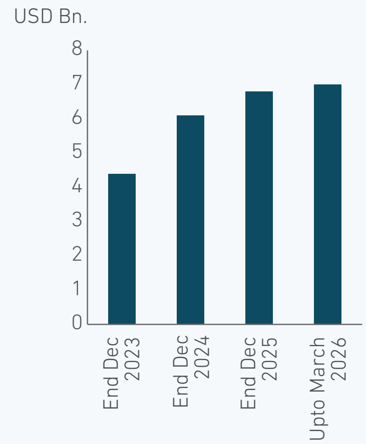
Source: CBSL

Interest Rates



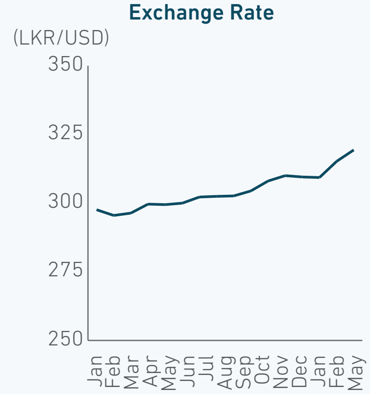
Source: CBSL

Gross Reserves



Source: CBSL

Exchange Rate



Source: CBSL

The Plantation Sector / Agriculture

Agricultural activities grew by 1.4% in 2025, compared to 0.6% growth in 2024, reflecting a gradual recovery in the sector. This expansion was primarily driven by gains in animal production, along with increased output in coconut and paddy cultivation.

Additional positive contributions were observed from forestry and logging, agricultural support services, as well as the cultivation of fruits, tea, and spices. However, overall sectoral growth was partially offset by contractions in fisheries, vegetable cultivation, rubber, and other perennial and beverage crops, which

OPERATING ENVIRONMENT

dampened the pace of expansion during the year.

- The sector demonstrated resilience despite the adverse impacts of Cyclone Ditwah in late 2025, which affected plantation infrastructure, transport accessibility, crop harvesting, and renewable energy operations in several regions
- Labour-related challenges intensified during the year due to rising wage expectations, labour migration, ageing estate worker populations, and difficulties in attracting younger generations into plantation-related employment.
- Increasing volatility in global commodity markets and geopolitical tensions continued to create uncertainty in export demand and pricing, requiring plantation companies to focus more strongly on operational efficiency, cost optimisation, and value creation.

TEA

The year 2026 presents a renewed sense of optimism for both the tea industry and the wider economy, following the severe disruptions caused by Cyclone Ditwah in late 2025. Despite significant damage to the High and Mid Grown sectors, the industry has demonstrated resilience, with swift restoration efforts ensuring continued operational stability across the supply chain.

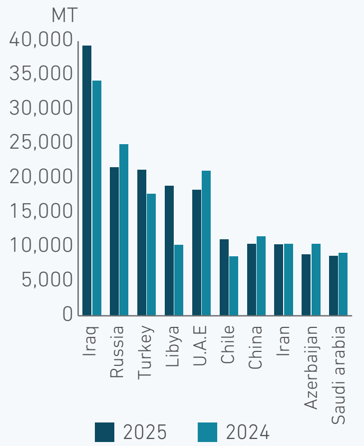
The tea sector remains a key pillar of the national economy, supported by favourable agro-climatic conditions and a dedicated workforce, while continuing to strengthen Sri Lanka's global reputation for quality tea. Emerging opportunities particularly in premium segments such as cold extraction and the expanding global bubble tea market further enhance Ceylon Tea's positioning.

In the near term, supply constraints and improved seasonal quality are expected to support firm market conditions in early 2026. However, global tea production has increased over recent years, with a larger share absorbed domestically in producing countries, limiting export availability. At the same time, rising competition particularly from African producers shifting to Orthodox tea poses challenges to Sri Lanka's traditional market position.

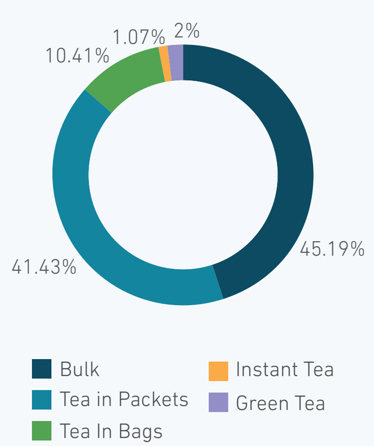
Sustaining Ceylon Tea's price premium remains a key strategic priority, requiring a continued focus on quality, purity, and brand positioning as the "cleanest tea in the world." Addressing this is critical to maintaining competitiveness in an evolving global market.

Performance indicators for 2025 showed modest but positive growth, with production increasing to 264.12 million kilograms and exports rising to 257.44 million kilograms. While FOB values remained largely stable in dollar terms, a mixed performance was observed across product categories.

Major tea Importers of Sri Lanka



Composition of Tea Exports - 2024



Source: Forbes and Walker, Tea Industry Performance in 2025 & Outlook for 2025

Tea Industry Outlook

Ceylon Tea's recent supply constraints have elevated prices, reducing competitiveness while encouraging increased Orthodox tea production among competing countries, particularly in Africa. This raises concerns over the sustainability of its traditional price premium, underscoring the need to strengthen quality, purity, and premium positioning.

At the same time, Sri Lanka is well-placed to capitalise on growing demand in premium segments, including cold extraction and the expanding global bubble tea market. Near-term market conditions are expected to remain firm in early 2026, supported by limited supply and improved quality, although prices may stabilise and gradually ease as supply improves.

Despite these opportunities, structural challenges such as climate change, labour shortages, rising costs, and low productivity continue to pose risks, making industry-wide improvements in efficiency and sustainability critical for maintaining global competitiveness.

Impact on EPP

- Ongoing supply constraints in the global tea market, coupled with firm pricing conditions, are expected to support stronger tea price realisations for the Company, particularly in the High and Mid Grown tea segments.
- Increasing global demand for premium teas presents opportunities to expand the Company's portfolio of value-added and specialty tea products, enhancing margins and market positioning.
- Intensifying competition from African Orthodox tea producers may exert pressure on Ceylon Tea's traditional price premium, necessitating a sustained focus on quality, purity, branding, and sustainability.
- Climate-related disruptions, labour shortages, and rising input costs are likely to remain key challenges, potentially impacting productivity levels and compressing operational

RUBBER

Global rubber industry

The global rubber supply outlook remains exposed to climate disruptions, energy price volatility, and geopolitical risks affecting trade and logistics. At the same time, the industry is undergoing structural shifts toward sustainability and traceability, alongside increased adoption of mechanisation and climate-resilient planting to address labour and environmental challenges.

Production is also gradually shifting toward emerging regions such as Africa, while traditional producers face declining cultivation due to competition from more profitable crops—reshaping the global supply landscape.

Sri Lankan Rubber Industry

Sri Lanka's natural rubber production declined by 3% in 2025, falling to 66.49 million kilograms from 69.18 million kilograms in 2024.

The rubber industry remains a key export contributor, although total export earnings from rubber and rubber-based products declined by 5.6% to USD 945.3 million in 2025, compared to USD 1,001.9 million in 2024.

The sector continues to focus on value-added manufacturing. However, limited domestic availability of Ribbed Smoked Sheet (RSS) has led manufacturers to increasingly rely on imported lower-grade RSS to sustain production.

The industry operates within a structured framework supported by institutions such as the Plastics & Rubber Institute of Sri Lanka (PRISL), alongside policy guidance from national economic strategies articulated by the Central Bank of Sri Lanka.

Key Challenges

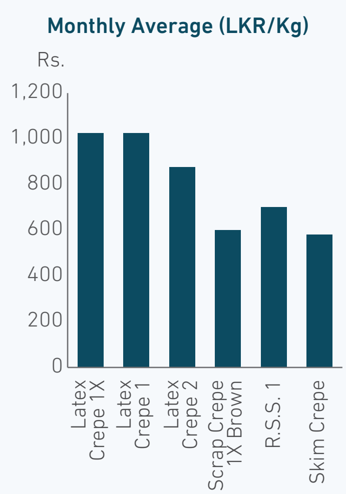
- Emerging global trade barriers, particularly new U.S. tariffs, have begun to dampen export demand.
- Exports of pneumatic and retreaded tyres and tubes declined by 13.58% during the first eleven months of 2025.
- Limited availability of local RSS remains a challenge, with only RSS 1 actively traded at recent auctions.

Opportunities

- Sri Lanka is well-positioned as a specialised supplier of intermediary rubber-based products in global value chains.
- Improved weather patterns toward end-2025 supported production activity.
- Growing demand from the Middle East, India, and Africa presents opportunities for export expansion.

Global Outlook

The global rubber market is expected to remain broadly balanced but cautious in the near term. While recovery in China's automotive sector continues to provide underlying support, persistent headwinds including weaker demand in Europe and elevated inventory levels are likely to keep overall market sentiment subdued.



Source : Rubber Research Institute of Sri Lanka

Sri Lanka Outlook

Sri Lanka's outlook reflects a gradual and resilient recovery. Despite ongoing challenges from global tariff pressures and domestic supply constraints, improving auction volumes and a strategic focus on higher-value, niche product segments are expected to support stability in export earnings during 2026.

Impact on EPP

- Strengthening demand from key regions such as the Middle East, India, and Africa presents opportunities to enhance market access, supporting improved price stability and revenue growth.
- Persistent global trade uncertainties and tariff-related pressures may continue to weigh on export demand and overall market sentiment, creating potential volatility in sales performance.
- Ongoing labour shortages, rising input costs, and climate-related risks are expected to remain key challenges, potentially impacting productivity and exerting downward pressure on margins.

OPERATING ENVIRONMENT

OIL PALM

The promotion of oil palm cultivation presents a significant opportunity to attract foreign investment, facilitate technology transfer, and enhance agricultural productivity. It also has the potential to stimulate downstream industries, including refining and value-added processing, thereby generating employment and supporting rural economic development.

Reconsidering oil palm cultivation could meaningfully reduce Sri Lanka's dependence on imported edible oils, easing pressure on foreign exchange reserves while creating sustainable income opportunities for smallholder farmers and plantation workers.

Sustainable Development Framework

To address environmental concerns, oil palm expansion must be guided by strict sustainability principles:

- Cultivation should be confined to carefully identified areas that minimise impacts on biodiversity and ecosystems.
- Adoption of internationally recognised certifications, such as the Roundtable on Sustainable Palm Oil (RSPO), should be encouraged. This is already progressing, with one Regional Plantation Company (RPC) certified and others in the process of obtaining certification.
- Continued investment in research is essential to develop climate-resilient and environmentally responsible practices, supported by robust monitoring systems to assess long-term impacts.

Key Opportunities

- Reducing reliance on imported edible oils, thereby saving foreign exchange.
- Expanding opportunities across cultivation, processing, and logistics sectors.
- Supporting both food (e.g., margarine, confectionery) and non-food industries (e.g., cosmetics, biodiesel).
- Oil palm delivers superior oil output per hectare compared to alternative crops such as coconut or soybean.
- Sri Lanka's wet tropical zones, particularly in the Southern and Western regions, are well-suited for oil palm cultivation.

Reintroducing oil palm cultivation under a robust regulatory and sustainability framework offers substantial economic benefits while addressing rural livelihoods and environmental considerations. Its long-term success will depend on careful planning, responsible implementation, and adherence to global sustainability standards.

Future Outlook

The future of oil palm cultivation in Sri Lanka depends on a balanced, forward-looking approach that integrates economic growth with environmental stewardship. If managed responsibly, oil palm can complement traditional plantation crops such as tea and rubber, enhance national self-sufficiency, and position Sri Lanka as a model for sustainable plantation agriculture.

Impact on EPP

- Ongoing restrictions on new oil palm cultivation in Sri Lanka continue to constrain large-scale expansion within the sector, creating uncertainty around long-term industry growth and limiting domestic investment opportunities.
- In response to the evolving regulatory landscape, the Company is exploring opportunities in overseas geographies to support its long-term growth and diversification strategy within the oil palm sector.

CINNAMON

Sri Lanka is the world's largest producer and exporter of true cinnamon (Cinnamomum zeylanicum Blume), renowned for its superior quality, distinctive colour, flavour, and aroma. Production is concentrated primarily in the Galle and Matara districts, with smaller-scale cultivation taking place in several other regions.

As the country's fourth-largest agricultural export, the cinnamon industry supports over 70,000 smallholder farmers and provides employment to approximately 350,000 individuals across production and processing. Over the past two decades, output has expanded by more than 50%, with 80–90% of production exported and the remainder absorbed domestically. Export earnings have recorded a steady upward trajectory, reflecting sustained global demand.

Sri Lankan cinnamon enjoys strong international recognition, with key export markets including Mexico, the United States, the United Kingdom, Germany, Peru, Colombia, and Ecuador. Demand continues to grow across food, pharmaceutical, and perfumery industries, while the United States also serves as a re-export hub.

Although over 90% of exports are currently in the form of cinnamon quills, indicating limited diversification, there is growing global demand for value-added products such as cinnamon bark oil and leaf oil. In response, Sri Lanka is gradually expanding into higher-value segments, including cinnamon-based food products, beverages, and cosmetic applications.

The industry has benefited from targeted government and institutional support, particularly through the introduction of quality standards and the attainment of Geographical Indication (GI) status, which has strengthened the global positioning of Ceylon cinnamon. Continued support through training, education, and financial assistance has further enhanced industry capabilities.

In 2025, the cinnamon sector achieved a milestone, generating nearly Rs. 8 billion (USD 260 million) in export revenue the highest on record supported by strong growth during the year. The industry also contributed to the broader performance of the spices and essential oils sector, which recorded steady expansion. Looking ahead, the Department of Cinnamon Development has set an ambitious export target of USD 300 million for 2026, with Sri Lankan cinnamon currently reaching over 100 international markets.

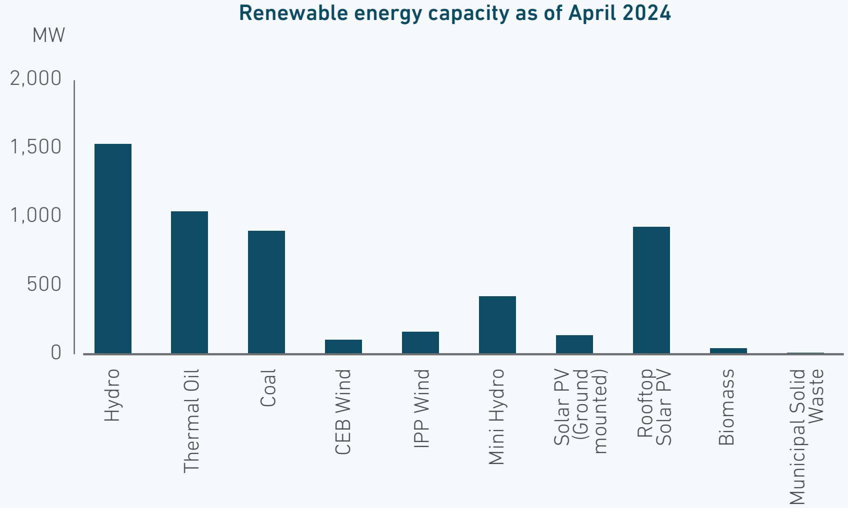
RENEWABLE ENERGY

In February 2026, the Cabinet approved the Renewable Energy Resources Development Plan 2025–2030 to achieve 70% renewable electricity generation by 2030 and carbon neutrality by 2050. Prepared by the Sri Lanka Sustainable Energy Authority in line with national policy and legislation, the plan outlines a structured roadmap for expanding renewable energy through land prioritisation, renewable energy mapping, renewable energy gardens, and floating solar projects. It aims to accelerate renewable deployment, strengthen energy security, and reduce reliance on fossil fuels while supporting Sri Lanka's long-term climate commitments.

In line with Sustainable Development Goal 7 on affordable and clean energy, the country is advancing its Nationally Determined Contributions (NDCs) to reduce greenhouse gas (GHG) emissions. As part of this commitment, Sri Lanka plans to add approximately 3,867 MW of renewable energy capacity by 2030.

Given its strong natural endowment of renewable resources including solar, wind, hydro, and biomass the country is well-positioned to achieve these targets. The approved Long-Term Generation Expansion Plan (LTGEP) outlines specific capacity additions, including 4,705 MW of solar power, 1,825 MW of wind power, 195 MW of mini-hydro, and 200 MW of biomass energy.

Sri Lanka Power Generation Capacity Mix



Source: Public Utilities Commission of Sri Lanka

Impact on EPP

- Growing investment in renewable energy infrastructure presents significant opportunities for the Company to develop and expand its project portfolio, both locally and in overseas markets.

OPERATING ENVIRONMENT

PESTEL ANALYSIS

Factor	Key Developments	Impact on EPP	Our Response	Future Focus
Political	High exposure to government policies on land, wages, taxation, and environmental regulations; policy shifts and geopolitical dynamics create uncertainty	• Rising labour costs from wage regulations • Operational uncertainty due to policy changes • Market disruptions from geopolitical risks	• Diversify revenue through value-added and new segments • Expand into overseas markets • Engage proactively with regulators	• Enhance geographic diversification • Strengthen policy monitoring via ERM • Align with national regulatory and sustainability agendas
Economic	Exposure to commodity price volatility, inflation, exchange rate fluctuations, and interest rates	• Margin pressure from rising input costs • Volatility in export earnings • Higher financing costs	• Shift toward value-added and branded products • Drive cost optimisation and efficiency • Maintain balanced local/ export portfolio	• Increase high-margin segment contribution • Improve productivity and mechanisation • Balance both agribusiness and diversified operations businesses
Social	Labour shortages, declining youth interest, rising expectations on welfare; growing demand for sustainable products	• Reduced productivity due to labour shortages • Higher costs for employee welfare • Increased demand for ethical products	• Enhance employee value proposition (housing, welfare, inclusion) • Invest in mechanisation • Expand value-added product offerings	• Position as Employer of Choice • Accelerate modernisation and mechanisation • Strengthen community and livelihood initiatives
Technological	Increased use of precision agriculture, automation, digital tools, and renewable energy; adoption challenges remain	• Improved efficiency and productivity • High capital investment requirements • Risk of lagging competitiveness	• Invest in automation, ERP, and data analytics • Build innovation-focused capabilities • Expand renewable energy use	• Scale precision agriculture and digital adoption • Strengthen data-driven decision-making • Continue innovation and automation investments
Environmental	Climate change impacts (droughts, floods, temperature variation); rising focus on sustainability and reduced agrochemical use	• Yield losses and operational disruptions • Higher compliance and adaptation costs • Opportunities in sustainability initiatives	• Adopt climate-resilient practices (soil, water) • Reduce agrochemicals, promote regenerative farming • Expand renewable energy and biodiversity efforts	• Transition to low-carbon operations (incl. N_2O reduction) • Expand renewable energy and efficiency • Advance regenerative agriculture practices
Legal	Evolving labour laws, environmental regulations, and tax frameworks	• Higher compliance and administrative costs • Financial impact from tax changes • Legal and regulatory risks	• Strengthen governance and compliance systems • Engage with regulators and industry bodies • Align with global certifications and standards	• Enhance compliance readiness and governance • Align with SLFRS S1 & S2 and global standards • Strengthen risk management and internal controls

SWOT ANALYSIS

S Strengths

- Strong shareholder backing and governance structure enabling long-term strategy
- Established leadership with diversified crops (tea, rubber, oil palm, coconut)
- Diversification into renewable energy, value-added products, horticulture, tourism
- Extensive land bank for expansion and sustainable land use
- Deep plantation expertise and experienced workforce
- Strong sustainability focus (renewable energy, biodiversity, climate practices)
- Healthy financial position supporting investment and growth

W Weaknesses

- Exposure to climate variability affecting crop yields
- Labour-intensive operations leading to productivity constraints
- Labour shortages and difficulty attracting younger workers
- Limited specialised skills for new and tech-driven segments
- Dependence on commodity-based revenue streams
- High exposure to regulatory changes (wages, land use)
- Capital-intensive transformation with long payback periods

O Opportunities

- Expansion into high-value agriculture (berries, specialty crops)
- Growth in value-added products (tea, cinnamon, beverages)
- Development of regenerative tourism aligned with ESG
- Expansion into international agri ventures
- Growing demand for sustainably sourced products
- Scaling renewable energy (solar, hydro)
- Adoption of mechanisation and precision agriculture
- Access to carbon markets and climate finance opportunities

T Threats

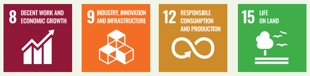
- Climate change impacts (droughts, floods, temperature variability)
- Rising labour costs and union pressures
- Volatility in global commodity prices
- Macroeconomic pressures (inflation, exchange rates, interest rates)
- Regulatory and policy uncertainty
- Labour shortages and industrial relations risks
- Competition from lower-cost international producers
- Operational risks (pests, disease, supply chain disruptions)

BUSINESS LINE REVIEWS

TEA

TEA REMAINED THE GROUP'S LARGEST AGRIBUSINESS SEGMENT AND PRIMARY CONTRIBUTOR TO REVENUE DURING FY 2025/26. IMPROVED CROP VOLUMES SUPPORTED OVERALL REVENUE GROWTH, DESPITE A DECLINE IN NET SALES AVERAGE (NSA) COMPARED TO THE PREVIOUS YEAR.

Link to SDGs

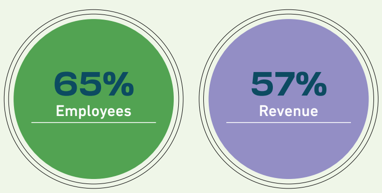


Link to Material Topics

Soil health
Chemical use
Research & innovation
Employee relations
Local communities

Link to Strategic Enablers

Contribution to the Group



KEY HIGHLIGHTS IN FY 2025/26

- Total tea crop increased to 4.28 Mn kg, compared to 4.17 Mn kg in the previous year, representing a 2% growth YoY
- NSA declined marginally to Rs. 1,108/kg from Rs. 1,127/kg in FY 2024/25, reflecting softer market conditions
- Cost of Production (COP) increased to Rs. 987/kg from Rs. 974/kg, primarily driven by the upward revision in plantation sector wages, alongside higher agricultural input and operational costs

SWOT ANALYSIS OF THE TEA BUSINESS SEGMENT

Category	Details
Strengths	• Strong, diversified presence across high, mid, and low-grown elevations • Established reputation for premium Ceylon Tea production • Consistent improvement in crop performance and field productivity • Robust export orientation with well-established market access
Weaknesses	• High dependency on labour and rising wage costs • Sensitivity to climatic conditions impacting yield and quality • Elevated agricultural input and overall operational costs
Opportunities	• Growing demand for premium and value-added tea segments • Potential for mechanisation and technology-driven productivity gains • Expansion into specialty teas and niche export markets • Differentiation through sustainability and ethical sourcing practices
Threats	• Climate change and increasing frequency of extreme weather events • Intense global competition from lower-cost tea-producing origins • Labour shortages and ongoing cost pressures • Volatility in auction prices and fluctuations in export demand

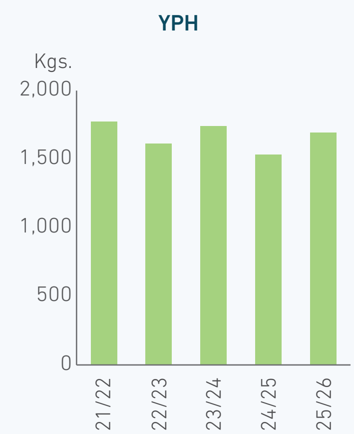
PERFORMANCE

The tea segment delivered improved operational performance during FY 2025/26, supported by higher crop volumes and sustained operational focus across the Group's estates. Estate crop increased by approximately 11%, driven by enhanced field productivity and relatively favourable growing conditions across several regions during the year.

Despite the increase in production volumes, market conditions remained challenging, with NSA declining marginally due to softer auction prices. At the same time, Cost of Production increased, primarily reflecting the impact of plantation sector wage revisions, alongside higher agricultural input, fuel, and other operating costs.

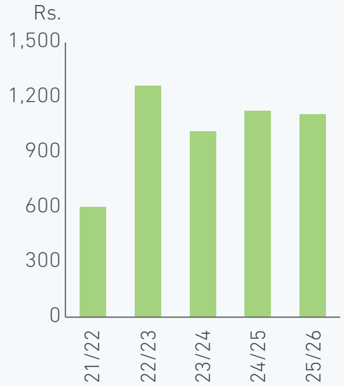
Nevertheless, the segment continued to benefit from the Group's diversified elevation exposure and disciplined estate management practices. Higher production volumes, operational efficiencies, and ongoing cost management initiatives supported profitability, although margins remained under pressure due to wage inflation and rising input costs.

Tea continued to be the Group's core agribusiness segment and largest contributor to revenue, with sustained strategic emphasis on quality enhancement, field productivity improvements, and value optimisation across elevations further strengthening overall performance.

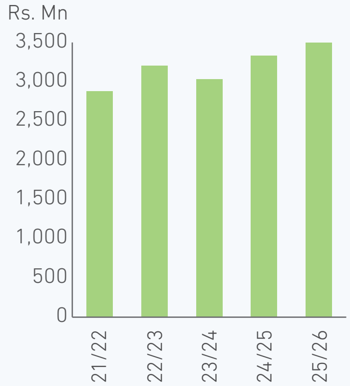


BUSINESS LINE REVIEWS

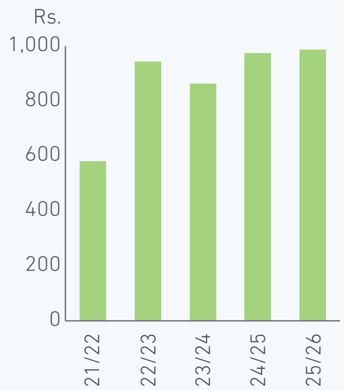
NSA



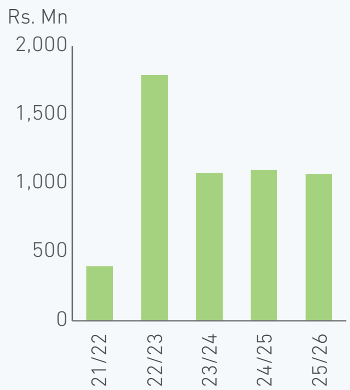
Total Assets



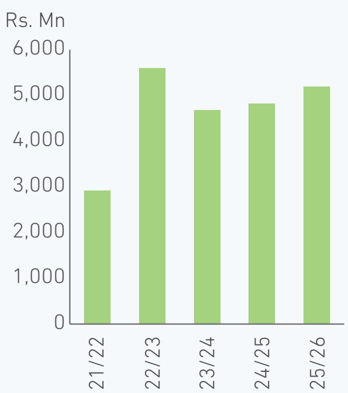
COP



Segment Profit



Revenue



Value Proposition

- Produce premium Ceylon Tea across high-, mid-, and low-grown elevations, ensuring a diversified and high-quality product portfolio
- Maintain strong exposure to export-oriented agricultural markets, enhancing foreign revenue potential
- Support rural livelihoods through large-scale employment generation and community engagement
- Contribute indirectly to Sri Lanka's global tea reputation and foreign exchange earnings
- Create long-term value through sustainable, environmentally responsible, and climate-conscious plantation practices

Strategic Focus Areas and Initiatives – FY 2025/26

- Enhance field productivity and improve crop recovery through targeted agronomic interventions
- Strengthen tea quality and optimise value realisation across high-, mid-, and low-grown elevations
- Accelerate mechanisation and drive operational efficiencies across estate operations
- Improve soil health through structured replanting and infilling programmes
- Advance climate adaptation measures alongside sustainable and environmentally responsible agricultural practices
- Expand value-added offerings and strengthen export-oriented tea market opportunities
- Intensify cost optimisation initiatives to improve overall operational resilience and profitability

FUTURE FOCUS

We will enhance productivity, strengthen quality, and improve operational efficiency across all elevation segments. Continued emphasis will be placed on advancing mechanisation and automation, promoting sustainable agricultural practices, building climate resilience, and undertaking long-term field rehabilitation initiatives.

In parallel, the Group will pursue opportunities in premiumisation, value addition, and export market expansion to strengthen value realisation and reinforce the segment's long-term competitiveness.

RUBBER

THE GROUP'S RUBBER SEGMENT RECORDED IMPROVED OPERATIONAL PERFORMANCE DURING FY 2025/26. HOWEVER, PROFITABILITY REMAINED CONSTRAINED DUE TO ELEVATED COST OF PRODUCTION AND ONGOING CHALLENGES SUCH AS LABOUR SHORTAGES AND CLIMATE-RELATED DISRUPTIONS. THE GROUP CONTINUES TO FOCUS ON ENHANCING PRODUCTIVITY FROM ECONOMICALLY VIABLE EXTENTS WHILE EVALUATING LONG-TERM LAND OPTIMISATION AND ALTERNATIVE LAND-USE OPPORTUNITIES TO STRENGTHEN OVERALL SEGMENT PERFORMANCE.

BUSINESS LINE REVIEWS

Link to SDGs

Link to Material Topics

Soil health
Chemical use
Research & innovation
Employee relations
Local communities

Link to Strategic Enablers

Contribution to the Group

5% Employees

3% Revenue

KEY HIGHLIGHTS IN FY 2025/26

- Rubber crop increased by 8% YTD to 258,944 kg, compared to 239,526 kg in the previous year
- Net Sales Average (NSA) improved by 6% to Rs. 926/kg, reflecting relatively stronger market conditions
- Cost of Production (COP) remained elevated at Rs. 1,301/kg, highlighting continued pressure from labour and input costs
- Rubber contributed approximately Rs. 243 Mn in revenue, accounting for around 3% of total Group revenue
- Despite improvements in crop volumes and Net Sales Average (NSA), profitability remained constrained
- Margins continued to be impacted by elevated Cost of Production (COP), ageing plantations, tapping labour shortages, and weather-related disruptions

SWOT ANALYSIS – RUBBER SEGMENT

Category	Details
Strengths	• Established operational expertise in rubber cultivation • Contributes to diversification of the Group's agribusiness portfolio • Potential for additional value realisation through timber from mature plantations
Weaknesses	• Ageing plantations leading to declining long-term productivity • Labour shortages and limited tapping availability • Lower profitability contribution relative to other crops
Opportunities	• Scope for productivity enhancement through improved field management practices • Land optimisation and crop rationalisation opportunities • Potential value realisation from timber and alternative land use • Growing global demand for natural rubber products
Threats	• Climate-related disruptions affecting tapping days and yields • Continued escalation in wage and input costs • Volatility in global rubber prices and export demand • Structural decline in national rubber production

PERFORMANCE

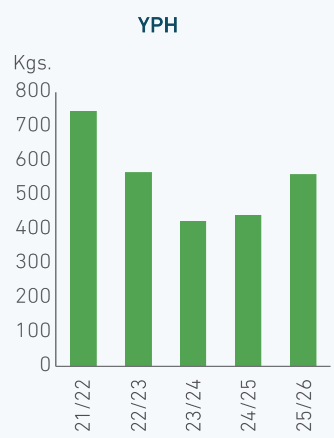
The global rubber market remained relatively resilient during 2025, supported by sustained demand from the automotive, industrial, and medical sectors.

In Sri Lanka, however, the industry continued to face structural challenges, including adverse weather conditions, ageing plantations, and declining tapping availability. Local auction prices showed moderate improvement toward the latter part of the year, supported by supply constraints and relatively stable global demand.

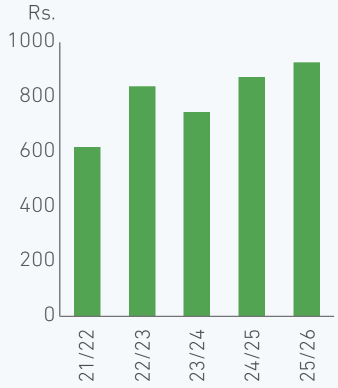
Against this backdrop, the Group's rubber segment demonstrated improved operational performance during FY 2025/26, recording growth in crop and market realisation compared to the previous year. Crop volumes increased by 8%, while NSA improved by 6%, supported by firmer market prices and enhanced field-level productivity.

Despite these gains, profitability remained constrained due to a high Cost of Production (COP), driven by increases in labour wages, fertiliser and agrochemical costs, as well as fuel and transportation expenses. In addition, climate-related disruptions and labour shortages continued to impact operational efficiency and overall cost competitiveness.

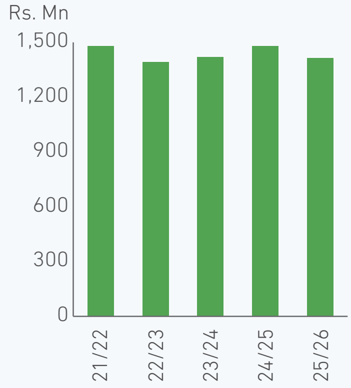
Accordingly, the Group maintained its focus on enhancing productivity from economically viable extents, while actively evaluating long-term land optimisation and alternative use opportunities for underperforming areas.



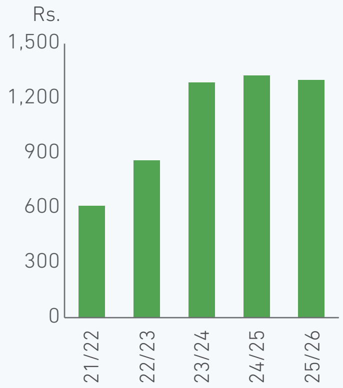
NSA



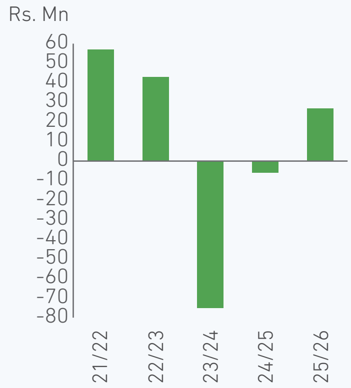
Total Assets



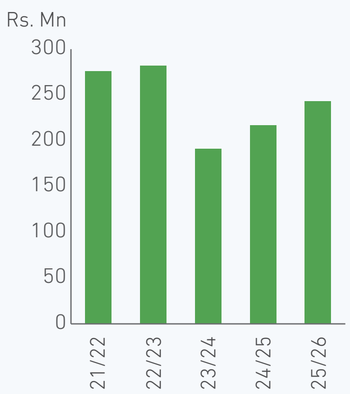
COP



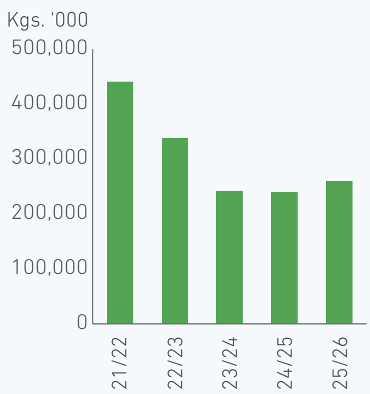
Segment Profit



Revenue



Crop



Value Proposition

- Enhance portfolio diversification within the agribusiness segment
- Support both domestic and export-linked rubber value chains
- Preserve long-term optionality through land assets, timber value, and potential future crop conversion opportunities

Strategic Focus Areas and Initiatives – FY 2025/26

- Enhance field productivity through targeted agronomic interventions and improved estate practices
- Strengthen tapping efficiency while improving overall labour productivity
- Optimise land utilisation, including a structured evaluation of underperforming extents
- Continue implementing sustainable agricultural practices alongside soil conservation initiatives
- Explore long-term crop rationalisation and diversification opportunities where commercially viable

FUTURE FOCUS

The Group will continue to prioritise enhancing field productivity, optimising cost of production (COP), and maximising returns from economically viable rubber extents. Strategic emphasis will also be placed on long-term land optimisation, including the evaluation of alternative crop and land-use opportunities for underperforming areas.

The segment will be managed with a disciplined, commercially driven approach, ensuring a balance between operational sustainability and the Group's broader diversification and transformation objectives.

OIL PALM

OIL PALM REMAINS A HIGHLY PRODUCTIVE CROP WITHIN THE GROUP'S PORTFOLIO, SUPPORTING STRONG COST EFFICIENCY, OPTIMAL LAND USE, AND LONG-TERM VALUE CREATION.

Link to SDGs

Link to Material Topics

Soil health
Chemical use
Research & innovation
Employee relations
Local communities

Link to Strategic Enablers

Contribution to the Group

10% Employees

31% Revenue

KEY HIGHLIGHTS IN FY 2025/26

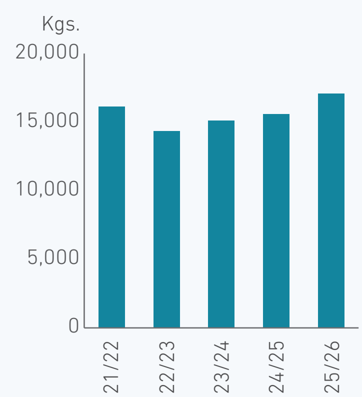
- Performance was driven by yield optimisation initiatives and disciplined estate management practices
- Continued focus on enhancing field-level productivity through improved agronomic practices, timely harvesting, and efficient resource utilisation
- Maintained stable operational performance across existing plantations
- Growth remained constrained by limitations on the expansion of cultivated extents
- Performance improvements were primarily achieved through internal efficiency gains rather than scale expansion

SWOT ANALYSIS – OIL PALM SEGMENT

Category	Details
Strengths	• High yield per hectare compared to other plantation crops • Cost-efficient crop with consistently strong productivity levels • Well-established cultivated base providing operational stability
Weaknesses	• Inability to expand locally due to regulatory restrictions • Limited economies of scale relative to global producers • Dependence on policy changes to unlock growth potential
Opportunities	• Potential for overseas expansion to achieve scale and geographic diversification • Opportunity for import substitution and contribution to national food security • Scope for downstream value addition in refining and related industries • Alignment with global sustainability standards (e.g., RSPO) to strengthen market positioning
Threats	• Ongoing policy uncertainty affecting long-term investment decisions • Heightened environmental and social scrutiny of oil palm cultivation • Increasing global sustainability and traceability requirements • Climate-related risks impacting yield and productivity

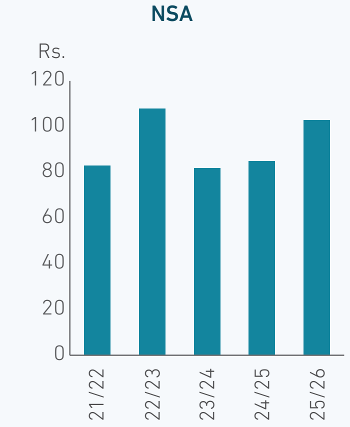
PERFORMANCE

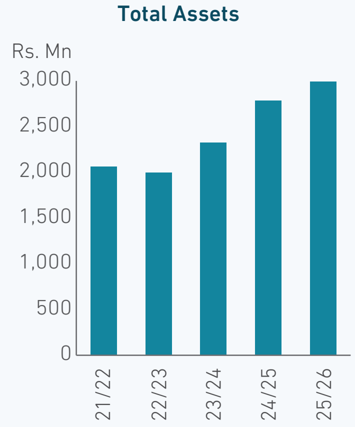
The Group's oil palm segment continued to operate within a constrained regulatory environment during the year under review, with restrictions on further expansion limiting the ability to fully capitalise on the crop's high-yield potential. Despite these constraints, the segment maintained stable operations across its existing cultivated extent of approximately 1,709 hectares, with a continued focus on optimising productivity and enhancing operational efficiencies.

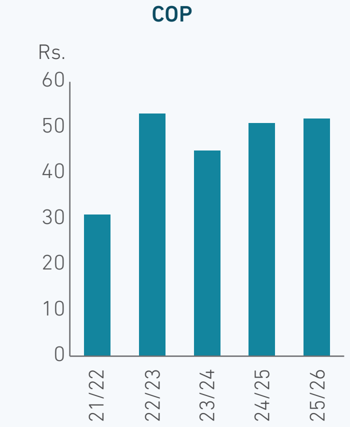


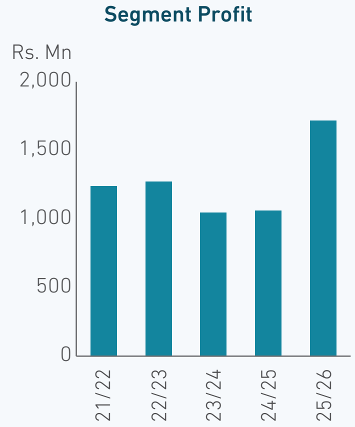
Oil palm remains one of the most productive crops within the Group's plantation portfolio, delivering superior yield per hectare compared to alternative crops. This inherent advantage continues to underpin the segment's contribution to overall agricultural performance, particularly in terms of cost efficiency, land utilisation, and long-term value generation.

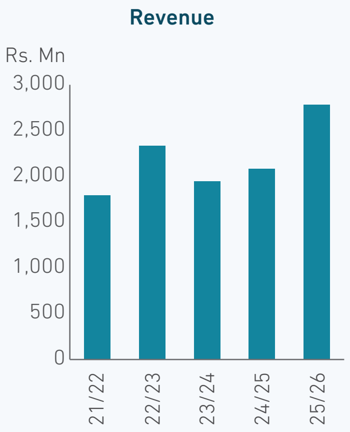
BUSINESS LINE REVIEWS











Value Proposition

- High-yield, land-efficient crop compared to alternative plantation options, maximising output per hectare
- Enhance long-term agricultural productivity and operational efficiency across estates
- Provide stable, scalable diversification within the Company's agribusiness portfolio
- Contribute to import substitution by reducing reliance on edible oil imports
- Generate sustainable economic value through responsible and environmentally conscious cultivation practices
- Support rural livelihoods through employment generation and community development
- Offers strong long-term potential for downstream value addition and export market expansion

Strategic Focus Areas and Initiatives – FY 2025/26

- Focused on maximising value from existing plantations while positioning for potential future expansion, subject to regulatory developments
- Prioritised productivity enhancement through improved yield per hectare, supported by better field management, fertilisation practices, and crop monitoring
- Continued emphasis on sustainability, aligning operations with responsible cultivation and environmentally conscious land management practices
- Maintained engagement with industry stakeholders and policymakers, advocating for a science-based reassessment of the regulatory framework
- Supported a balanced approach to sector development that enables economic value creation while safeguarding environmental integrity

FUTURE FOCUS

The Group's forward strategy for the oil palm segment is anchored on a dual approach of optimisation and selective expansion.

In the near term, the focus will remain on enhancing productivity, improving operational efficiencies, and strengthening sustainability practices across existing plantations to maximise value from current assets.

Over the medium to long term, the Group will evaluate and pursue overseas cultivation opportunities to overcome domestic regulatory limitations, achieve scale, and enhance geographic diversification, thereby strengthening its strategic position within the broader plantation portfolio.

STRATEGIC INVESTMENTS

THE GROUP'S DIVERSIFIED BUSINESSES RECORDED STEADY PROGRESS DURING FY 2025/26, CONTRIBUTING MEANINGFULLY TO REVENUE GROWTH AND PORTFOLIO DIVERSIFICATION. PERFORMANCE WAS DRIVEN BY EXPANSION IN HIGH-VALUE HORTICULTURE, INCREASED RENEWABLE ENERGY GENERATION, AND THE STRENGTHENING OF EXPORT-ORIENTED VALUE-ADDED OPERATIONS.

THE GROUP ALSO CONTINUED TO ADVANCE ITS INTERNATIONAL MARKET PRESENCE WHILE EXPLORING INVESTMENT AND EXPANSION OPPORTUNITIES IN LINE WITH ITS "TRANSFORMATION 2030" STRATEGY.

BUSINESS LINE REVIEWS

Link to SDGs

Link to Material Topics

Research & innovations
Knowledge enhancement
Chemical use
Energy management
Biodiversity

Link to Strategic Enablers

Contribution to the Group

3% Employees

10% Revenue

KEY HIGHLIGHTS IN FY 2025/26

- Expanded cultivated extent under high-value horticulture to 22 hectares / 53 polytunnels, reflecting continued scale-up of controlled-environment agriculture as well as open field cultivations.
- Renewable energy operations generated approximately 5.9 GWh during the year, contributing to sustainable energy integration and cost efficiencies
- Introduced 03 new SKUs under our own brand name and 16 SKUs under Harrow House within the value-added product portfolio, further strengthening product diversification and market reach
- Export-oriented value-added operations recorded sales of Rs.128 Mn, marking an initial step towards expanding into international markets.
- Generated revenue of Rs. 865 Mn, reflecting a year-on-year growth of 52%

SWOT ANALYSIS – EMERGING / DIVERSIFIED SEGMENTS

Category	Details
Strengths	• Diversifies the Group's earnings base beyond traditional plantation operations • Provides exposure to high-growth, future-oriented sectors • Ability to leverage existing plantation assets and operational expertise • Expanding export-oriented and value-added business platform
Weaknesses	• Involves long gestation periods and significant capital investment requirements • Exposure to execution and scaling risks in emerging business areas • Dependence on specialised technical expertise and regulatory approvals
Opportunities	• Potential for overseas expansion and enhanced regional diversification • Growing global demand for premium agricultural products and renewable energy solutions • Rising interest in sustainable and regenerative tourism experiences • Expansion of value-added and export-oriented product portfolios • Introduction of new high-value crops and advanced technologies
Threats	• Climate-related risks and increasing frequency of extreme weather events • Regulatory complexities and approval-related delays • Macroeconomic pressures, including foreign exchange volatility • Intensifying competition from regional and international players • Fluctuations in global market demand and pricing • Extension of the land Lease

PERFORMANCE

Collectively, the businesses within this segment contributed approximately Rs. 865 Mn in revenue, accounting for 10% of the Group's total revenue.

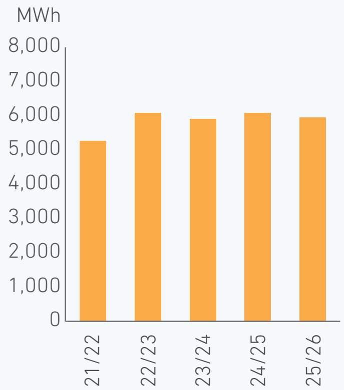
High-value horticulture operations continued to scale during the year, with cultivated extent expanding to approximately 22 hectares, supported by 53 polytunnels/greenhouses and open field cultivations, reflecting ongoing investment in controlled-environment agriculture.

Renewable energy operations generated approximately 5.9 GWh during the year, reinforcing the Group's commitment to sustainable and cost-efficient energy solutions.

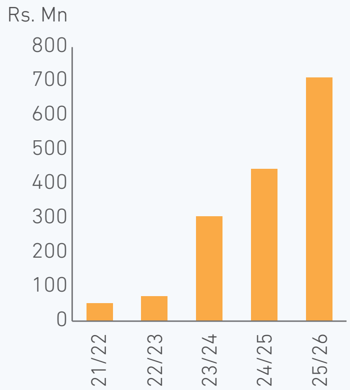
The Group further strengthened its export-oriented business model by directly exporting value-added products to markets including the Maldives and Fiji.

In line with the Transformation 2030 strategy, the Group continued to explore investment and expansion opportunities locally and internationally, particularly within the horticulture and renewable energy sectors, to support long-term growth and diversification objectives.

Renewable Energy generation



High-value horticulture Revenue



VALUE PROPOSITION

- Diversify earnings beyond traditional plantation operations
- Create long-term value through innovation and sustainability
- Drive growth through value addition and product diversification
- Enhance exposure to high-growth and future-oriented sectors

HIGH-VALUE HORTICULTURE

Strategic Focus Areas / Initiatives

Expand berry cultivation and protected agriculture

Key Developments

- Continued expansion of strawberry cultivation
- Increased focus on other berry varieties, including blueberry, blackberry, and raspberry
- Initiated evaluation of new berry (Mulberry) varieties for potential introduction
- Explored international horticulture opportunities to support future growth
- Move to different geographical territories to stabilise production
- Floriculture startups

Performance

Achieved revenue growth of 61% compared to the previous year

Future Outlook

Expand cultivation capacity, diversify crop varieties, and pursue local and international growth opportunities

Key Opportunities & Risks

Opportunities: Rising demand for premium produce and export markets

Risks: Climate variability, input cost pressures, market fluctuations

VALUE-ADDED PROCESSING AND BRANDING

Strategic Focus Areas / Initiatives

Develop branded, export-oriented product portfolio

Key Developments

- Commenced direct exports of value-added products to markets including the Maldives and Fiji
- Continued to drive product innovation across the value-added portfolio
- Expanded market reach through ongoing export market development initiatives

Performance

Recorded revenue of Rs. 33 Mn, under dry category products

Future Outlook

Broaden branded, value-added portfolio and strengthen global market presence

Key Opportunities & Risks

Opportunities: Premiumisation and export market expansion

Risks: Competitive pressures and evolving consumer preferences

BUSINESS LINE REVIEWS

RENEWABLE ENERGY

Strategic Focus Areas / Initiatives
Enhance generation capacity and operational efficiency across hydro, solar, and other renewable initiatives

Key Developments
- Generated 5.9 GWh of renewable energy during the year
- Hydro power operations were impacted by Cyclone Ditwah, resulting in damage to certain assets and related infrastructure
- Restoration and rehabilitation efforts have been initiated to reinstate operations
- Ongoing resilience-building measures are being implemented to mitigate future climate-related risks
- Exploring diversified renewable energy opportunities beyond rooftop solar, focusing on BESS, biomass, hydro, and international market opportunities in response to evolving regulatory constraints

Performance
Generated revenue of Rs. 78 Mn despite cyclone-related operational disruptions

Future Outlook
Complete restoration of hydro assets and pursue renewable energy expansion locally and overseas in line with 2030 strategy

Key Opportunities & Risks
Opportunities: Growing renewable energy demand and decarbonisation trends

Risks: Climate-related disruptions, regulatory changes, power-pricing volatility

REGENERATIVE TOURISM

Strategic Focus Areas / Initiatives
Develop regenerative tourism concepts and sustainable experiences

Key Developments
- Conceptual approval was granted by the Board for the regenerative tourism project
- Initiated engagement with regulatory authorities and key stakeholders
- Progressed approvals, preliminary clearances, and required assessments
- Advanced initial project planning and development groundwork

Performance
Progressed project conceptualisation and preliminary development planning

Future Outlook
Advance regulatory approvals and position the Group as a leader in regenerative and sustainable tourism

Key Opportunities & Risks
Opportunities: Tourism recovery and demand for sustainable travel

Risks: Regulatory approval processes, extended project gestation periods, and prevailing economic uncertainty

COMMERCIAL FORESTRY

Strategic Focus Areas / Initiatives
Expand commercial forestry operations and advance high-value Agarwood cultivation.

Key Developments
- Maintained a diversified commercial forestry portfolio exceeding 950 hectares comprising Eucalyptus, Albizzia, Alstonia, and Agarwood plantations
- After successfully completing pilot trials at Devitura Estate, entered into an MoU to act as the exclusive agent for the inoculant in Sri Lanka, creating opportunities for wider industry adoption and future value creation
- Strengthened technical knowledge and capability in value-added forestry cultivation and management practices

Performance
- Managed commercial forestry plantations with a biological asset value of Rs. 1.98 billion as at 31 March 2026

Future Outlook
Progress the commercialisation of Agarwood cultivation, while leveraging the exclusive agency arrangement to support wider industry adoption.

Key Opportunities & Risks
Opportunities: Growing demand for sustainably sourced timber and high-value Agarwood products, commercialisation of Agarwood inoculation services and value-added downstream processing.

Risks: Climate-related impacts, disease and pest infestations, long gestation periods, regulatory approval requirements relating to inoculation technologies, and fluctuations in timber and specialty wood markets.

OUR FEATURE PROJECTS

CAFT GENERAL DRONE SPRAYING PROJECT

The CAFT General Drone Spraying Project is a transformative precision agriculture initiative guided by the principle: "Highest Possible Yield at the Lowest Possible Cost." Since its launch in June 2024, the project has evolved into a scalable, performance-driven agri-tech solution delivering measurable environmental, social, and financial impact. Scaling

Impact Through Innovation

During the 2025/26 financial year, the project significantly expanded its reach, covering 7,418.66 acres, compared to 3,027 acres in the previous period. This growth supported farmers across the Southern and North Central Provinces, ensuring timely crop protection during critical stages and labour shortages.

The expansion of drone units, supported by trained pilots and operational teams, strengthened multi-location service delivery and improved operational responsiveness.

Driving Sustainable Agriculture

The adoption of drone technology has enabled precision chemical application, minimising overlap and optimising dosage through GPS-guided spraying.

Key environmental benefits include:

- Reduced soil contamination and spray drift
- Lower carbon footprint and fuel use
- Elimination of soil compaction
- Improved long-term land sustainability

This approach demonstrates that agricultural productivity can be scaled while maintaining environmental responsibility.

Empowering Farmers and Communities

The project has delivered meaningful social impact by improving farmer safety and operational reliability:

- Reduced exposure to agrochemicals

Timely spraying during peak crop cycles(Insert Photo: Aerial precision spraying)

- Lower dependence on manual labour
- Creation of skilled employment, including drone pilots and field staff

Farmers have experienced faster turnaround times, improved crop-stage management, and increased confidence in adopting modern agricultural technologies.

STRONG FINANCIAL TURNAROUND

The project has achieved a significant operational turnaround within a single financial cycle:

- Revenue grew from **Rs. 5.05 Mn** to **Rs. 12.22 Mn**
- Gross losses reduced from **Rs. 6.80 Mn** to **Rs. 0.20 Mn**
- Operational efficiency improved with increased acreage and asset utilisation

Shaping the Future of Agriculture

The CAFT General Drone Spraying Project lays the foundation for a new era of technology-enabled agriculture, combining precision, sustainability, and financial discipline.

As the model continues to expand, it is well-positioned to enhance farmer livelihoods, improve productivity, and contribute to long-term agricultural resilience.

OUR FEATURE PROJECTS

VALUE VAULT SMART SHOPPING CARD

The Value Vault Smart Shopping Card is a forward-looking digital initiative introduced during 2025/26 to enhance financial inclusion, transparency, and convenience for estate employees. Implemented in collaboration with the Dunsinane Cooperative Society and eGreen Solutions Pvt Ltd, the project reflects a practical shift towards modern, technology-enabled community systems.

Enhancing Access and Efficiency

The initiative addresses long-standing challenges linked to traditional purchasing and credit systems. Previously, employees relied on costly external credit shops, while cooperative-based credit required time-consuming manual approvals.

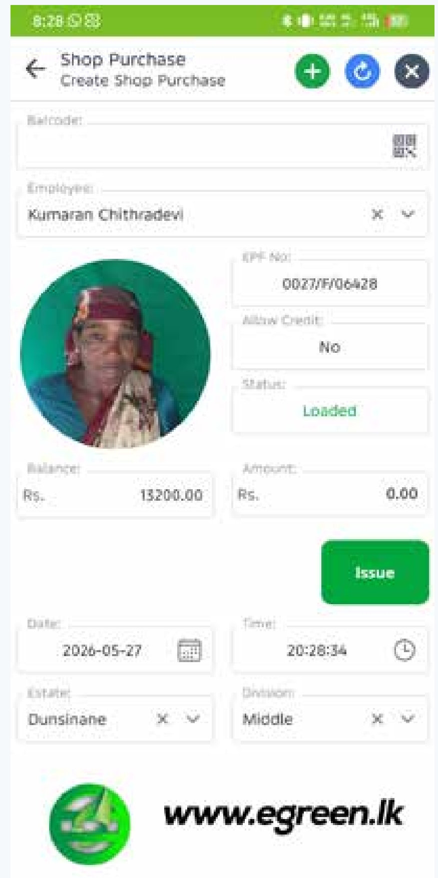
With the introduction of NFC-enabled smart cards, credit is now automatically allocated based on employee attendance, enabling seamless, independent purchases at the cooperative shop.

Driving Transparency and Financial Discipline

The Value Vault system has significantly improved transaction visibility and accountability. Automated credit allocation and digital tracking have eliminated manual processes, ensuring:

- Greater transaction transparency
- Simplified credit management
- Reduced administrative workload
- Improved monitoring and reporting efficiency

At the same time, the system encourages responsible spending and promotes financial discipline, empowering employees to manage their consumption more effectively.



Empowering Communities through Inclusion

With over 400 estate employees benefiting from the initiative, the project has strengthened financial inclusion within the plantation community.

Key social outcomes include:

- Increased convenience and dignity in day-to-day purchases
- Reduced dependency on high-cost informal credit sources
- Improved familiarity with digital tools and systems
- Strengthened trust in cooperative services

The initiative represents a meaningful step towards building a more digitally connected and financially empowered workforce.

A Scalable Model for the Future

With a modest investment of Rs. 595,000, the Value Vault Smart Shopping Card demonstrates how targeted innovation can deliver tangible operational and social benefits.

As adoption grows, the project offers strong potential for replication across estates, supporting broader goals of digital transformation, financial inclusion, and community well-being.

COMMUNITY KITCHEN INITIATIVE

The Community Kitchen Initiative, introduced during the 2025/26 financial year, is a people-centric programme designed to improve nutrition, well-being, and productivity among estate employees.

Addressing a Critical Need

The programme was launched in response to declining productivity linked to poor nutrition, minor illnesses, and limited access to balanced meals. Many workers lacked the time or resources to prepare food before work, affecting attendance and energy levels.

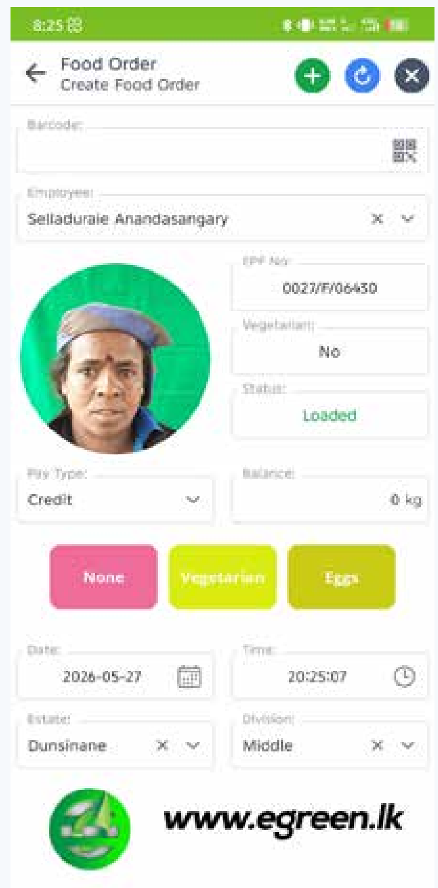
To address this, the estate established a centralised community kitchen, providing hygienic, nutritionally balanced meals on a planned menu.

Technology-Enabled Convenience

A key feature of the initiative is the integration of a mobile-based meal ordering system, allowing employees to place daily requests directly from the field.

This ensures:

- Timely meal preparation and distribution
- Reduced waiting times and wastage
- Improved operational coordination
- Greater accessibility through digital engagement



Improving Well-being and Livelihoods

Serving approximately 300 individuals daily, the programme has delivered meaningful social impact:

- Improved nutrition and food security
- Reduced household burden, particularly for working mothers
- Enhanced employee health, energy levels, and attendance
- Strengthened community participation and engagement

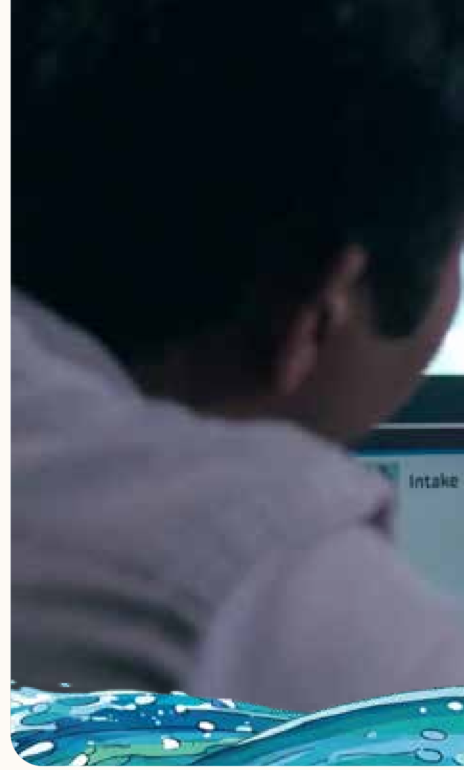
During 2025/26, approximately 33,000 meals were distributed, contributing to higher workforce stability and morale.

Strengthening Community and Performance

With an investment of approximately Rs. 756,000 (alongside broader estate support), the initiative has reinforced the link between employee well-being and productivity.

By fostering stronger employee-management relationships and improving daily living conditions, the Community Kitchen Initiative supports a more engaged, resilient, and productive workforce.

FINANCIAL CAPITAL



FINANCIAL CAPITAL FORMS THE FOUNDATION OF OUR OPERATIONS AND FUTURE GROWTH. IT ENABLES US TO INVEST WITH CONFIDENCE, PURSUE STRATEGIC PRIORITIES, AND SUSTAIN LONG-TERM VALUE CREATION.

Effective management of these resources underpins our ability to maintain financial resilience, deliver consistent returns, and uphold the trust of our stakeholders, while supporting operations, driving innovation, and attracting and retaining talent essential to achieving our purpose and long-term vision.

KEY HIGHLIGHTS

Rs.9Bn
Revenue
18% ↑ YoY

Rs.2.4Bn
Profit Before Tax
27% ↑ YoY

Rs.10.7Bn
Equity Base
13% ↑ YoY

Rs.147.42
Net Assets per Share
13% ↑ YoY

KEY COMPONENTS

- Equity Base
- Strategic Investment Portfolio
- Operational Working Capital
- Liquidity and Cash Reserves
- Funding and Banking Relationships

Focus	2025/26 Highlights	SDGs Impacted (Brief Description)
Financial Resilience	Maintained a strong liquidity position and a debt-free short-term borrowing status	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Working Capital Management	Improved cash flow management and strengthened operational liquidity	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Strategic Investments	Continued investments in plantation modernisation, renewable energy, and diversification initiatives	8 DECENT WORK AND ECONOMIC GROWTH
Profitability Enhancement	Achieved growth in revenue, operating profit, and profit after tax	8 DECENT WORK AND ECONOMIC GROWTH
Capital Allocation	Focused investments into high-growth and long-term value creation projects	8 DECENT WORK AND ECONOMIC GROWTH
Governance & Financial Controls	Strengthened financial oversight, reporting, and risk management practices	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Focus Area	KPI	GRI
Financial Performance	Revenue Growth, Profit Before Tax	-
Capital Management	Debt to Equity Ratio, Liquidity Position	-
Investment Management	Capital Expenditure and Strategic Investments	-
Shareholder Value Creation	EPS, ROE, NA per Share	-

FINANCIAL CAPITAL

CAPITAL TRADE-OFFS

Capital	Key Trade-off	Net Impact	Strategic Response
Intellectual Capital Page 110 to 127	Investments in digitalisation, analytics, and systems transformation increased short-term expenditure	+ Improved decision-making capability and operational visibility	Continued investments in technology-driven finance and operational systems to improve long-term efficiency
Manufactured Capital Page 102 to 109	Increased capital expenditure on factories, field development, and operational infrastructure	− Temporary pressure on cash flows + Long-term productivity enhancement	Implemented continuous technical training and upskilling programmes to strengthen internal capabilities and reduce dependency risks. Technical expertise was systematically integrated into strategic planning and operational decision making.
Natural Capital Page 174 to 198	Sustainability and climate resilience investments increased operational and compliance costs	+ Enhanced long-term environmental resilience and sustainability positioning	Embedded sustainability-linked financial thinking into investment decisions
Human Capital Page 128 to 149	Investments in employee welfare, training, and community support initiatives increased operational expenditure	+ Improved workforce stability, engagement, and long-term social sustainability	Strengthened people-focused investments aligned with long-term business resilience

KEY RISKS AND OPPORTUNITIES

Risk / Opportunity	Potential Impact on EPP	Strategic Response
Risk: Exchange Rate Volatility	Exchange Rate Volatility	Diversifying revenue streams, strengthening treasury oversight, and optimising working capital management
Risk: Climate and Extreme Weather Events	Climate and Extreme Weather Events	Strengthening climate resilience, diversifying crops and revenue streams, and enhancing disaster preparedness
Risk: Labour Shortage and Migration	Labour Shortage and Migration	Accelerating mechanisation, automation, employee welfare, and workforce capability development
Risk: Political, Regulatory, and Taxation Changes	Political, Regulatory, and Taxation Changes	Strengthening governance, maintaining proactive regulatory engagement, and diversifying business operations

Risk / Opportunity	Potential Impact on EPP	Strategic Response
Risk: Cybersecurity and Digital Transformation Risks	Cybersecurity and Digital Transformation Risks	Strengthening cybersecurity frameworks, disaster recovery capabilities, and digital governance practices
Opportunity: Expansion and Diversification Opportunities	Expansion and Diversification Opportunities	Investing in renewable energy, value-added products, technology-driven agriculture, tourism, and overseas ventures

These risks and opportunities are aligned with the Group's Enterprise Risk Management (ERM) framework. Further details are provided in the Risk Management section on pages 269 to 278.

GRI 3-3

MANAGEMENT APPROACH

The Group adopts a prudent and disciplined approach to financial capital management, ensuring long-term stability and sustainable value creation for all stakeholders. We prioritise maintaining strong liquidity, optimising working capital, and preserving a balanced capital structure to support both current operations and future growth.

Financial resources are managed through rigorous cash flow monitoring, efficient allocation of capital, disciplined cost control, and timely investments in plantation development and operational improvements. The Group also continuously evaluates its funding requirements to optimise returns while retaining financial flexibility.

Supported by robust financial governance and ongoing performance oversight, the Group remains focused on enhancing profitability, strengthening its asset base, and delivering consistent, sustainable returns to shareholders, while reinforcing long-term business resilience.

REVENUE

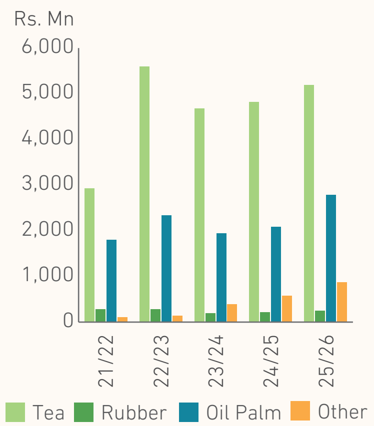
Group revenue increased in FY 2025/26, primarily driven by higher crop volumes across all key segments. Oil Palm volumes grew by 10%, Tea by 2%, Rubber by 8%, Cinnamon by 69%, and Berry by 56% compared to the previous year.

This growth was further supported by improved selling prices across several segments. Net sales averages increased by 22% in Oil Palm, 6% in Rubber, and 25% in Cinnamon, while Berry prices remained largely stable with a marginal increase of 0.4%.

FINANCIAL PERFORMANCE

For the year ended 31 March (Rs. Mn)	2021/22	2022/23	2023/24	2024/25	2025/26
Current assets	2,140	4,241	3,872	4,763	5,636
Non-current assets	7,165	7,777	8,574	9,300	10,107
Total assets	9,305	12,017	12,446	14,063	15,743
Total liabilities	2,406	3,505	3,913	4,563	5,001
Long-term liabilities	1,739	2,644	3,113	3,403	3,606
Short-term borrowing	109	113	72	-	-
Equity	6,899	8,512	8,533	9,500	10,742
Debt to equity ratio (%)	4.62	2.18	0.85	-	-
EPS (Rs.)	21.03	25.12	21.49	18.24	23.17
ROE (%)	24.78	23.74	18.36	14.73	16.67
Net Asset Value per Share (Rs.)	94.68	116.81	117.11	130.38	147.42
Shareholder Funds (Rs. Bn.)	6.9	8.5	8.5	9.5	10.7
Price Earnings (Times)	3.59	3.05	4.86	6.46	6.96

Revenue



FINANCIAL CAPITAL

NET FINANCE EXPENSE

Net finance expenses declined during the year following the full settlement of term loans and borrowings in the previous year, resulting in no interest costs on term loan facilities in FY 2025/26. This was further supported by a 7% increase in interest income, driven by higher investments in financial instruments, thereby enhancing the Group's overall net finance performance.

OPERATING PROFIT

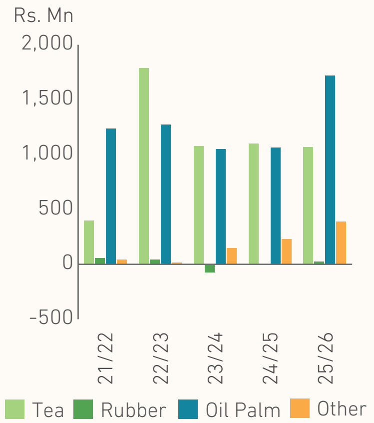
The Group recorded a strong improvement in operating performance during the year, with operating profit increasing by 46% to Rs. 1,868 Mn from Rs. 1,277 Mn in the previous year. This growth was primarily driven by an 18% increase in revenue to Rs. 9,078 Mn, supported by enhanced contributions across all key segments. Oil Palm recorded a 34% increase in revenue, driven by higher crop volumes, favourable pricing, and improved operational efficiency. Tea revenue grew by 8% on the back of increased volumes and stronger market prices, while Rubber and other segments recorded growth of 12% and 50% respectively, reflecting improved market conditions and the benefits of diversification initiatives.

The increase in revenue, together with higher production volumes and improved selling prices, resulted in a 34% increase in gross profit, indicating improved margins and more effective cost absorption across the Group.

Operational efficiencies further supported profitability. The Rubber segment recorded an 8% increase in crop alongside a significant 24% reduction in cost of production, while the Cinnamon segment benefited from a 69% increase in crop, a 25% improvement in net sales average, and a 14% reduction in unit costs, demonstrating the impact of focused productivity and cost management initiatives.

These strong gains were partially offset by higher operating costs, with administrative expenses increasing by 16% and management overheads rising by 24%, primarily due to inflationary pressures and investments to support business expansion.

Segment Profit



PROFIT BEFORE TAX

Profit before tax increased by 23% to Rs. 2,377 Mn from Rs. 1,935 Mn in the previous year, reflecting the Group's strong operational momentum. This growth was primarily driven by an 18% increase in revenue and a 34% improvement in gross profit, supported by higher production volumes, improved selling prices, and enhanced efficiency across key segments.

Earnings were further strengthened by higher finance income and a notable increase in the share of profit from joint ventures, which contributed positively to overall performance.

The improvement in profitability was partially offset by higher administrative expenses and management overheads, mainly due to inflationary pressures and investments to support business expansion.

Overall, the increase in profit before tax reflects the Group's ability to drive operational efficiency, enhance investment returns, and effectively execute its strategic priorities.

PROFIT AFTER TAX (PAT)

Profit after tax increased by 27% to Rs. 1,688 Mn from Rs. 1,329 Mn in the previous year, reflecting the Group's strong earnings momentum. This growth was primarily driven by a 23% increase in profit before tax, supported by improved operational performance across key business segments. The increase was underpinned by 18% revenue growth and a 34% expansion in gross profit, driven by higher production volumes, improved selling prices, and enhanced operational efficiency.

In addition, earnings were supported by higher finance income and a significant increase in the share of profit from joint ventures, which contributed positively to overall profitability.

The growth in profit after tax was achieved despite a 14% increase in tax expense, primarily due to higher taxable income, while the effective tax rate remained broadly stable.

The improvement in PAT reflects the Group's ability to translate strong top-line growth, margin expansion, and enhanced investment returns into sustained bottom-line performance.

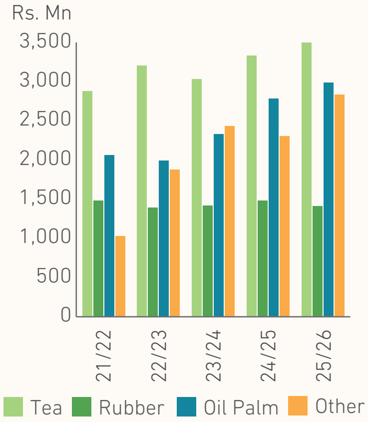
TOTAL ASSETS

Total assets increased by 12% during FY 2025/26, reflecting the continued expansion of the Group's asset base. This growth was primarily driven by a 9% increase in non-current assets, supported by investments in property, plant and equipment, biological assets, and strategic financial assets.

Current assets grew by 18%, largely due to higher short-term investments and a strengthened cash position, with cash and cash equivalents increasing by approximately 80% during the year.

The growth in assets reflects sustained investment in operational capacity, enhanced liquidity management, and a stronger financial position for the Group.

Segment Assets



CAPITAL AND LIABILITIES

Total equity and liabilities increased by 12% YoY, in line with the growth in total assets, reflecting the overall expansion of the Group's balance sheet. Total equity grew by 13%, primarily driven by increased retained earnings supported by improved profitability. Total liabilities rose by approximately 10%, mainly due to higher retirement benefit obligations, trade and other payables, and deferred tax liabilities.

The Group maintained a strong equity base, with no material change in stated capital, indicating that growth was largely internally generated rather than driven by new equity issuance.

The increase in capital and liabilities reflects the Group's expanded operational scale, while maintaining a stable and robust financial structure.

CASH FLOWS

Net cash generated from operating activities increased during FY 2025/26, supported by higher profitability before tax and stronger operating cash flows, driven by effective working capital management. This improvement was further reinforced by a 7% increase in finance income, reflecting higher returns from short-term financial investments. Operating cash flows were partially offset by higher tax payments during the year, in line with improved earnings.

Net cash used in investing activities increased, primarily due to higher capital expenditure on property, plant and equipment and continued investment in field development. This was partially offset by dividend income received and proceeds from investment activities.

Net cash outflows from financing activities declined compared to the previous year, following the full settlement of loan obligations in the prior year, resulting in the absence of loan repayment outflows during the current year. Dividend payments remained a key component of financing cash outflows.

The Group recorded a higher net increase in cash and cash equivalents, reflecting strong operating performance, disciplined capital allocation, and effective liquidity management.

Time Horizon	Strategic Focus	Key Initiatives & Outcomes
Short Term (2026/27 – 2027/28)	Strengthen financial discipline and operational efficiency	• Enhance operational profitability through targeted cost optimisation initiatives • Strengthen financial controls, governance, and compliance frameworks • Enhance enterprise risk management and internal monitoring mechanisms • Strengthen liquidity management and reinforce financial discipline
Medium Term (2028/29 – 2029/30)	Enable growth and optimise capital allocation	• Support expansion into diversified business segments and overseas ventures • Strengthen strategic investment evaluation and capital allocation processes • Diversify funding sources through strategic debt, equity, and partnership opportunities • Support mergers, acquisitions, and strategic partnerships aligned with growth ambitions • Strengthen business partnering capabilities across business units to support decision-making • Improve return on capital employed and overall portfolio profitability
Long Term (2030/31 and beyond)	Drive transformation, resilience, and sustainable value creation	• Position finance as a strategic enabler of long-term transformation and growth • Build a highly agile, technology-driven, and insight-led finance ecosystem • Leverage advanced analytics, predictive forecasting, and integrated business intelligence capabilities • Support regional and international expansion through sustainable financing structures • Enhance investor confidence through strong financial stewardship and sustainable performance

MANUFACTURED CAPITAL

OUR MANUFACTURED CAPITAL REMAINS ONE OF OUR KEY STRATEGIC STRENGTHS, BUILT OVER YEARS OF CALCULATED INVESTMENTS. THESE INVESTMENTS DRIVE REVENUE GROWTH, ENHANCE SERVICE STANDARDS, INCREASE PRODUCTIVITY AND REDUCE OUR ENVIRONMENTAL FOOTPRINT. AS THE TANGIBLE ASSETS THAT SUPPORT OUR OPERATIONS, THIS CAPITAL IS FUNDAMENTAL TO DELIVERING SUSTAINABLE VALUE.

KEY HIGHLIGHTS

10%
YOY Growth in Oil Palm Production

Rs.642Mn
Capex for Infrastructure

Rs.24Mn
Investment on Digital Infrastructure Development

KEY COMPONENTS

- Buildings and facilities
- Machinery and equipment
- Infrastructure
- Maintenance
- Production systems and technology

Focus	2025/26 Highlights	SDGs Impacted (Brief Description)
Factory Operations	Operations across company owned 19 factories were progressively optimised through process improvements, energy efficiency initiatives and partial adoption of cleaner energy sources.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Agricultural & Manufacturing Production	Production included 4,277 MT of tea, 259 MT of rubber, 26,958 MT of oil palm, and 212 MT of berries, supported by improved field to factory integration and optimised input use.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
High Value Horticulture (Berries)	Berry cultivation was expanded under controlled environments on marginal and underutilised lands to enhance productivity and climate resilience.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Climate Resilient Agriculture Infrastructure	13 new polytunnels were installed to support controlled environment cultivation.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Sustainable Mobility	Sustainable mobility initiatives advanced through the gradual transition to electric and hybrid vehicles for supervisory level.	7 AFFORDABLE AND CLEAN ENERGY; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Renewable Energy – Solar	Renewable energy capacity was strengthened through the expansion of rooftop solar installations, reaching 2,600 kW of installed capacity across factories and estate buildings.	7 AFFORDABLE AND CLEAN ENERGY; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Renewable Energy – Hydropower	Mini-hydropower plants continued to operate with a combined generation capacity of 1,610 kW, supplying clean energy to estate operations.	7 AFFORDABLE AND CLEAN ENERGY; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Water Stewardship	Establishment and maintenance of 79 rainwater harvesting ponds across estates.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Focus Area	KPI	GRI
Automation of Operations	Achieve 60% factory process automation by 2030	GRI 3 3 / GRI 203 1

MANUFACTURED CAPITAL

Focus Area	KPI	GRI
Field Mechanisation	Achieve 70% mechanisation of field operations by 2030	GRI 3 3 / GRI 203 1
Renewable Energy Infrastructure	Meet 300% of electrical energy demand through renewable energy by 2030	GRI 302 1 / GRI 302 4
Climate Resilient Agricultural Infrastructure	Establish 100 polytunnels for strawberry cultivation by FY 2029/30	GRI 3 3 / GRI 203 1
Digital Infrastructure & Cybersecurity	Strengthen digital systems and cybersecurity to support 60% factory process automation by 2030	GRI 3 3

CAPITAL TRADE-OFFS

Capital	Key Trade-off	Net Impact	Strategic Response
Financial Capital Page 96 to 101	• Capital allocation towards mini hydro and solar energy projects • Potential constraints on short term liquidity • Reduced availability of funds for alternative investments	+ Rs. 78 Mn revenue generated from the sale of renewable energy to the national grid + More diversified and relatively stable income stream – Exposure to tariff and regulatory changes – Longer payback periods impacting short term returns	Adopted a phased investment approach based on financial viability and return assessments, supported by continuous monitoring of tariff structures and regulatory developments, and ongoing optimisation of plant efficiency to maximise energy output and revenue generation.
Intellectual Capital Page 110 to 127	Investment in developing in house renewable energy expertise • Ongoing training and capacity building costs • Risk of knowledge loss due to employee turnover	+ Strengthened internal capability to manage and expand grid connected renewable energy operations + Reduced dependence on external consultants – Ongoing costs associated with skills development and retention	Implemented continuous technical training and upskilling programmes to strengthen internal capabilities and reduce dependency risks. Technical expertise was systematically integrated into strategic planning and operational decision making.
Natural Capital Page 174 to 198	• Using natural water resources to generate hydropower • Potential alteration of natural stream flows and ecosystems if unmanaged	+ Generation of 5,962,507 kWh of clean renewable energy supplied to the national grid + Contribution to national renewable energy targets and emissions reduction + Potential impacts on aquatic ecosystems and water flow patterns	Implemented controlled water diversion systems to regulate resource use, maintained environmental flow requirements to protect natural ecosystems, and regularly monitored the environment to minimise potential ecological impacts.

Risk / Opportunity	Potential Impact on EPP	Strategic Response
Risk: Operational damages due to Climate-related weather events	Disruption to estate infrastructure, housing, transportation networks, utility services, and renewable energy assets, which can affect operational continuity, employee well-being, productivity, and the efficient movement of crops and materials across the value chain.	Implemented prompt restoration and resilience-building measures, including infrastructure rehabilitation, slope stabilisation, enhanced drainage systems, flood mitigation, and strengthened maintenance programmes, to improve the long-term resilience of operational assets. Continued investment in resilient hydropower infrastructure, enhanced water management systems, engaged in preventative maintenance programmes, and adopted climate adaptation measures to improve asset reliability and minimise operational disruptions.
Opportunity: Diversified crops and value added production	Opportunity to reduce climate related revenue volatility through diversification	Exploring the cultivation of climate-resilient and climate-smart crops on vulnerable lands while expanding value-added processing, such as speciality teas and jams, to help buffer income against climate-related disruptions.
Opportunity: Resilient infrastructure development	Enhanced resilience of assets and reduced future climate related disruptions	Upgrading roads, housing and estate infrastructure using climate resilient construction methods, leveraging local suppliers for cost effective and sustainable solutions, integrating renewable energy and efficient water management into rebuilt assets, and enhancing hydropower plants with resilient design features to minimise future operational downtime.

GRI 3-3

MANAGEMENT APPROACH

We adopt a structured and disciplined approach to manufactured capital management, driven by progressive mechanisation and digital transformation to enhance efficiency, strengthen risk mitigation, and support sustainable long term value creation.

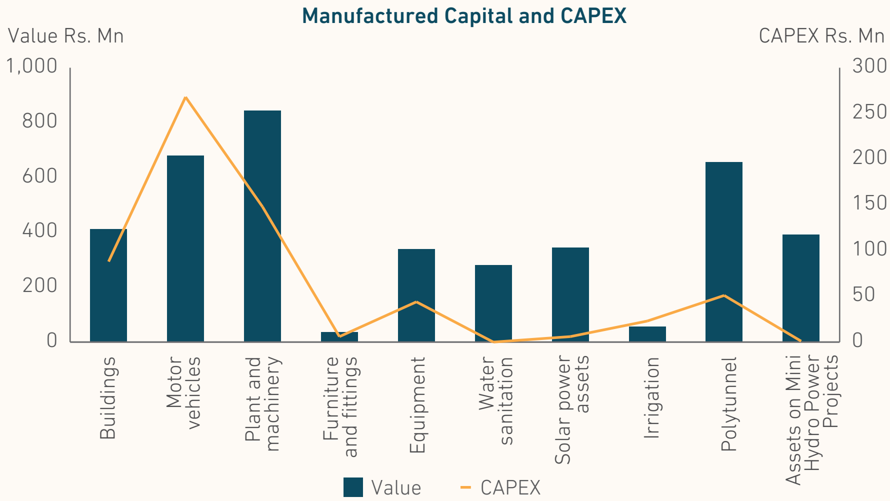
Capital investments are prioritised towards the automation of processing facilities, the integration of renewable energy solutions, the expansion of value added operations, and the development of digital infrastructure. These investments are closely aligned with the Group's long term sustainability objectives and climate resilience priorities.

The effective utilisation and longevity of manufactured assets are ensured through comprehensive preventive maintenance programmes and the continuous monitoring of key performance indicators. Performance metrics such as energy efficiency, equipment reliability and operational downtime are regularly reviewed, enabling timely optimisation of resources and ongoing improvements in operational performance.

MANUFACTURED CAPITAL PERFORMANCE

Risk / Opportunity	2025/26	2024/25	YoY Growth (%)
Tea Production (MT)	4,277	4,177	2%
Oil Palm Production (MT)	26,958	24,553	10%
Rubber Production (MT)	259	240	8%
Energy Intensity	6.39	5.64	(13%)
Number of Polytunnels Installed	13	10	30%
New Hybrid & Electric Vehicles Purchased	1	2	(50%)
Renewable Energy Capacity (kWh)	4,210	4,165	1%

MANUFACTURED CAPITAL



CAPITAL EXPENDITURE

(Rs. Mn.)	Value as of 31 March 2025	Value as at 31 March 2026
Buildings	323	411
Plant and Machinery	695	843
Motor Vehicles	413	680
Equipment	295	338
Solar Power	339	345
Furniture & Fittings	31	37
Water Sanitation	280	280
Irrigation	33	56
Polytunnel	603	655
Assets on Mini Hydro Power Projects	391	391

GRI 203-1, 13.22.3

SIGNIFICANT INFRASTRUCTURE INVESTMENTS AND SERVICES SUPPORTED

During FY 2025/26, we continued to invest in agricultural infrastructure to enhance productivity, diversify income streams and strengthen community livelihoods. A key expansion during the year was the further development of our berry cultivation project, achieved through the installation of 13 new polytunnels, each covering approximately 1,000 m^2. This increased the total number of polytunnels in operation to 53 units.

This investment represents a strategic advancement in controlled environment agriculture, supporting improved crop yields, consistent product quality and enhanced resilience to climate variability, while contributing to the Group's long term diversification and sustainability strategy.

Current or Expected Impacts on Communities and Local Economies

The expansion of our berry cultivation project generated positive socio economic impacts within estate communities during FY 25/26. We created 41 new employment opportunities, with a particular focus on engaging youth from estate communities, thereby supporting local livelihoods. Employees involved in the project were trained and upskilled to perform at the level of agronomic assistants, strengthening their technical capabilities and enhancing long term employability. In addition, increased economic activity within the estates contributed to improved household incomes and overall community well-being.

OUR PLANTATIONS

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

Location of operation	Number of factories	Number of estates
Up Country – Sri Lanka (Nuwara Eliya Region)	6	4
Mid Country – Sri Lanka (Kandy Region)	2	2
Low Country – Sri Lanka (Galle Region)	11	7

No significant adverse community impacts were identified during the year. Nevertheless, we continue to closely monitor labour practices, resource utilisation and community feedback to ensure responsible, inclusive and sustainable growth.

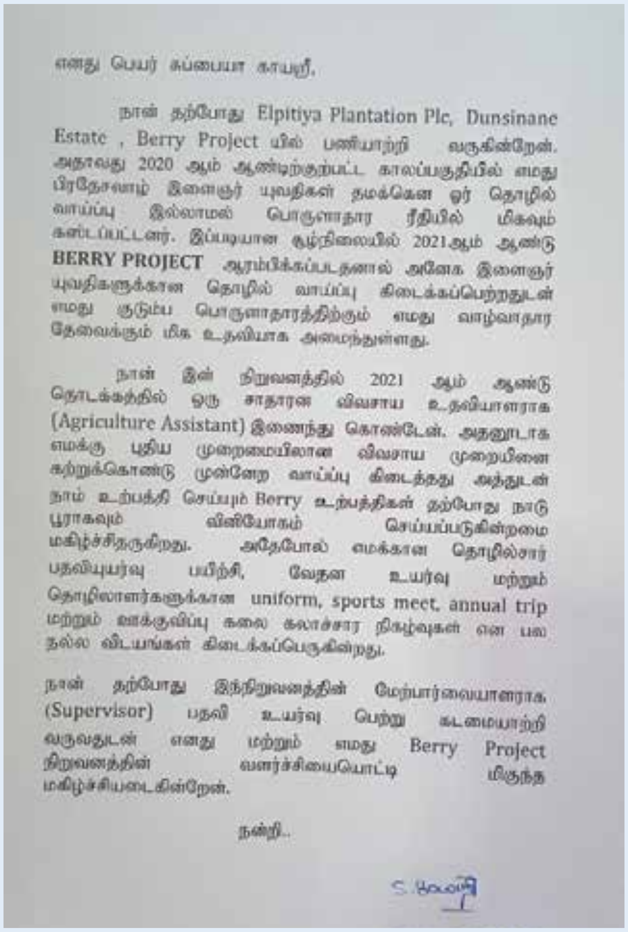
Nature of Investments and Services

These infrastructure investments are commercial in nature and directly support our operational strategy to diversify into high value agriculture. At the same time, they deliver shared value by supporting employment generation, skills development and economic resilience within estate communities.

Value Creation

Through targeted infrastructure development, we integrate commercial growth with social impact, reinforcing our role as a responsible agribusiness. These investments support long term value creation by enhancing operational performance, strengthening community livelihoods and building resilience across the value chain.

Employee Testimonial



எனது பெயர் சுப்பையா காயஸ்ரீ.

நான் தற்போது Elpitiya Plantation Plc, Dunsinane Estate , Berry Project யில் பணியாற்றி வருகின்றேன். அதாவது 2020 ஆம் ஆண்டிற்குற்பட்ட காலப்பகுதியில் எமது பிரதேசவாழ் இளைஞர் யுவதிகள் தமக்கென ஓர் தொழில் வாய்ப்பு இல்லாமல் பொருளாதார ரீதியில் மிகவும் கஸ்டப்பட்டனர். இப்படியான சூழ்நிலையில் 2021ஆம் ஆண்டு BERRY PROJECT ஆரம்பிக்கப்படதனால் அனேக இளைஞர் யுவதிகளுக்கான தொழில் வாய்ப்பு கிடைக்கப்பெற்றதுடன் எமது குடும்ப பொருளாதாரத்திற்கும் எமது வாழ்வாதார தேவைக்கும் மிக உதவியாக அமைந்துள்ளது.

நான் இன் நிறுவனத்தில் 2021 ஆம் ஆண்டு தொடக்கத்தில் ஒரு சாதாரன விவசாய உதவியாளராக (Agriculture Assistant) இணைந்து கொண்டேன். அதனூடாக எமக்கு புதிய முறைமையிலான விவசாய முறையினை கற்றுக்கொண்டு முன்னேற வாய்ப்பு கிடைத்தது அத்துடன் நாம் உற்பத்தி செய்யும் Berry உற்பத்திகள் தற்போது நாடு பூராகவும் விணியோகம் செய்யப்படுகின்றமை மகிழ்ச்சிதருகிறது. அதேபோல் எமக்கான தொழில்சார் பதவியுயர்வு பயிற்சி, வேதன உயர்வு மற்றும் தொழிலாளர்களுக்கான uniform, sports meet, annual trip மற்றும் ஊக்குவிப்பு கலை கலாச்சார நிகழ்வுகள் என பல நல்ல விடயங்கள் கிடைக்கப்பெருகின்றது.

நான் தற்போது இந்நிறுவனத்தின் மேற்பார்வையாளராக (Supervisor) பதவி உயர்வு பெற்று கடமையாற்றி வருவதுடன் எனது மற்றும் எமது Berry Project நிறுவனத்தின் வளர்ச்சியையொட்டி மிகுந்த மகிழ்ச்சியடைகின்றேன்.

நன்றி..

Created 41 new employment opportunities

Contributed to local economic upliftment

English Translation

"My name is Suppaiyah Gayashri.

I am currently working at Elpitiya Plantations PLC – Dunsinane Estate under the Berry Project. During the difficult period of the COVID-19 pandemic in 2020, when many people lost their jobs, the management started the Berry Project as an alternative livelihood opportunity.

Since 2021, the Berry Project has been successfully operating and has provided employment and income opportunities for many people.

In 2021, I joined this organisation as an Agriculture Assistant. Through this position, I learned many new agricultural methods and gained practical knowledge about berry cultivation. By working in the berry cultivation programme, I was able to improve my livelihood. In addition, the organisation provided various welfare benefits such as uniforms, sports meet, annual trips, and other employee support activities.

Currently, I have been promoted to Supervisor position. I am continuing my work in the Berry Project with great satisfaction.

Thank you."

MANUFACTURED CAPITAL

GRI 3-3

STRENGTHENING OUR DIGITAL INFRASTRUCTURE

During FY 2025/26, we continued to strengthen our digital infrastructure through targeted investments in cybersecurity and digital enablement, reinforcing operational resilience and digital governance across the organisation.

A key initiative during the year was the implementation of a Mobile Device Management (MDM) solution, with a financial investment of Rs. 1.4 Mn, complemented by internal IT resources for deployment, policy configuration and user onboarding. This initiative represents a qualitative enhancement of our cybersecurity controls, enabling improved oversight, policy enforcement and protection of organisational data.

In parallel, we invested Rs.24 Mn in general digital infrastructure, including software, computers and accessories such as laptops, tablets and mobile devices. These investments improved digital accessibility across operations and supported more efficient, connected and responsive ways of working.

Key Benefits and Impacts to EPP

Strengthened cybersecurity and governance

The MDM solution enables centralised device control, real-time monitoring and consistent policy enforcement, significantly reducing cybersecurity risks and strengthening our digital governance framework. These measures support compliance with internal policies and evolving regulatory expectations.

Improved operational efficiency and productivity

Upgraded digital infrastructure streamlines workflows, reduces manual processes and supports faster, data-driven decision-making, contributing to improved efficiency and lower operational risk.

Enhanced data management and decision-making

Improved digital tools and connectivity enable more reliable data capture, access and analysis, supporting timely and informed operational and strategic decisions.

Business continuity and resilience

Secure and well-managed digital systems reduce the likelihood of operational disruptions arising from cyber threats or system vulnerabilities, strengthening overall enterprise resilience.

Impacts on Stakeholders

Employees

Access to modern devices and secure systems enhances productivity, mobility and remote-working capabilities, while automated device provisioning reduces IT issues and supports faster onboarding.

Customers and business partners

Enhanced data protection strengthens trust and confidentiality, while improved operational efficiency supports more reliable and responsive service delivery.

Regulators and investors

Strengthened cybersecurity controls and governance practices demonstrate responsible risk management and regulatory compliance, reinforcing confidence in our digital maturity and long-term sustainability.

Suppliers and value-chain partners

Secure digital systems enable safer data exchange and collaboration, supporting the integration of cybersecurity standards across the value chain.

GRI 203-1

INVESTMENTS IN RENEWABLE ENERGY

During FY 2025/26, we continued to expand and optimise our renewable energy infrastructure through targeted investments in solar energy systems, reinforcing our commitment to clean energy generation and operational resilience.

As part of this effort, rooftop solar panels were installed at two estate bungalows in Devitura Estate, each with a capacity of 5 kW, representing a total investment of Rs. 8 million. In addition, grid tied inverter repairs were completed at Ketandola Estate at a cost of Rs. 1 million, restoring the efficiency and reliability of the existing solar power system and ensuring uninterrupted energy generation and export.

Value Creation Perspective

Our approach reflects a dual focus on expanding renewable energy capacity and optimising existing assets, enabling us to generate economic value through energy sales while delivering environmental benefits through an increased contribution of clean energy to the national grid.

Benefits and Impacts to EPP and Stakeholders

These investments enhance our ability to generate and export renewable energy to the national grid, creating a direct and sustainable revenue stream while supporting Sri Lanka's transition to a cleaner energy mix. The expansion of rooftop solar capacity increases overall renewable energy generation, while inverter repairs optimise system performance and maximise returns from existing assets.

From an operational perspective, these initiatives contribute to energy cost optimisation, improved asset efficiency and reduced exposure to energy market volatility. Environmentally, the increased supply of clean energy supports national greenhouse gas emission reduction efforts and aligns with our broader low carbon transition pathway.

Impacts on Stakeholders

Regulators and the National Grid

These initiatives contribute to national renewable energy targets, including the ambition to achieve 70% of electricity generation from renewable sources by 2030, while supporting grid decarbonisation.

Community

Increased access to clean energy reduces dependence on fossil fuel based power generation and supports broader environmental benefits.

Investors

Renewable energy investments enhance revenue diversification and returns on infrastructure assets, with Rs. 78 Mn revenue generated from renewable energy operations during the year.

CAPITAL EXPENDITURE

Time Horizon	Key Initiatives & Outcomes
Medium Term (2028/29 – 2029/30)	• Establish 100 polytunnels for strawberry cultivation to support climate-resilient, high-value agriculture. • Increase rooftop solar capacity to 4.06 MW to strengthen renewable energy generation and reduce reliance on grid electricity. • Achieve 60% factory process automation to enhance operational efficiency, productivity and consistency. • Reach 70% mechanisation of field operations to improve field productivity, labour efficiency and operational resilience.

INTELLECTUAL CAPITAL

OUR COMPETITIVE ADVANTAGE IS FIRMLY ANCHORED IN THE STRENGTH OF OUR INTELLECTUAL CAPITAL, WHICH REPRESENTS A CORE DRIVER OF LONG TERM VALUE CREATION. THESE INTANGIBLE ASSETS UNDERPIN OUR ABILITY TO COMPETE, ADAPT, AND GROW IN A RAPIDLY EVOLVING OPERATING ENVIRONMENT.

Our intellectual capital spans multiple critical dimensions, including the strength and reputation of our brands, the deep tacit knowledge and expertise embedded within our people, and our adherence to internationally recognised quality certifications and standards. These strengths are reinforced by a strong culture of research and innovation, together with the strategic adoption of emerging technologies.

KEY HIGHLIGHTS

6
RA Certified Estates

7
FSC Certified Estates

8
New Projects under R&D

1,450
Hours of IT Related Training

As a key pillar of our success, intellectual capital shapes our capacity to innovate, respond effectively to change, and deliver sustainable growth.

KEY COMPONENTS

- Innovation and R&D capabilities, including precision agriculture
- Digital systems, IT infrastructure, and data platforms
- Specialist expertise in agronomy, technology, and sustainability
- Brand equity supported through certifications, quality assurance and recognitions
- Standardised processes, systems, and governance frameworks assurance and recognitions

Key Focus	2025/26 Highlights	SDGs Impacted
Strategic Transformation	Implemented the Elpitiya Transformation 2030 strategy, embedding climate smart and diversified plantation models across the Group, including renewable energy, high value crops, and digital monitoring systems.	9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production
Agricultural Modernisation	Developed the Agriculture Modernisation and Innovation Development Strategy (AMIDS), enabling precision agriculture, protected cultivation and improved planting material to enhance productivity while reducing input intensity.	12 Responsible Consumption and Production
Capability Development	Established a new Learning Management System (LMS) to deliver structured training on sustainable agriculture, food safety, operational efficiency and best practices across estates.	9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production
Strategic Partnerships	Formed new partnerships to access external expertise in regenerative agriculture, agri tech, diversification and value added product development, supporting innovation and pilot projects.	9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production; 17 Partnerships for the Goals
Innovation and R&D	Advanced 8 new projects under R&D, focusing on value added outputs and climate resilient alternative crops to improve land productivity and reduce mono crop dependency.	9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production; 17 Partnerships for the Goals
Digital Transformation	Invested in digital infrastructure to enable real time ESG, production and operational data capture, strengthening traceability, decision making and resource optimisation.	7 Affordable and Clean Energy; 12 Responsible Consumption and Production
People and Skills Investment	Continued investment in training to strengthen workforce capability in sustainable agriculture, machinery handling and quality assurance, improving productivity and reducing wastage.	7 Affordable and Clean Energy; 12 Responsible Consumption and Production
Certifications and Compliance	Achieved and maintained RA (6 estates), FSC (7 estates), ISO 22000:2005 (6 estates) and HACCP (1 factory) certifications, reinforcing sustainable practices, food safety and process efficiency.	9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production
Awards and Recognition	Received 6 awards recognising sustainability, quality and innovation, reinforcing a culture of continuous improvement across operations.	9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production

INTELLECTUAL CAPITAL

Focus Area	KPI	GRI
Field Mechanisation	Achieve 70% mechanisation of field operations by 2030.	GRI 203-1 (Infrastructure investments and services supported) GRI 302-4 (Reduction of energy consumption) GRI 305-5 (Reduction of GHG emissions)
Factory process automation	Implement 60% process automation across core operations by 2030.	GRI 203-1 (Infrastructure investments) GRI 302-4 (Energy reduction) GRI 305-5 (GHG emission reductions)
R&D and innovation	Generate 30% of total revenue from diversified business segments by 2030.	GRI 201-1 (Direct economic value generated and distributed) GRI 203-2 (Significant indirect economic impacts)
ICT-based solutions for Agribusinesses & Diversified business	With the establishment of TMO the KPIs will be rolled out in the next FY	GRI 203-1 (Digital infrastructure investments) GRI 203-2 (Indirect economic impacts) GRI 204-1 (Procurement practices) GRI 418-1 (Customer privacy – for ICT/data systems)

CAPITAL TRADE-OFFS

Capital	Key Trade-off	Net Impact	Strategic Response
Financial Capital Page 96 to 101	Upfront investment in agricultural modernisation, technology units, and specialist expertise	− Short term higher costs + Long term productivity gains and cost efficiencies	Phased, pilot-led implementation of AMIDS initiatives; prioritisation of scalable, high ROI technologies to ensure disciplined capital allocation
Manufactured Capital Page 102 to 109	Infrastructure and process upgrades required to integrate mechanisation, drones, and IoT systems	+ Improved efficiency and precision − Initial integration complexity	Alignment of mechanisation and automation under AMIDS; pilot and scale approach to ensure operational compatibility
Natural Capital Page 174 to 198	Shift from traditional input intensive farming to precision agriculture technologies	+ Optimised input use and enhanced ecosystem stewardship − Risk if technologies are misapplied	Use of precision data for targeted input application; integration of environmental KPIs into the ESG platform for continuous monitoring

Key Risks and Opportunities

Risk / Opportunity	Potential Impact on EPP	Strategic Response
Risk: Labour shortages and an ageing workforce	Limits knowledge transfer, slows field level learning cycles, and increases dependency on scarce skilled labour, affecting timely agronomic execution and long term operational sustainability.	Accelerate deployment of labour efficient technologies under AMIDS, including drone based spraying and paddy seeding, automated route marking and safety navigation systems, and ongoing R&D in automated tea harvesting and mechanised coconut operations to reduce labour dependency while embedding knowledge into systems.
Risk: Cybersecurity threats from increased digitalisation and AI adoption	Exposure to data breaches, loss of proprietary knowledge, and reputational risk.	Implemented an AI Usage Policy (v1.0 – 25.09.2025) alongside cybersecurity and AI governance awareness and training across functional teams.
Risk: Limited internal technological adaptation expertise	Slows Transformation 2030 implementation and reduces organisational resilience.	Developed AMIDS in collaboration with the University of Moratuwa; defined priority domains (GIS, mechanisation, automation, IoT) and recruited a dedicated Head of Technology Adaptation & Innovation.
Opportunity: Structured external knowledge partnerships	Accelerates access to specialised expertise and emerging precision agriculture technologies.	Conducted technical reviews and pilot engagements with five technology partners (Permia Sensing, Peterson Solutions, SULECO, Planet Zero, CAFT), enabling systematic knowledge transfer into EPP operations.
Opportunity: Drone based precision agriculture and data analytics	Enhances real time agronomic intelligence, enabling better input optimisation and plantation health monitoring.	Completed pilot drone survey for low country oil palm, delivering area wise crop health insights to support data driven plantation management decisions.
Opportunity: CAFT driven innovation and commercialisation pipeline	Builds proprietary technical capability while accelerating transition from R&D to operational deployment.	Advanced five CAFT led initiatives, including three R&D projects (automated tea harvesting, drone based paddy seeding, coconut mast development) and two commercial deployments (drone based general and foliar spraying).

GRI 3-3

MANAGEMENT APPROACH

We manage our intellectual capital as a strategic driver of operational transformation, focusing on mechanisation, automation, and digitalisation to enhance productivity, cost efficiency, and data-driven decision-making while mitigating labour constraints. Governance is anchored by a Transformation Management Office (TMO), supported by dedicated technology, innovation, and People and Culture task forces, with a centralised corporate shared-services model ensuring standardisation and integration across business units. Intellectual capital is strengthened through investments in operational digitalisation, climate-smart agriculture and R&D, a robust enterprise digital backbone, and advanced analytics. Moreover, strong IT governance, cybersecurity, KPIs, and internationally recognised certifications ensure resilience, performance monitoring, and sustained stakeholder confidence.

OUR BRAND

We strengthened our brand equity in 2025/26 through a sustained focus on quality excellence, sustainability, innovation, and market oriented diversification. Adherence to internationally recognised certifications and standards, together with continued investments in research, digitalisation, and process innovation, reinforced product credibility and enabled the consistent delivery of high quality outputs across the portfolio.

This quality led strategy, underpinned by ESG aligned practices and responsible production methods, enhanced stakeholder confidence and strengthened our positioning in domestic and export markets. Our expanding footprint in higher value and diversified segments including cinnamon, berries, and value added rubber products further differentiated the brand and enhanced its market relevance.

While commodity pricing across our traditional plantation crops remained influenced by prevailing market dynamics, the Group's ability to achieve an 18% increase in the consolidated revenue, reflects the strength of its diversified portfolio, commitment to quality, and continued evolution beyond traditional plantation operations. Moreover, continued

INTELLECTUAL CAPITAL

investments in employee capability development, digital infrastructure (Rs. 24 Mn), and robust compliance frameworks supported operational excellence while reinforcing corporate credibility.

Collectively, these initiatives enhanced our brand strength by reinforcing premium positioning, improving customer perception, and strengthening our reputation as a responsible, innovative, and forward looking plantation company.

Our Brand Portfolio

Harrow House | Harrow Ceylon Choice | Berry Much – Keeping It Real | tropifrut – From the House of Elpitiya

Our Corporate Reputation

We are widely recognised as a benchmark for sustainability driven leadership in Sri Lanka's plantation sector. In 2025, we were named among the Top 10 Best Corporate Citizens of Sri Lanka by the Ceylon Chamber of Commerce and received a further five industry awards, reflecting excellence in sustainability, quality, and innovation.

This strong reputation is reinforced by our Integrated Business Model, which prioritises community engagement, climate resilience, and long term value creation, positioning the Company as a trusted and responsible corporate citizen.

EPP among the Top 10 Best Corporate Citizens in Sri Lanka

Award	Achievement	Awarding Body	
Green Productivity Award	Gold Award	Sri Lanka Association for the Advancement of Quality & Productivity (SLAAQP)	
Ten Best Corporate Citizens	Winner	Ceylon Chamber of Commerce	
Best Corporate Citizen Sustainability Awards – Category B **(Entities with turnover below LKR 15 Bn)**	1st Runner up	Ceylon Chamber of Commerce	
Best Corporate Citizen Sustainability Awards - Category Award – Community Relations	Winner	Ceylon Chamber of Commerce	

Award	Achievement	Awarding Body	
Best Corporate Citizen Sustainability Awards - Best Project – "Project Best Harvest"	Merit Award Certificate	Ceylon Chamber of Commerce	
TAGS Awards 2025	Bronze Award	The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)	

Key Digitalisation Initiatives – FY 2025/26

We continue to spearhead the transformation of the plantation industry, transitioning from traditional operating models to a modern, technology centric sector through the following key digitalisation initiatives.

Value Vault – Digital Inclusion for Plantation Communities

Objective	Investment & Partnerships
Enable digital access to essential goods and financial flexibility for estate workers while improving transparency and control in cooperative retail operations.	**Investments:** Technology development and implementation - Rs. 0.5 Mn **Partners:** Dunsinane Cooperative Society (operations), eGreen Solutions Pvt Ltd (NFC technology), Plantation Human Development Trust (worker welfare alignment)

Key Features:

- NFC enabled smart card linked to attendance based credit
- Digital food ordering and inventory system
- Fully digitised, cashless cooperative transactions

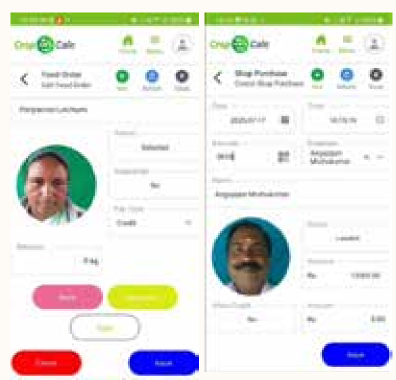
User friendly interface for first time digital users

Beneficiaries:

All workers at Dunsinane Estate, including elderly and digitally unexposed employees; estate management

Measurable Impact:

- 100% digitisation of cooperative retail transactions at estate level
- Reduced manual handling and transaction time
- Enabled first time digital adoption for an unbanked workforce segment
- Improved access to essential goods through structured credit
- Real time transaction data supporting better inventory planning



INTELLECTUAL CAPITAL

Mobile Device Management (MDM) Solution

Objective	Investment & Partnerships
Strengthen digital governance, data security, and operational efficiency across geographically dispersed operations.	**Financial Investment:** Rs. 1.4 Mn. **Internal Contribution:** IT resources for deployment, configuration, onboarding and cybersecurity governance

Key Features:
Centralised device monitoring and management

- Remote configuration and policy enforcement
- Secure mobility and application control

Beneficiaries:
250+ users across Head Office, estates and field operations

Measurable Impact:

- 100% centralised control of 250+ corporate devices
- Reduced data leakage and unauthorised application usage
- Approximately 60% reduction in device setup time
- Improved remote IT support, reducing physical interventions
- Enhanced compliance and cybersecurity governance

Power BI Analytics & Dashboard Platform

Objective	Investment & Partnerships
Establish real time, data driven decision making across financial and agricultural operations.	**Investment:** Fully in house development with zero external cost **Internal Resources:** IT team for design, development and deployment

Key Features:
Centralised device monitoring and management

- Remote configuration and policy enforcement
- Secure mobility and application control

Beneficiaries:
150+ users across Head Office, estates, and projects spanning senior, middle, and operational management

Measurable Impact:

- Eliminated manual reporting, reducing preparation time by ~70%
- Real time visibility into profitability and estate performance
- Standardised KPIs across all business units
- Faster identification of underperformance and corrective action
- Established a scalable analytics foundation for future expansion

Strengthening Systems, Processes and Stakeholder Outcomes

Initiative	Systems, Processes & Procedures Strengthened	Stakeholder Impact
AMIDS and Establishment of the Technology Adaptation & Innovation Unit	• Strengthened digital and operational frameworks through GIS based applications, mechanised field operations, factory automation, and IoT enabled systems • Institutionalised a dedicated Technology Adaptation & Innovation Unit to drive structured innovation, data driven decision making, and continuous process improvement	• Improved productivity and operational efficiency for estate management and employees • Enhanced management decision making capability through better data visibility • Stronger value creation and long term sustainability outcomes for shareholders • Technology enabled service improvements benefiting communities and industry partners
Regenerative Agriculture Partnerships (Solidaridad Asia & Nucleus Foundation)	• Adoption of climate smart and regenerative farming practices under the Regenagri Carbon Programme • Improved soil, water, and biodiversity management systems • Strengthened traceability and certification processes for Regenagri certified products • Capacity building frameworks for estate teams and smallholder farmers	• Strengthened ESG and sustainability performance • Improved environmental resilience of tea plantations • Enhanced market access for estate teams and smallholders through climate smart value chains • Positioned EPP tea as a Regenagri certified, climate resilient, globally competitive product 
e Tutor Learning Management System (LMS)	• Established a standardised, organisation wide digital learning platform across estates • Embedded consistent agronomic and operational protocols across tea, rubber, oil palm and other crops • Integrated digital tools and IT systems into operational processes for real time advisory support • Institutionalised a structured capability building framework combining technical, compliance, and communication skills	• Enabled continuous, self paced learning for executives, estate managers and assistant managers • Improved standardisation and quality of field level supervision and planning • Strengthened technical knowledge in plantation management, agronomy, sustainability, and compliance 

INTELLECTUAL CAPITAL

Initiative	Systems, Processes & Procedures Strengthened	Stakeholder Impact
Drone Technology Financing Mechanism (CAFT signed an agreement with LB Finance)	Established a structured financing service delivery framework linking LB finance with CAFT, enabling a formalised process for farmer capital access to drone-based agricultural services. Strengthened technology adoption pathways, service facilitation mechanisms, and partnership-driven innovation models within the agricultural value chain.	Enabled farmers to access advanced drone technology through affordable financing, accelerating adoption of precision agriculture practices. Improved productivity, efficiency, and cost management at farm level, while supporting broader ecosystem development through increased collaboration between financial institutions and agri-tech service providers. 

CERTIFICATIONS AND STANDARDS

Our management systems, processes, and procedures are aligned with globally recognised best practices and leading certification frameworks to support sustainable, long term value creation. Adherence to these standards provides a robust governance architecture that guides strategic decision making and day to day operational execution. The product and process certifications we maintain reflect our ongoing commitment to quality, compliance, operational excellence, and continuous improvement across the organisation.

Logo	Standard/ Certification	Estates covered
	Rainforest Alliance	Dunsinane, Meddecombra, Fernlands, New Peacock, Nayapane, Sheen
	FSC	Devitura, Talgaswella, Ketandola, Bentota, Gulugahakande, Lelwala, Elpitiya
	ISO 22000:2005	Dunsinane, Meddecombra, Fernlands, New Peacock, Nayapane
	HACCP	South Meddecombra Factory
	RSPO	WIP in low country estates
	Regen Agri	WIP in up & mid country estates

STRENGTHENING CYBER SECURITY

During 2025/26, the Aitken Spence Group strengthened its cybersecurity framework through the formal adoption of an AI Usage Policy (Version 1.0), establishing clear governance over the responsible use of artificial intelligence across the Group. This policy has been implemented across all Strategic Business Units, including EPP, and applies to employees, contractors, and systems.

Overall, the implementation of the AI Usage Policy strengthened the Group's cyber security posture by proactively addressing risks arising from increased AI adoption, while enabling safe, responsible, and controlled digital innovation across the organisation.

The policy reinforces cyber risk management through the following key measures:

- **Controlled Use of AI Tools**
  Defined clear boundaries for the use of both public and enterprise AI platforms (e.g. ChatGPT, Copilot, Gemini), reducing the risk of unauthorised access, misuse, and unintended data exposure.
- **Data Protection and Confidentiality**
  Restricted the input of sensitive, confidential, or proprietary information into AI systems, mitigating risks related to data leakage, privacy breaches, and intellectual property exposure.
- **Standardised Group wide Governance**
  Applied uniform AI usage rules across the Group, ensuring consistent cyber security standards and risk controls across all operations, including EPP.
- **Secure Usage Environment**
  Limited AI usage to Group owned or managed devices, networks, and systems, strengthening infrastructure level security and access controls.
- **Ethical and Responsible AI Practices**
  Promoted accountability, transparency, and ethical use of AI, thereby reducing legal, reputational, and compliance risks associated with emerging technologies.

STRENGTHENING IT GOVERNANCE

We focused on establishing strong governance frameworks, protecting data integrity, and ensuring business continuity through structured policies, advanced security controls, and continuous capability building.

Priority	IT Governance & security		
Focus areas	IT governance framework	Data security and protection	Business continuity and Disaster recovery
2025/26 interventions	Adherence to the Aitken Spence Group AI Usage Policy	- Initiating Mobile Device Management (MDM) Solution - Deployment of cloud based back up systems - Strengthening the centralised ERP system (MS Business Central)	**1450** training hours for IT related training on, - Cybersecurity - Business systems - AI & Data Analytics - Digital learning Benefiting **468** employees

ENHANCED CYBERSECURITY ASSURANCE AND RISK MANAGEMENT

During the year, the Group conducted a comprehensive review of its Information Technology General Controls (ITGC), cybersecurity framework, and vulnerability management practices. The assessment confirmed the overall effectiveness of key controls, while areas identified for improvement were addressed through targeted remediation measures. Subsequent actions were implemented to strengthen control effectiveness, close identified gaps, and further enhance the Group's cybersecurity posture, supporting the resilience, security, and integrity of its digital infrastructure.

IT RELATED TRAINING AND CAPABILITY DEVELOPMENT

During the financial year, a range of IT related training programmes were conducted to strengthen digital capability across the Group. These programmes provided learning and development opportunities for employees across estates and head office, irrespective of gender, role, or geographic location. Training focused on ERP systems, data analytics, cybersecurity, artificial intelligence, and digital productivity, supporting both operational efficiency and leadership readiness.

INTELLECTUAL CAPITAL

GRI 404-2

IT Training Programmes Conducted – 2025/26

Training Programme	Training Type	Participants (Male)	Participants (Female)	Total Training Hours	Mode
Dynamics Business Central - System Training	Systems / ERP Training	33	66	155	Physical
Data Visualisation with Power BI Workshop	Data Analytics / Business Intelligence	5	–	100	Physical
Special IT Training Programme – Low Country Field Staff	IT / Technical Training	78	4	328	Physical
Special IT Training Programme – Up & Mid Country Field Staff	IT / Technical Training	110	–	385	Physical
AI Masterclass: Role of AI in Finance & Leadership	Artificial Intelligence / Leadership	3	–	9	Physical
Cyber Security Risk Management for Finance Professionals	Cybersecurity / Risk Management	3	–	54	Physical
Adopting AI Tools for Workplace Productivity Workshop	Artificial Intelligence / Digital Productivity	1	–	8	Physical
Dynamics Business Central – Tea Dispatch Implementation (Up Country)	Systems / ERP Training	33	14	248	Physical

NURTURING TACIT KNOWLEDGE

We nurture tacit knowledge by translating experience, expertise, and lived leadership into scalable organisational capability. Through international agricultural initiatives, agri technology deployment, disaster response operations, global trade exhibitions, sustainability leadership forums, public private partnerships, and people centric platforms, the Group enables hands on learning, cross sector collaboration, and experiential knowledge transfer.

CAFT Drone Operations Support Kala Oya Flood Relief

During the 2025/26 financial year, the Group's subsidiary, Ceylon Agro Food Technologies (Pvt) Ltd (CAFT), played an active role in supporting national disaster response efforts following severe flooding in the Kala Oya region, triggered by Cyclone Ditwah.

In a critical emergency, a passenger bus carrying 69 individuals was stranded in rising flood waters for nearly 29 hours, with occupants lacking access to food, clean water, and essential supplies. Operating under challenging weather and terrain conditions, the CAFT Drone Operations Team was deployed to assist rescue efforts.

Working in close coordination with the Sri Lanka Army, Sri Lanka Navy, and Sri Lanka Air Force, the team supported the location of affected individuals and the delivery of emergency supplies to those trapped, thereby contributing to the continuity and effectiveness of ongoing rescue operations.

This intervention highlights the Group's capability to rapidly deploy advanced technological solutions in high risk scenarios and reflects its commitment to supporting national emergency response and humanitarian efforts, while applying innovation beyond core commercial operations.

Expanding Horizons – Strengthening Our Presence in Fiji

During the year under review, we further enhanced our international footprint by successfully expanding our tea exports to Fiji. This was achieved through the development of four private label products, carefully tailored to meet the unique preferences and requirements of the market.

The portfolio comprised two tea bag SKUs and two premium loose tea offerings, each thoughtfully curated to showcase the quality, flavour, and rich heritage of authentic Ceylon tea.

This milestone underscores our strong capabilities in product innovation and private label development, while reaffirming our commitment to building enduring partnerships and delivering value-added tea solutions to customers across global markets.

Hotel Asia Maldives 2025 Exhibition

We participated in Hotel Asia Maldives 2025, strengthening its presence in the regional hospitality and export markets.

Exhibition Highlights

- **Venue:** Synthetic Track, Hulhumalé, Maldives
- **Booth:** C20
- Showcased Products: Premium Ceylon teas, spices, and plantation inspired value added products
- **Target Audience:** Hospitality professionals, chefs, distributors, and international buyers
- **Strategic Focus:** Promoting the Company's export product range while highlighting the heritage, quality, and authenticity of Sri Lankan plantation offerings

The participation provided a valuable platform to engage directly with key stakeholders in the Maldives hospitality sector and reinforce our positioning as a reliable supplier of high quality, sustainably produced plantation products.

Elpitiya Plantations at Gulfood 2026

We will participate in Gulfood 2026, one of the world's leading food and beverage exhibitions, held at the Dubai Exhibition Centre, to strengthen our global market presence and showcase Sri Lanka's premium plantation offerings.

Exhibition Highlights

- Location: Stall 55–99, Dubai Exhibition Centre
- Featured Products:
  - Premium Ceylon Tea and Ceylon Cinnamon
  - Tropical fruit flavoured fizzy drinks
  - Iced tea beverage range
- Strategic Objective: To position Elpitiya Plantations as a leading Sri Lankan plantation company, demonstrating quality, innovation, and export ready product excellence to international buyers and trade partners

Participation at Gulfood 2026 provides a platform to engage with global distributors, retailers, and food service professionals, supporting export growth and brand visibility in key international markets.

INTELLECTUAL CAPITAL

Asia International Tea Summit 2025

The 6th Asia International Tea Summit 2025 was held at the Lotus Tower, Colombo, bringing together regional and global tea industry leaders to advance dialogue on sustainability and innovation within the sector.

Key Highlights

- Recognition: Elpitiya Plantations PLC received the Asia Tea Alliance – Regenagri Partnership Recognition.
- Representative: The award was accepted by Mr. Ishafir Izzadeen, Chief Sustainability Officer.
- Citation: Recognition was awarded for Elpitiya Plantations' significant contribution to regenerative, climate resilient, and low carbon tea production through the adoption of the Regenagri standard.
- Summit Focus: Regenerative agriculture, climate resilience, carbon markets, and international collaboration across the tea value chain.
- Participants: Industry leaders and stakeholders from Sri Lanka, India, Nepal, Bangladesh, China, and Indonesia.

The recognition underscores our leadership in advancing sustainable tea production practices and its commitment to driving positive environmental and climate outcomes within the regional and global tea industry.

Aitken Spence & Sri Lanka Air Force: Clean Today, Green Tomorrow

"Clean Today, Green Tomorrow" Initiative

The "Clean Today, Green Tomorrow" initiative is a collaborative programme between Aitken Spence and the Sri Lanka Air Force (SLAF) Seva Vanitha Unit, aimed at advancing environmental responsibility and sustainability education across SLAF establishments island wide.

The initiative was launched on 26 January, in commemoration of World Environmental Education Day and coinciding with the 75th Anniversary of the Sri Lanka Air Force, underscoring a shared commitment to long term environmental stewardship.

Purpose and Scope

The programme is designed as a long term initiative to promote environmental awareness, sustainable practices, and climate responsive solutions within SLAF facilities, while fostering collaboration between the public and private sectors.

Our Contribution and Role

We serve as the Knowledge Partner and Value Creation Lead for the initiative, providing technical expertise and practical insights in modern agribusiness and sustainable agriculture. Through this role, we support the translation of environmental principles into actionable, on ground practices.

Key Focus Areas

Our engagement includes capacity building and knowledge sharing across SLAF offices on:

- Agricultural Technologies: GIS mapping, drone technology, hydroponics, and tissue culture
- Sustainability Practices: Regenerative agriculture and environmentally responsible farming methods
- Pilot Locations: New Peacock, Dunsinane, and Meddecombra estates

Community Engagement

The initiative incorporates community driven components, strengthening public private collaboration and contributing to broader national efforts to promote environmental sustainability and a greener Sri Lanka.

Aitken Spence International Women's Day (IWD) 2026 Forum

The Aitken Spence Group marked International Women's Day 2026 with a Group wide forum celebrating women's leadership and empowerment across its diverse business sectors.

Key Highlights

- Event: International Women's Day (IWD) 2026 Celebration
- Theme: Inspiring the next generation to lead boldly and break barriers
- Programme: A panel discussion featuring female leaders and champions from across the Group, sharing experiences, challenges, and leadership insights
- EPP Contribution: The General Manager – Human Resources, Elpitiya Plantations PLC, participated as a key panellist, offering perspectives on advancing female participation and leadership within the male dominated plantation sector, and sharing her personal journey as a senior leader in the industry

The forum reinforced the Group's commitment to gender inclusion, leadership development, and equal opportunity, while inspiring future generations of women to pursue leadership roles with confidence and purpose.

GRI 203-1, 203-2

DRIVING INNOVATION

Innovation underpins our strategy to build a resilient, diversified, and future ready agribusiness. By converting research, technology, and inclusive design into practical, commercial solutions—ranging from value added products to drone enabled mechanisation and precision agriculture we address operational challenges, boost productivity, reduce environmental impact, and generate shared community value. Collectively, these initiatives reinforce our shift toward sustainable, technology driven growth and long term competitiveness.

Two Berry Jam

In 2025/26, we introduced Two Berry Jam, a differentiated value added product crafted from a unique blend of strawberries and blackberries cultivated within EPP managed polytunnels. The product reflects our integrated approach to innovation, combining controlled environment agriculture, inclusive sourcing, and end to end value addition to create a distinctive, premium offering.

Product Distinctiveness

Two Berry Jam is differentiated through a combination of agricultural innovation and social integration:

1. Dual berry formulation blending the natural sweetness of strawberries with the tangy depth of blackberries to deliver a unique and balanced flavour profile.
2. Polytunnel based cultivation, ensuring consistent quality, improved yields, and resilience against climatic variability.
3. Integrated harvesting model, with hand plucked berries harvested by youth from estate communities, ensuring quality control while embedding social value into the supply chain.
4. End to end value creation, transforming locally produced fruits into a branded, market ready product within our operations.

Value Creation for Stakeholders

The initiative delivers multidimensional value across the value chain:

- Brand differentiation: A distinctive blended jam strengthens positioning in premium and niche consumer segments.
- Quality assurance: Controlled growing conditions and manual harvesting ensure superior taste, texture, and consistency.
- Inclusive economic participation: Youth engagement in harvesting generates livelihood opportunities directly linked to a high value product.
- Revenue diversification: Expansion into value added processed goods enhances margins and reduces reliance on traditional commodity crops.

Innovation Impact

Two Berry Jam demonstrates our ability to integrate product innovation with inclusive value chain design, delivering a high-quality, scalable commercial product while embedding community participation and sustainability at the core of value creation. The initiative reinforces our transition toward diversified, resilient, and socially responsible agribusiness models.

INTELLECTUAL CAPITAL

R&D Projects with CAFT

Automated Tea Harvesting and Spraying Using Drone Technology

In collaboration with Ceylon Agro Food Technologies (Pvt) Ltd (CAFT) as our technical partner, we initiated a pioneering mechanisation innovation through the development of a drone based automated tea harvesting and spraying system. This first of its kind solution is specifically designed to address the unique challenges of Sri Lanka's rugged and steep plantation terrain, where conventional mechanisation remains constrained.

The innovation integrates bulk tea harvesting and post harvest foliar spraying into a single aerial operation, marking a significant advancement in smart plantation agriculture and operational efficiency.

Key Technical Innovations

The system incorporates several novel, integrated features:

1. Dual function drone architecture that combines tea harvesting and precision spraying within a single mission, eliminating the need for multiple field operations.
2. Adaptive canopy following harvesting mechanism, utilising real time sensing and actuator control to maintain consistent cutting height across uneven tea bushes.
3. Aerial operational capability enabling efficient harvesting in steep, inaccessible areas where ground based mechanisation is not feasible.
4. Precision low volume foliar spraying, applied immediately after harvesting to improve treatment effectiveness while reducing chemical usage.
5. Automated crop collection and rapid unloading system, enhancing turnaround time and improving overall operational productivity.

Innovation Impact

This project represents a transformational shift from labour intensive practices to intelligent, technology driven agriculture. By embedding automation, precision, and sustainability into core estate operations, the initiative establishes a scalable mechanisation model for future deployment while reinforcing our long term sustainability, productivity, and global competitiveness.

Value Creation for Stakeholders

The initiative delivers multidimensional value across operational, social, agronomic, and environmental dimensions:

1. Reduced labour dependency, elimination of duplicate field mobilisation, and lower overall cost of production.
2. Reduced physical strain and minimised worker exposure to agrochemicals, contributing to safer working conditions.
3. Improved adherence to optimal plucking cycles and immediate post harvest treatment, enhancing yield quality and uniformity.
4. Optimised chemical application through precision spraying, reducing wastage and environmental impact.

Paddy Seeding

Drone Based Precision Paddy Planting in Uniform Patterns

The agricultural sector is undergoing a transformative shift toward precision farming, exemplified by the Paddy Seeder System developed by CAFT. Building on the successful deployment of Version 1.0 last year, the newly released Version 2.0 (FY 2025/26) delivers major advancements in performance, reliability, and ease of use setting a new benchmark for modern rice cultivation.

Core Objectives

The Paddy Seeder System is designed to fully automate the sowing of paddy seed capsules in precise rows and columns using drone technology. This approach enables farmers to transition from traditional broadcasting methods to highly controlled, data driven planting.

Key objectives include:

- Minimising resource waste: Substantial reductions in manual labour, seed consumption, and weedicide usage.
- Optimising yield: Precision placement improves plant density, root establishment, and overall crop health.

Key Enhancements in Version 2.0

1. Advanced Precision Control

Version 2.0 introduces remote adjustability of shooting parameters, allowing operators to fine tune planting in real time:

- Shooting speed can be varied to control penetration depth in muddy fields.
- Shooting rate can be adjusted to precisely manage row and plant spacing.

This level of control enables farmers to adapt quickly to changing soil and field conditions.

2. Increased Operational Efficiency

- The system now deploys its full 16,000 capsule payload in just 5 minutes and 30 seconds.
- Sowing one acre requires approximately 8 missions, each lasting around 10 minutes.
- Total time per acre: 1 hour and 20 minutes, enabling rapid field coverage during critical planting windows.

3. Enhanced Mechanical Reliability

Comprehensive engineering upgrades have delivered:

- Smooth and consistent capsule feeding
- Complete elimination of the jamming issues observed in earlier prototypes
- Improved durability for continuous field operation

Value Creation for Stakeholders

The Paddy Seeder System Version 2.0 delivers measurable benefits across the agricultural value chain:

- Lower dependence on labour, seed, and weedicide significantly improves farmer profit margins.
- Completing an acre in just over an hour allows farmers to capitalise on short, weather dependent sowing windows.
- Precision capsule deployment increases germination rates and minimises seed wastage compared to conventional broadcasting.
- Upgraded to a "High" user friendliness rating, Version 2.0 lowers the technical barrier for rural farmers adopting drone technology.
- Uniform row and column spacing optimises sunlight exposure and nutrient uptake, resulting in quantifiable yield improvements.
- Successfully tested at CIC farms (Pelwehera and Hingurakgoda) as well as Hokandara, validating real world reliability and effectiveness.

Coconut Mast

Development of a Telescopic, Ground Based System for Spraying, Harvesting, and Crown Management

The Coconut Mast System, developed by CAFT, is a specialised agricultural innovation designed to address one of the most persistent challenges in coconut cultivation—effective pest control at canopy level. The system is particularly suited to combating mite and whitefly infestations, where conventional manual spraying and standard drone solutions have proven ineffective.

Core Objectives

The system is engineered to deliver continuous, high pressure application of liquid pesticides directly to coconut crowns, ensuring effective treatment of pest affected zones. Its key objectives include:

- Pest Eradication: Effective control of stubborn mite and whitefly infestations that significantly reduce yield quality and volume.

- Operational Continuity: Elimination of flight time limitations associated with battery powered aerial drones.

Technical Architecture: Ground to Canopy Connectivity

Unlike autonomous aerial drones, the Coconut Mast System uses a tethered, ground powered architecture to achieve industrial scale performance and reliability.

- **Continuous Power & Liquid Supply**

Electrical power and pesticide solution are supplied directly from a ground based unit through a reinforced physical tether, enabling uninterrupted operation.

- **High Pressure Spray Capability**

The constant power supply enables sustained high pressure spraying, allowing effective penetration through dense coconut fronds to reach the crown and pest clusters.

- **Mobile Ground Infrastructure**

A trailer mounted or mobile ground platform houses large capacity chemical reservoirs and onboard power generation units, supporting extended field operations across large plantations.

INTELLECTUAL CAPITAL

Value Creation for Stakeholders

- Safeguards the primary plantation asset—the coconut crop—from infestations capable of wiping out entire production cycles.
- Continuous tethered power and liquid supply allow prolonged field coverage, making the system highly viable for large scale and industrial coconut estates.
- Eliminates the need for high risk manual spraying at height, significantly reducing workplace injuries and long term health hazards.
- High pressure, crown level application ensures pesticides reach the intended target, minimising drift, wastage, and chemical loss.
- Lower operating costs per hectare and higher daily field coverage enable plantation managers to maintain larger areas with reduced overheads.
- Successfully tested at CIC farms (Pelwehera and Hingurakgoda) as well as Hokandara, validating real world reliability and effectiveness.

KEY INFRASTRUCTURE DEVELOPMENTS IN 2025/26

1. Implementation of a Mobile Device Management (MDM)

2. Power BI Analytics & Dashboard Platform

3. 5 Kw (each) rooftop solar panels at two estate bungalows in Devitura Estate

4. Installation of 13 new polytunnels

5. Rehabilitation of infrastructure damaged due to cyclone Ditwah (More info on Manufactured capital)

GRI 3-3

OUR MEMBERSHIP IN INDUSTRY ASSOCIATIONS

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

Affiliations

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

Memberships

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

Future Focus

Time Horizon	Strategic Focus	Key Initiatives & Outcomes
Short Term (2026/27 – 2027/28)	Foundation & System Enablement	• Operationalise AMIDS through TMO governance • Deploy GIS mapping, IoT pilot projects, and ESG data platforms • Initiate field mechanisation and factory level automation • Establish baseline digital and sustainability metrics
Medium Term (2028/29 – 2029/30)	Scale & Integration	• Scale mechanisation to ~70% of field operations • Expand automation to ~60% across factories and processing • Integrate real time data systems across the plantation and production • Strengthen R&D led diversification and technology innovation
Long Term (2030/31 and beyond)	Smart Ecosystem & Value Transformation	• Establish a fully integrated smart plantation ecosystem • Deploy advanced analytics, AI, and predictive decision systems • Embed innovation driven, diversified revenue streams • Achieve sustained productivity, resilience, and ESG leadership

HUMAN CAPITAL

AT ELPITIYA PLANTATIONS PLC, OUR PEOPLE ARE CENTRAL TO OUR OPERATIONAL STRENGTH AND LONG TERM SUSTAINABILITY. MANAGING COMPLEX PLANTATION OPERATIONS ACROSS MULTIPLE ESTATES DEMANDS NOT ONLY AGRICULTURAL EXPERTISE, BUT ALSO A COMMITTED, RESILIENT, AND CONTINUOUSLY DEVELOPING WORKFORCE.

KEY HIGHLIGHTS

4,563
Employees

49%
of Employees are Female

Rs.19Mn
Investment in Training & Development

98.5%
of Employees are from Local Communities

82%
Retention Rate

Our approach to human capital management is therefore focused on attracting capable talent, nurturing internal capability, and fostering a supportive work environment that enables consistent performance, innovation, and shared growth. We believe that empowering our employees directly enhances the overall performance of our organisation and resilience.

KEY RISKS AND OPPORTUNITIES

Agribusiness

Risk	Potential Impact on EPP	Strategic Response
Talent Shortage	Threatens long term sustainability due to an ageing workforce and limited availability of skilled supervisors and critical operational talent.	Conducting targeted recruitment drives, structured succession planning, and incentive schemes to attract younger employees. Engaging in continuous skills development and supervisory training programmes.
Worker Safety	Increased risk of workplace accidents leading to reputational damage, loss of productivity, and potential regulatory penalties.	Provision of personal protective equipment (PPE), conducting regular safety drills, ergonomic awareness programmes, and strict adherence to chemical handling and safety protocols.
Labour Law Compliance	Exposure to legal penalties, litigation, and reputational harm arising from non compliance with labour regulations.	Conducting periodic compliance audits, effecting regular updates to HR policies, and organising labour law awareness programmes for estate management and supervisors.
Union & Employee Relations	Risk of industrial action, disputes, and operational disruptions affecting productivity and employee morale.	Engaging in continuous dialogue with trade unions, implementing effective grievance redressal mechanisms, and ensuring transparent, consistent communication with employees.
Reputation Risk	Loss of buyer confidence, potential impact on export contracts, and reduced stakeholder trust.	Strengthening CSR initiatives, enhancing sustainability reporting, and proactive engagement with local communities and key stakeholders.
Changes in Plantation Management Practices	Resistance to change, morale issues, increased turnover, and short term productivity declines.	Ensuring transparent communication, enabling stakeholder consultations, phased implementation of changes, and conducting structured change management workshops.
Resistance to Technology Adoption	Delays in modernisation initiatives, reduced operational efficiency, and underutilisation of digital tools.	Conducting employee change management programmes, implementing retraining and capability building initiatives, and engaging in phased technology roll out with user support.
Absenteeism & Turnover	Workforce disruptions during peak harvesting periods, increased recruitment costs, and reduced operational efficiency.	Implementing employee wellness programmes and attendance based incentive schemes, enabling flexible work
Employee Health & Well-being	Reduced morale, fatigue, mental health challenges, and lower productivity levels.	Providing access to counselling services, conducting well-being awareness programmes, providing adequate rest breaks, and promoting supportive and inclusive supervision practices.

HUMAN CAPITAL

Diversified Operations

Risk	Impact on EPP	Strategic Response
Specialised Talent Shortage	Limits expansion and innovation in renewable energy, agronomy, and value added product development.	Entering into strategic partnerships with universities, facilitating international internships, offering competitive compensation packages, and conducting targeted skill development programmes.
Technology Integration & Resistance	Slows digital transformation, reduces operational efficiency, and delays performance improvements.	Conducting structured training programmes, phased system rollouts, mentorship and digital champions, and engaging in formal change management initiatives.
Health & Safety Risks	Exposure to operational hazards in drone spraying, renewable energy installations, and technical operations.	Effecting mandatory PPE usage, providing specialised safety training, emergency response drills, and strict adherence to operating protocols.
Supply Chain & Logistics Workforce Risk	Disruptions in harvesting, processing, packaging, and distribution affecting service delivery.	Enabling flexible staffing models, incentive based deployment, facilitating cross training of employees, and launching workforce well-being programmes.
Innovation & Product Development Risk	Employee burnout, increased turnover, and reduced competitiveness in new product pipelines.	Promoting a creative and collaborative work culture, implementing recognition initiatives, balanced workload planning, and forming R&D partnerships.
Sustainability & Community Engagement Risk	Weakening of brand reputation and reduced credibility of sustainability commitments.	Strengthening CSR initiatives, employee volunteer programmes, and conducting sustainability awareness and engagement campaigns.

GRI 3-3

MANAGEMENT APPROACH

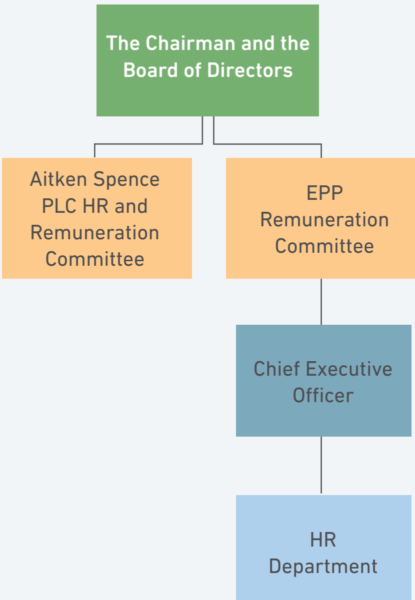
Our People & Culture Strategy defines how we manage and develop human capital as a core driver of organisational performance and long term value creation. We are repositioning HR as a strategic partner that enables growth across our agricultural and diversified business segments.

Our approach focuses on strengthening workforce stability through improved retention, developing proactive talent pipelines, and institutionalising succession planning for key roles. We place strong emphasis on employee engagement, safety, and regulatory compliance, while ensuring our vision, mission, and values are clearly embedded across the organisation.

Guided by seven strategic pillars, namely talent acquisition, development, management, engagement, retention, organisational development, and employer branding, we are setting clear, measurable outcomes, including faster talent deployment, increased diversity, stronger internal leadership progression, and adoption of digital HR systems. These initiatives are designed to build a capable, engaged, and future ready workforce that supports sustainable business performance.

GRI 406-1, 408-1, 409-1

HR GOVERNANCE FRAMEWORK



We maintain a structured Human Resource governance framework to ensure effective workforce management, regulatory compliance, and ethical employment practices across all operations. Our HR policies are aligned with applicable labour laws, collective agreements, and industry best practices, promoting transparency, fairness, and consistency in all employment related matters.

Strategic oversight of human resource management is exercised at Head Office level, which provides direction on policy formulation, workforce planning, capability development, and employee engagement in alignment with the Company's overall objectives. At the operational level, estate management teams are responsible for day to day people management, employee relations, and adherence to established policies, ensuring that human resource practices are consistently and effectively applied across all estates.

Our HR Policy Framework

Rewards & Recognition	Employee Development	Ethics & Labour Practices	Health & Safety
• Equal opportunity policy • Rewards and Benefits • Performance Management Policy • Remuneration Policy	• Training & Development Policy • Promotions Policy • Recruitment & Selection Policy	• Code of Ethics • Grievance Handling Policy • Employee Disciplinary Policy • Child Labour Policy • Diversity and Inclusion Policy • Forced Labour Policy • Policy of Freedom of Association and Collective Bargaining	• Health & Safety Policy • Overseas Travel Policy

GRI 406-1, 408-1, 13.17.2

Safeguarding Child Rights

We are committed to protecting and promoting the rights, safety, and overall, well-being of children living within our estate communities. We recognise that education and early development are fundamental to breaking cycles of disadvantage and enabling children to reach their full potential.

As part of this commitment, we conduct annual book distribution programmes to promote literacy and a love of learning among children in plantation communities. We also operate 54 Child Development Centres that provide free early childhood education and primary learning support, helping to build strong educational foundations from a young age. In addition, we maintain 2 library facilities within estate communities to encourage regular reading and improve access to knowledge resources.

Furthermore, we work closely with development partners and industry bodies to implement child protection and welfare programmes, ensuring safe environments and safeguarding children from exploitation or abuse. Our support extends beyond education to include school supplies, uniforms, scholarships, nutrition, and healthcare initiatives, contributing to the holistic development and well-being of children across our estate communities and diversified operations.

HUMAN CAPITAL

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

GRI 2 7, 2 8, 13.15.2, 405 1

Our Team Profile

As of 31 March 2026, the workforce of EPP comprised 4563 employees, including 4530 permanent staff members and 33 contract employees. All employees were engaged on a full time basis. We did not employ part time workers or engage non employee personnel. Notably, 98.5% of our permanent workforce is recruited from local communities across our 13 estates, reflecting our commitment to regional economic empowerment. An overview of our workforce composition is presented below.

Employees by gender

MALE

2,319 (51%)

2025 **2,203 (51%)**

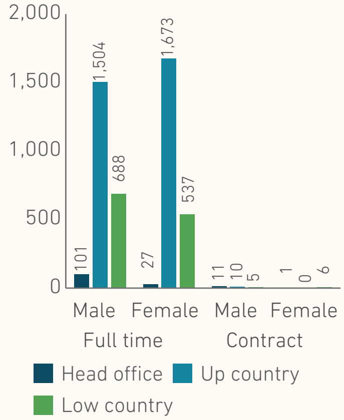
FEMALE

2,244 (49%)

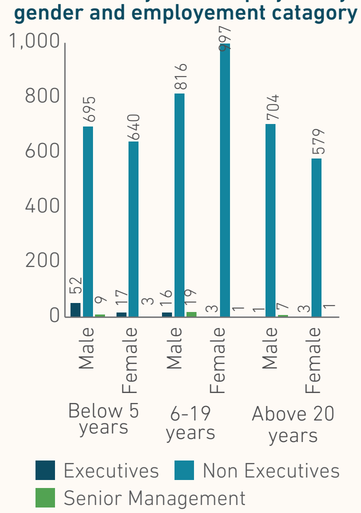
2025 **2,174 (49%)**

Female participation increased by **3%** YoY

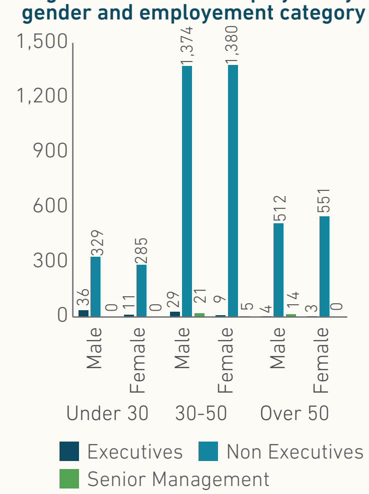
Employees by region and gender



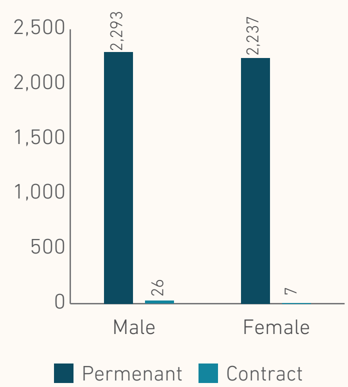
Service analysis of employees by gender and employement catagory



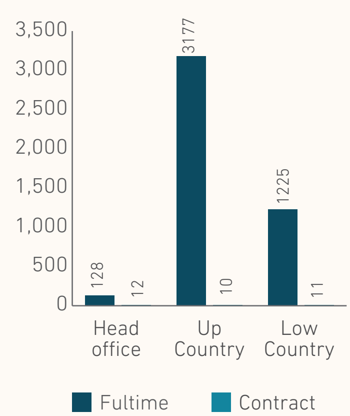
Age distribution of employees by gender and employement category



Employees by employement type and gender



Employment by region



- Our workforce cadre increased by **3.5%** YoY
- **97%** of our workforce are based in the **13** estates
- **14.4%** of the workforce are below the age of 30 years
- **2.9%** of the workforce are executives

GRI 202-2 401-1, 13.15

Workforce Movement

Talent Attraction

Our recruitment process is designed to be fair, transparent, and inclusive, with a strong emphasis on merit based selection. We assess candidates based on their skills, qualifications, experience, and suitability for the role, ensuring non discriminatory hiring practices at all stages. Moreover, we encourage applications from individuals of diverse backgrounds and are committed to providing equal employment opportunities regardless of gender, ethnicity, or social background. All job vacancies are supported by clearly defined job descriptions that outline responsibilities and role requirements, enabling transparency for prospective applicants.

Recruitment is conducted through a structured selection process that includes application screening, interviews, and relevant skills or competency assessments, carried out by Human Resources in collaboration with departmental representatives. Where possible, we prioritise internal candidates to support career progression and retain experienced talent within the organisation. In addition, we promote community based recruitment at the estate level by extending employment opportunities to surrounding local communities, while employee referral initiatives further support our efforts to attract capable and suitable candidates.

Recruitment by gender

MALE

351 (60%)

2025 **425 (54%)**

FEMALE

231 (40%)

2025 **359 (46%)**

Turnover by gender

MALE

454 (51%)

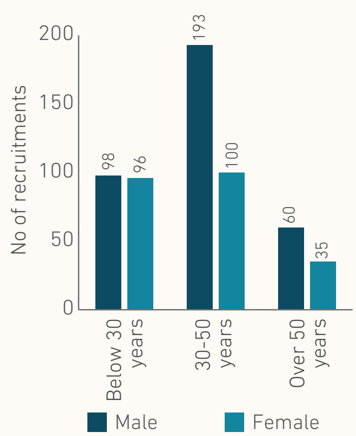
2025 **488 (52%)**

FEMALE

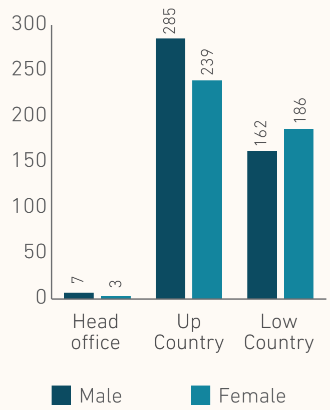
428 (49%)

2025 **450 (48%)**

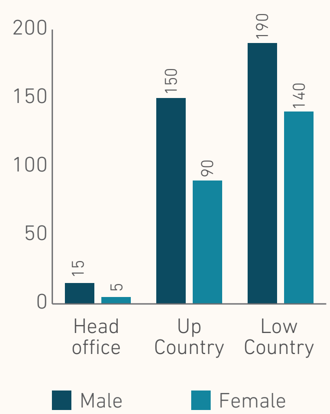
Recruitment by Age



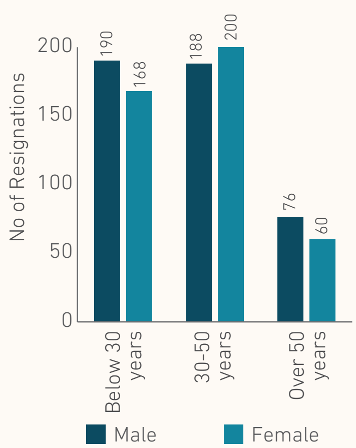
Turnover by region



Recruitment by region



Turnover by Age



Our team was strengthened with **582** new recruits in 2025/26

494 employees retired while a further **388** employees resigned during the year

Our female representation in senior management positions increased by **3.5%** in 2025/26

100% of our senior management were hired from local communities

HUMAN CAPITAL

For FY 25/26	Recruitment Actual	%	Turnover Actual	%
Total (Nos.)	582	13	882	19
By gender				
Male	351	60	454	51
Female	231	40	428	49
By region				
Low country	330	57	348	39
Up country	240	41	524	59
Head office	12	2	10	1
By age				
< 30 years	194	33	358	41
30 – 50 years	193	50	388	44
'> 50 years	95	16	136	15

GRI 403-1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 13.19.2, 13.19.3, 13.19.4, 13.19.5, 13.19.6, 13.19.7, 13.19.8, 13.19.9, 13.19.10, 13.19.11

Employee Health and Well-Being

Health and safety remain a key priority for our operations, given the manual and field based nature of work across plantation and non plantation activities. We safeguard the physical safety and well being of our employees by proactively preventing workplace accidents and occupational health risks.

A comprehensive Health and Safety Policy govern our approach to workplace safety across all operations. Regular risk assessments aligned with recognised international standards, including ISO and Rainforest Alliance requirements, are conducted to identify potential hazards and implement appropriate control measures. Moreover, dedicated estate-level safety committees operate across all estates to oversee health and safety practices, review incidents, and promote a strong culture of safety among employees.

Furthermore, ongoing health and safety awareness training is provided to all plantation workers through practical, day-to-day engagement. Leveraging daily muster gatherings at morning and evening assembly points, field officers and welfare officers deliver regular safety briefings and reinforce policy awareness. In addition, targeted training sessions are conducted as required during the year.

Importantly, employees are provided with appropriate PPE based on risk assessment outcomes. Employee well-being is further supported through organised health initiatives, including medical camps offering general, oral, and eye examinations. Employees requiring further medical attention are referred for hospital care, and assistance such as the provision of spectacles is extended where necessary. A formal incident reporting and investigation system is maintained through an accident register, ensuring that all incidents are reviewed and appropriate corrective and preventive actions are implemented to minimise recurrence.

- **50%** of our workforce is covered under the Company's occupational health and safety management system.
- **77** risk assessments were conducted during FY 2025/26 to proactively identify and mitigate potential workplace hazards.
- **Rs. 7.7 Mn** was invested in providing appropriate personal protective equipment (PPE) to employees to minimise occupational risks.
- **53** medical check ups were conducted, covering average **74%** of our employees, to support early detection of health concerns and overall employee well being.
- **90** health awareness programmes were implemented to promote preventive care, safe practices, and a culture of health and safety across operations.

Provision of medical allowances and annual health screenings provided to all employees

Counselling services available to support employee well-being

Estate welfare officers support continuous employee engagement. Estate safety committees address health and safety issues on site.

Certified welfare officers ensure health and safety compliance

Conduction regular awareness programmes on well-being and financial literacy

Providing access to counselling services

Worker-related Injuries in FY 25/26

- Fatalities due to work-related injuries: **Nil**
- High consequence work-related injuries: **Nil**
- Recordable work-related injuries: **70**
- The no. of lost hours: **2,236**

Managing our occupational health and safety risks

- Hazard identification, risk assessment, and incident investigations are reviewed as part of our Enterprise Risk Evaluation process to ensure systematic risk management.
- Occupational Health and Safety (OHS) training and awareness programmes are provided to employees at all levels of the organisation to promote safe working practices.
- Fire hazard management training is conducted annually for all employees to enhance preparedness and emergency response capabilities.
- Mitigation strategies for occupational health and safety impacts arising from business relationships are evaluated through the enterprise risk management framework, ensuring potential risks are appropriately identified and addressed.

Workers covered by OHS management system

Description	Other Employees	Not employees but whose workplace is controlled by the organisation
The numbers who are covered by such a system	2290	0
The numbers who are covered by such a system that has been internally audited	1320	0
The numbers who are covered by such a system that has been audited or certified by an external party	1011	0

Work-related injuries

Description	Other Employees	Not employees but whose workplace is controlled by the organisation
The no. and rate of fatalities as a result of work-related injuries	0	0
The no. of high-consequence work-related injuries (excluding fatalities)	0	0
The no. and rate of recordable work-related injuries	70	0
The no. of hours	2236	0

Work-related ill health

Description	Other Employees	Not employees but whose workplace is controlled by the organisation
The no. of fatalities as a result of work-related ill health	0	0
The no. of cases of recordable work-related ill health	0	0
The main type of work-related ill health	63	0

HUMAN CAPITAL

GRI 13.20

Employee Engagement and Well -being

In FY 2025/26, we continued to strengthen employee engagement through a holistic and inclusive approach aimed at improving retention, well-being, and workplace satisfaction across all our businesses. Building on initiatives implemented in previous years, we rolled out a comprehensive Employee Engagement Plan that addressed key aspects of employees' lives, including health, education, well-being, and economic security. This approach reflects our belief that sustained organisational performance is closely linked to a motivated, supported, and engaged workforce.

Our engagement framework was designed to respond to employee needs and foster a positive work environment aligned with our People and Culture priorities. The key engagement mechanisms during the year included:

Key engagement mechanisms	Impact and benefits
• **Annual Employee Engagement Survey** Conducted across all estates and projects, the survey enabled us to understand employee expectations and concerns better. The insights gathered informed the design of targeted initiatives focused on enhancing job satisfaction, career development opportunities, and overall morale. • **Comprehensive Employee Retention Strategy** Estate specific retention initiatives were implemented, including improvements to working conditions, expanded skill development opportunities, and clearer career progression pathways. Compensation structures were reviewed to ensure competitiveness, equity, and alignment with market standards. • **Celebration of Special Days and Cultural Events** We organised celebrations such as Mother's Day, Women's Day, and community based cultural events to foster inclusion, recognition, and a sense of belonging among our employees and their families. • **Sports and Talent Development Programmes** Employees were encouraged to engage in sports, music, dance, and other talent based activities. These initiatives supported team building, personal development, and employee well-being beyond the workplace. • **Health, Education, and Well-being Initiatives** Our ongoing health and wellness programmes were further strengthened, alongside educational support for employees and their families. Initiatives aimed at enhancing economic well being also continued, reinforcing our commitment to holistic employee support.	• Consistent engagement, recognition, and development opportunities contributed to higher levels of job satisfaction and stronger employee commitment. • Targeted, estate specific retention initiatives helped stabilise the workforce, particularly within plantation operations, reducing recruitment and training pressures. • A more engaged workforce translated into improved teamwork, smoother estate operations, and enhanced productivity across business units. • Our employees benefited from opportunities that supported professional growth as well as personal well being, including skill development, recreational activities, and health initiatives. **82%** Retention rate among estate workforce Delivered **84,850** hours of training to employees

A summary of key engagement events conducted during the year is given below:

Personality Development Programme to all the Estate managers and Assistant Managers

Outbound Training - Staff - 1ST Batch

Up Country Staff Award Ceremony

Implementation of Learning Management System – Up Country

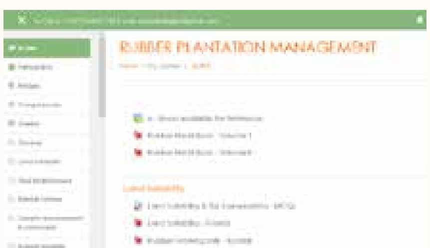
Inter Department Bowling Tournament

Head Office Annual Trip

Inter-department carrom tournament

Children's Day Celebration

Low Country Staff Award Ceremony



Implementation of Learning Management System - Low Country

Book Distribution (Dambulla)

Women's Day Celebration

100%

Participants for all programmes

Rs.7Mn

Investment in employee engagement

GRI 401-2

Remuneration, Recognition and Rewards

Remuneration and other benefits

At EPP, we are committed to providing all employees with fair and competitive remuneration and benefits, in full compliance with applicable labour laws and industry standards. We maintain clearly defined salary structures and uphold equal pay principles, ensuring that compensation, bonuses, and benefits are applied consistently and without discrimination based on factors such as gender or ethnicity. Favouritism is strictly prohibited, and all salary adjustments and incentives are awarded solely based on merit and performance.

Our comprehensive remuneration and benefits framework is designed to reward achievement, recognise skills, and support the long-term financial security and overall well-being of our employees.

HUMAN CAPITAL

Competitive Compensation	Salaries are regularly benchmarked against industry standards, government regulations, and collective agreements within the plantation sector to ensure competitiveness and compliance.
Performance Rewards	Employees are recognised for their contributions through productivity-linked bonuses, incentives, and profit-sharing schemes that reward performance and results.
Long-term financial security	We support employees' long-term financial well-being through contributions to mandatory EPF/ETF funds and applicable pension schemes for eligible staff.
Skill recognition	Specialised skills and expertise are acknowledged through targeted allowances that reward technical competence and professional contribution.
Comprehensive well-being benefits	Employee quality of life is enhanced through a range of non-monetary benefits, including housing, access to healthcare, education assistance, and social welfare programmes.

Our remuneration strategy

Our remuneration strategy is designed to recognise the diverse roles across our workforce while upholding the principles of fairness, equity, and motivation.

Leadership (Executives)	Foundation Workforce (Estate Workers)	Driving Innovation and Engagement
We offer competitive remuneration packages that combine fixed salaries with performance-driven variable pay, supported by tailored benefits aimed at attracting top talent and ensuring long-term retention.	Compensation is aligned with Collective Bargaining Agreements applicable to the plantation sector. Beyond wages, we make significant investments in holistic, lifelong support for employees and their families, providing essential services such as childcare, elder care, healthcare facilities, and housing.	We implement innovative remuneration models, including profit-sharing, performance-based incentives, and fixed-pay structures in selected areas to enhance productivity, attract younger generations of talent, and reinforce the value we place on employee contribution and engagement.

GRI 401-2

Employee Support Initiatives

We provide the following support for our employees.

Nutrition and Food Security

We support the nutritional needs of our plantation workforce by continuing our mid-day meal programme, ensuring employees receive adequate nourishment during working hours. In addition, we distribute dry rations periodically to help employees meet household food needs, particularly during times of economic difficulty.

367,540

Mid-day meals provided in FY 25/26

28,499

Dry ration packs distributed

Healthcare and Wellness Support

We provide employees and their families with access to essential medical services, health screening programmes, and ongoing healthcare support. This includes treatment for common illnesses as well as assistance with the management of long-term health conditions. Periodic medical clinics and health awareness programmes are conducted to promote preventive healthcare and encourage healthy lifestyles within our estate communities.

9Mn

Invested for health programmes conducted in FY 25/26

3,981

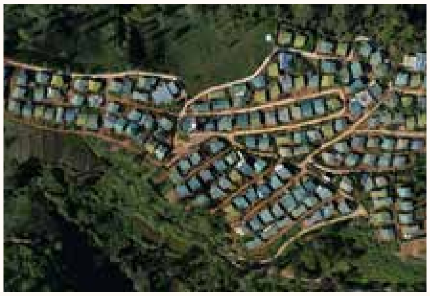
Benefited

Housing and Living Conditions

We continue to support our employees through estate housing facilities and housing assistance programmes, ensuring that workers and their families have access to safe, hygienic, and well-maintained living conditions within plantation communities.

2,590

New housing units provided for our employees



Education and Family Support

We support the education of our employees' children through scholarships, school stationery assistance, and other educational support initiatives. These programmes are designed to improve access to education and contribute to the long-term social development of plantation communities.

40

Scholarships granted to employees' children in FY 25/26

5,774

Student beneficiaries

Cultural Development and Social Well-being

We actively celebrate cultural and religious festivals across our estates. Such event bring employees and their families together, strengthening social bonds and promoting inclusivity. These celebrations are also extended to our Child Development Centres, providing opportunities for younger generations to learn about and appreciate diverse cultural traditions.

1,6Mn

Spent on cultural development programme in FY 25/26

5,656

Beneficiaries

Employee Engagement and Well-being

Employee engagement continues to be a key focus for us. We conduct regular feedback sessions and engagement surveys to better understand employee concerns and identify opportunities to improve workplace conditions. We also promote overall well-being through counselling services, wellness activities, and initiatives that encourage a healthy work-life balance.

7Mn

Spent on employee engagement in FY 25/26

Training and Capacity Development

To strengthen employee capabilities and support career progression, we implement training programmes covering technical skills, leadership development, and soft skills. These initiatives enhance professional growth while supporting operational efficiency across our estates.

Through these initiatives, we continue to foster a supportive and inclusive work environment that prioritises the well-being, development, and long-term stability of our workforce.

Rs. 19 Mn

Invested for Training programmes conducted in FY 25/26

5,270

Participants

To support retirement planning, we operate a retirement home at Meddecombra Estate for plantation employees who have completed their service. The facility offers a safe, comfortable, and supportive living environment, enabling our retired employees to enjoy their post-employment years with dignity, security, and continued care.

We also ensure full compliance with all statutory benefit obligations, including contributions of 12% to the Employees' Provident Fund (EPF) and 3% to the Employees' Trust Fund (ETF), calculated on employees' basic salaries in accordance with prevailing legislation. Employees are also entitled to gratuity benefits as prescribed under the Gratuity Act upon completion of the required period of continuous service.

GRI 13.21.1

Living Income and Living Wage

We ensure that all our employees earn wages that meet or exceed the basic cost of living applicable to their respective regions. A living wage is locally defined through structured cost of living assessments that consider essential needs such as food, housing, healthcare, and education.

This process is undertaken in consultation with key local stakeholders, including trade unions and employer groups, to ensure alignment with regional standards and to address the evolving needs of our workforce. Our remuneration framework guarantees that total earnings, comprising base wages and applicable allowances and benefits, achieve the established living wage threshold.

Furthermore, we conduct regular reviews to account for inflationary pressures and changes in economic conditions, ensuring the continued adequacy of employee earnings. In addition, performance-linked bonuses are provided to recognise individual and collective contributions. Our commitment to employee well-being extends beyond wages and includes comprehensive healthcare benefits, housing support, and access to affordable and nutritious food, reinforcing long-term economic and social security for our workforce.

GRI 404-3

Performance Management

Fostering internal talent is a key priority for us. We provide equitable career advancement opportunities through a transparent and merit-based process, where promotions are determined solely by performance, skills, and demonstrated capability, ensuring gender equality and non-discrimination across all levels of the organisation. To support structured growth, we have developed defined career development pathways for plantation executives, supported by personalised development plans.

This commitment to merit is reinforced through a performance-driven culture. All employees are subject to bi-annual performance appraisals based on clearly defined key performance indicators (KPIs). Productivity of estate workers is closely monitored through real-time digital data systems, enabling objective performance assessment and informed decision-making.

Performance Review Committees

We continue our distinctive practice of conducting Regional Performance Review Committees (RPRCs) to strengthen transparency and fairness in performance management. Through this process, the Head of Human Resources and the Deputy CEO visit each region to engage directly with employees, their Estate Managers, and regional leadership to review individual performance appraisals.

This open and participatory approach ensures that all performance ratings are clearly justified and consistently applied. It also enables the direct identification of individual training needs and high potential employees for future leadership roles. Convening regularly, these committees review estate-level performance, provide constructive feedback, set development goals, and guide the effective allocation of training resources based on performance outcomes and identified capability gaps. Through the RPRCs, we support continuous skill development, leadership succession, and structured career progression across our estates.

58

Staff promotions in FY 25/26

GRI 404-1, 2

Talent Development

Our commitment to investing in our people is reflected in the comprehensive training and development opportunities we provide across all employee groups, from estate workers to management. We adopt a blended approach that combines internal training programmes, external learning opportunities, on-the-job training, and mentorship to build capability at every level. These initiatives are designed to strengthen technical expertise, develop leadership capacity, enhance essential soft skills, improve productivity, and sustain a strong pipeline of future leaders.

Talent development and succession

We place strong emphasis on developing leadership capability and ensuring long-term organisational continuity through structured talent development and succession planning. By investing in leadership coaching, clear career pathways, and targeted development initiatives, we build a robust internal talent pipeline that supports sustainable growth, operational excellence, and future ready leadership across the organisation.

Executive Coaching Programme

We have implemented an executive coaching programme for all members of the top management team as part of our structured succession planning framework. This initiative strengthens leadership capability and ensures business continuity through effective leadership transitions.

Personal Development Pathways for Plantation Executives

Plantation Executives follow structured development plans that include specialised training in plantation management, agronomy, operational efficiency, leadership, and communication skills, supporting both professional growth and estate-level performance.

Structured Career Development Pathways

We provide employees with clear and structured opportunities for career progression through promotions, lateral movements, and expanded responsibilities, based on performance, skills, and experience.

Leadership Pipeline Development

We focus on building a strong internal leadership pipeline by identifying high-potential employees and preparing them for future leadership roles through targeted development and exposure initiatives.

Learning and development framework

We have established a structured Learning and Development Framework to continuously build employee capability and support organisational effectiveness. Through a combination of needs based planning, performance-driven reviews, and diverse learning opportunities, we ensure that development initiatives are aligned with operational priorities, enhance individual performance, and support long term professional growth across all levels of the workforce.

Annual Training Needs Analysis (TNA)

We conduct an annual Training Needs Analysis across the organisation to identify skill gaps and training priorities. This process incorporates performance evaluations, employee feedback, and consultations with departmental leaders to ensure alignment with operational and strategic requirements.

Regional Performance Review Committees

Through Regional Performance Review Committees, estate-level performance is reviewed, constructive feedback is provided, and individual development needs are identified. High performers and potential future leaders are recognised through this structured and transparent process.

Training and Development Programmes

Employees participate in a wide range of internal training programmes focused on technical competencies, operational excellence, leadership development, and personal effectiveness.

External Training Opportunities

To enhance knowledge and exposure to industry best practices, selected employees are nominated for external training programmes, workshops, and professional development sessions conducted by recognised industry bodies and training institutions.

On-the-Job Learning and Mentorship

Practical capability development is reinforced through on-the-job training and mentoring, enabling employees to gain hands-on experience and apply skills effectively within real work environments.

Personal Development Programmes

We also deliver targeted training initiatives aimed at enhancing individual capabilities, including programmes focused on personal development, communication skills, and professional effectiveness.

Key training programmes conducted in FY 2025/26:

Area of Focus	Training Programme	No. of participants
Leadership Development	Out Bound Training for Estate Staff - (Up Country)	65
IT Training	ICT Training and Workshop	110
Health & Safety	Awareness program on Prevention from Dangerous Drugs - Devitura Estate	27

Plantation Executive Development Plan (PEDP)

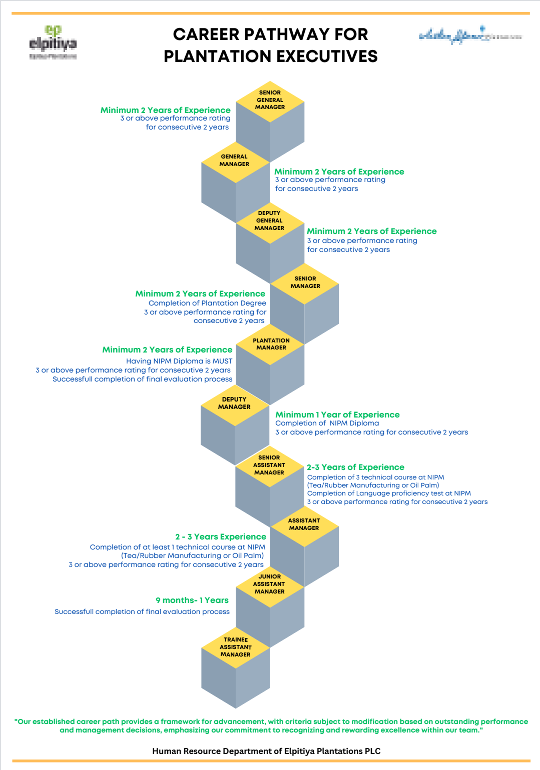
We continued to strengthen our leadership pipeline through personalised development plans for Plantation Executives, carefully tailored to individual career aspirations, competencies, and performance levels. These plans define clear development objectives and progression milestones, supported by specialised training designed to enhance plantation management capability, leadership effectiveness, and operational efficiency.

Development efforts strategically focus on strengthening technical expertise, such as agronomy and plantation operations, while also building essential soft skills, including leadership, communication, and decision making, which are critical for success in executive roles and for driving sustainable estate performance.

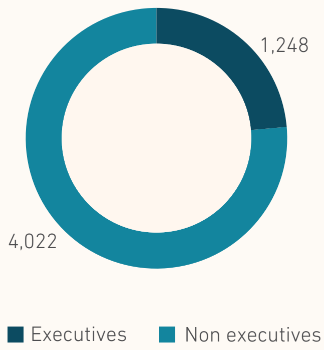
During FY, 26 plantation executives were trained under the PEDP.

Training by Employment category

Category	Male	Female
Senior Management & above	279	75
Executives	1,950	225
Non Executive	2,813	1,393



Training participation by employement catagory



5,270
Participants in training programmes

84,850
Total training hours delivered

19
Average training hours per employee

Rs. 19 Mn
Invested in training and development

GRI 402-1

Nurturing Healthy Employee Relations

Our approach to employee relations is centred on open dialogue, inclusive engagement, and transparent people practices, supporting a culture of trust and collaboration in which employee perspectives are actively valued at all levels.

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Employee Engagement and Communication	We maintain multiple platforms to encourage meaningful employee engagement, including annual employee surveys, structured orientation programmes, and planned engagement calendars. These initiatives provide employees with regular opportunities to share feedback, which is reviewed and acted upon by management.
Union Engagement and Collective Dialogue	Constructive relationships with trade unions and worker representatives are central to our employee relations approach. Regular consultations and collective bargaining engagements help address concerns proactively, minimise disputes, and strengthen cooperation between management and the workforce.
Recognition and Retention Initiatives	We support employee motivation and long-term retention through reward and recognition programmes, mentoring initiatives, and clearly defined career progression pathways. These efforts contribute to improved morale, skills development, and organisational loyalty.
Well-being and Workplace Safety	Employee well-being is prioritised through comprehensive health and safety training, wellness programmes, and access to counselling services. These initiatives reinforce our commitment to dignity, care, and a supportive working environment.
Transparency and Open Communication	Clear and timely communication is promoted through town-hall meetings, internal newsletters, and regular policy updates. This approach fosters transparency, alignment, and mutual understanding across the organisation. Our employees are informed of operational changes 1 week prior to implementation.

GRI 2-25

GRI 2-16

Our Grievance Handling Process

We maintain a fair, accessible, and transparent grievance handling process that enables employees to raise concerns without fear of discrimination or retaliation.

Step 1:

Grievance Submission

Employees may raise grievances through multiple channels, including their supervisors, Human Resources officers, or directly with management.

Step 2:

Acknowledgement

All grievances are formally acknowledged by the Human Resources function, confirming receipt and recognising the concern raised.

Step 3:

Assessment and Investigation

Grievances are reviewed through a structured investigation involving relevant managers and HR personnel. Issues are categorised to support timely and appropriate resolution.

Step 4:

Resolution and Communication

Corrective actions are identified in line with Company policies and applicable labour laws. Employees are informed of the outcome and expected timelines for implementation.

Step 5:

Escalation

If a grievance remains unresolved, it may be escalated to senior HR leadership or referred to union representatives for mediation.

Step 6:

Monitoring and Review

Grievance trends and outcomes are periodically reviewed by HR leadership to identify systemic issues and implement preventive improvements.

GRI 2-30

Trade Union Relationships

Our approach to industrial relations is tailored to the distinct requirements of different employee categories, namely Executives, Staff, and Estate Workers.

58% of our workers are covered by bargaining agreements.

GRI 202-1

Nurturing and Inclusive Work Culture

Our commitment to diversity, equity, and inclusion (DEI) is embedded across our policies, people practices, and daily operations. We provide a respectful and discrimination free workplace by upholding merit based recruitment, ensuring equal access to training and development opportunities, and implementing fair and transparent compensation structures. Moreover, we promote gender parity at all levels of the organisation and support initiatives aimed at empowering women, particularly within the plantation sector, where inclusive participation contributes to sustainable operational excellence.

The ratio between local minimum age and entry level wage by gender is 1 : 1.

Our Diversity & Inclusion Policy

Our Diversity and Inclusion Policy outlines our commitment to fostering a workplace that values fairness, respect, and equal opportunity. The policy:

- Promotes gender equality, non discrimination, and workplace inclusivity
- Ensures fair treatment in recruitment, promotions, training, and leadership development
- Prohibits discrimination based on gender, ethnicity, religion, disability, or any other protected characteristic

Aitken Spence Group Diversity & Inclusion Policy

As a member of the Aitken Spence Group, we fully comply with the Group's Diversity and Inclusion Policy, ensuring a consistent and standardised approach to promoting inclusivity, equity, and ethical people practices across all Group operations.

Gender Equality and Women's Empowerment

Our gender equality initiatives focus on increasing female participation in decision making and operational leadership roles. Through targeted programmes and supportive workplace practices, we aim to strengthen women's representation, promote career advancement, and create enabling environments for women across our estates and offices.

Women's empowerment and inclusive workplace initiatives conducted in FY 25/26

Designated, safe nursing spaces have been established at estate offices and factories to support breastfeeding mothers. In addition, 54 estate based childcare centres (crèches) are maintained to provide a safe and nurturing environment for children while their mothers are at work.

We Offered flexible work schedules and maternity leave provisions to support working mothers across plantation operations and staff functions, enabling better work–life balance and continued workforce participation.

37 of female employees benefited from flexible work arrangements

Conducted regular awareness programmes on gender equality, workplace rights, and the prevention of harassment. Female employees are also supported through training in financial literacy, entrepreneurship, and basic business skills, enabling them to explore opportunities beyond traditional roles.

436 female employees trained

Implemented ongoing health and wellness programmes, including reproductive health awareness, access to medical support, and regular medical check ups such as breast cancer screening. Mental health counselling services were made available to promote emotional well being and a supportive work environment.

165 health and wellness programmes conducted

Estate level women's societies were supported to advance social and economic empowerment. Skill building workshops were offered in areas such as handicrafts, sustainable farming practices, and financial management, contributing to household resilience and income diversification.

76 skill building workshops conducted

Structured leadership development programmes, including PIM training, were conducted to equip female employees with leadership skills, decision making capabilities, and career advancement opportunities.

59 female employees completed structured leadership development

Continued to strengthen female representation in supervisory and managerial roles across estates and corporate functions. Female participation was encouraged in estate welfare committees and other operational decision making forums

Average 82% of estate welfare committee members are women.

Female Employment

We foster a safe, inclusive, and empowering work environment, with a particular focus on supporting our female employees. Central to this commitment is our strict zero tolerance policy toward sexual harassment and gender based violence. The policy is reinforced through regular training and awareness programmes, supported by a confidential reporting mechanism that enables concerns to be raised without fear of retaliation. Through these measures, we uphold the dignity, safety, and well being of all employees.

12.5%

of Senior Management Positions Held by Women

21%

Women at the Executive Level

New recruits

351 (60.3%)

Promotions

41 (70.7%)

Exits

454 (51.47%)

New recruits

231 (39.6%)

Promotions

17 (29.3%)

Exits

428 (48.52%)

Gender Parity

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

For FY 25/26	2025/26	2024/25
Raw mean gender pay gap	No	No
Raw median gender pay gap	No	No
The proportion of women who received training	35%	41%
Percentage of Women who returned to work after parental leave and were still employed 12 months after returning to work	100%	96%
Proportion of Females who received a Performance Bonus	100%	100%

GRI 405-2, 13.15.3

The ratio of basic salary and remuneration of women to men

The ratio of basic salary and total remuneration of women to men remains at 1:1 across all significant operational locations, including the Head Office, Up Country, and Low Country estates. Entry level salaries, basic pay, and remuneration structures are applied consistently and equitably, ensuring equal pay for equal work regardless of gender.

Responsible brand

Through consistent advocacy for gender equality and workplace safety, we have strengthened our reputation as a responsible employer that uplifts and protects its female employees.

GRI 405-1,3, 13.15.2

Diversity in governance bodies

BOD Age Analysis	Male	Female
Below 30 Years	0%	0%
30-50 Years	85%	15%
Above 50 Years	100%	0%

30%

Female representation at Board level

Employing Persons with Disabilities

We foster an inclusive workplace by implementing recruitment practices that encourage applications from persons with disabilities. Our operations are supported by accessible work environments and appropriate workplace accommodations to enable a barrier free and dignified employee experience. As at the reporting date, 7 persons with disabilities are employed across the organisation, reflecting our ongoing efforts to promote equal opportunity and inclusive employment.

Environmental Management Structure and Capacity Building

We have dedicated personnel and resources at the estates and project levels to strengthen environmental management and performance. Estate Managers, Project Managers, and their respective executive teams are responsible for implementing environmental initiatives, ensuring compliance with applicable environmental regulations, and driving improvements in resource efficiency and sustainable agricultural practices. These efforts are supported by dedicated estate-level staff who monitor environmental performance, manage data, and address environment-related risks and impacts.

Oversight and coordination are further strengthened through the ESG Officer and the Sustainability Team, who provide guidance, monitoring, and support for environmental initiatives across estates and project activities. This team works closely with estate management to ensure consistent implementation of sustainability policies, environmental safeguards, and reporting requirements.

To reinforce environmental stewardship, we continue to invest in capacity-building initiatives, including targeted training programmes and awareness sessions for employees at all levels. These initiatives equip staff with the knowledge and skills required to adopt sustainable plantation practices, improve waste and resource management, and support biodiversity conservation efforts across our operations.

Parental Leave

37 female employees were eligible for maternity leave during the reporting period.

'0' male executive employees were entitled to paternity leave.

37 female employees availed themselves of maternity leave in FY 2025/26, while '00' male employees availed themselves of paternity leave during the year.

100% of female employees returned to work upon completion of their maternity leave.

100% female employees were retained within the organisation 12 months after returning from maternity leave.

100 % return to work retention rate was achieved for employees following maternity leave.

Upholding Human Rights and Ethical Labour Practices

We uphold human rights and promote ethical labour practices across all our operations. Our approach is guided by strong governance, transparent engagement, and continuous improvement aligned with international standards and regulatory requirements.

Governance and Accountability (GRI 2-30)

We maintain transparent and constructive labour-management relations through regular engagement with trade unions and employee representatives. Multiple grievance redress mechanisms and dialogue platforms are in place to ensure that employee concerns are heard, addressed promptly, and resolved fairly. Annual employee engagement surveys and town hall meetings further reinforce accountability, encourage collective participation, and support inclusive decision-making across the organisation.

Safe and Sustainable Workplaces (SDG 8.8 / SDG 3)

We promote safe, healthy, and sustainable workplaces through comprehensive health and safety training across our plantation and diversified operations. The provision of personal protective equipment (PPE), ergonomic training, and strict chemical handling protocols helps minimise occupational risks. Wellness programmes, counselling services, and employee recognition initiatives further support dignity, well-being, and inclusivity in the workplace. In addition, gender diversity initiatives including programmes such as the Female Field Officers initiative promote equality and empower women in traditionally male-dominated roles.

Elimination of Forced or Compulsory Labour (GRI 409-1)

Our recruitment processes are standardised, transparent, and designed to ensure fair and equal access to employment. Succession planning and employee retention strategies help reduce reliance on vulnerable or exploitative labour practices. Regular compliance audits and periodic updates to HR policies ensure adherence to wage board regulations, overtime requirements, and occupational safety standards, thereby safeguarding against forced or compulsory labour and ensuring that all employment is voluntary, fairly compensated, and legally compliant.

Ethical Community Engagement

Our commitment to human rights extends beyond the workplace to the communities in which we operate. Through CSR initiatives such as educational support, medical camps, and community celebrations, we contribute to social well-being within plantation communities. Sustainability reporting, responsible sourcing practices, and waste reduction initiatives further align our operations with global ethical standards, reinforcing our role as a responsible employer and trusted community partner.

GRI 407 1:, 13.18.2 Freedom of Association and Collective Bargaining	We recognise and respect our employees' right to freedom of association and collective bargaining. Constructive and transparent labour management relations are maintained through regular dialogue with trade unions and employee representatives. Grievance redress mechanisms and open communication channels are in place to address concerns promptly and prevent disputes. In addition, annual employee engagement surveys and town hall discussions provide opportunities for employees' voices to be heard and acted upon, reducing the risk of wage disputes, industrial action, or unrest while strengthening trust between management and the workforce.
GRI 408 1: Child Labour	Our recruitment policies explicitly prohibit child labour across all plantation and non plantation operations. Compliance audits are conducted to ensure adherence to legal requirements and internal controls. We also work closely with local schools and implement CSR initiatives—such as educational support, book distribution programmes, and children's day celebrations—to promote education and prevent underage employment. By supporting access to education, we address the root causes of child labour risk within plantation communities and reinforce long term social well-being.
GRI 409 1: Forced or Compulsory Labour	We ensure that all employment is freely chosen through transparent recruitment processes, standardised onboarding procedures, and clearly defined voluntary employment contracts. Compliance with Sri Lankan labour laws, wage board regulations, and working hour requirements is strictly enforced to prevent exploitative practices. Employee retention strategies and recognition programmes further reduce reliance on precarious labour arrangements, safeguarding against forced or compulsory labour and promoting dignity and fairness in the workplace.
GRI 410 1: Security Personnel Training on Human Rights	The group does not provide training for security personnel. The service is out sourced and managed by Aitken Spence PLC.

GRI 13.16.2

Future Focus

Time Horizon	Key Initiatives & Outcomes
Short Term **(2026/27 – 2027/28)**	• Rebrand the HR function as People & Culture, and cascade the renewed vision, mission, and values across the organisation. • Introduce People related KPIs for Plantation Managers to strengthen accountability for workforce engagement, capability development, and performance. • Launch a digital learning platform alongside a standardised onboarding framework to ensure consistent and accessible employee development. • Strengthen and formalise the succession planning framework to identify and prepare future leaders across critical roles. • Conduct annual employee engagement surveys to gather insights, track progress, and inform people focused improvements. • Introduce a Rewards and Recognition programme to acknowledge performance, reinforce desired behaviours, and enhance employee motivation. • Initiate the Female Field Officers Programme to improve gender diversity and promote inclusion within operational and leadership roles.
Medium Term **(2028/29 – 2029/30)**	• Achieve an 80% internal fill rate for critical roles through proactive talent pipeline development and succession planning. • Ensure 100% compliance with health and safety training requirements across agricultural and non agricultural operations. • Promote at least 50% of leadership positions in non agricultural businesses through internal talent progression. • Implement a digital grievance management platform and a fully digitised exit process to enhance transparency and efficiency. • Strengthen employer branding through a clearly defined Employee Value Proposition (EVP), enhanced recruitment portals, and an active social media presence. • Establish workforce analytics capabilities to support data driven workforce planning and efficient resource allocation.
Long Term **(2030/31 and beyond)**	• Achieve employee engagement and job satisfaction scores exceeding 85%, reflecting a motivated and committed workforce. • Ensure 90% of future leadership positions are filled through identified and developed internal successors, supported by a robust succession planning framework. • Increase diversity in leadership roles within non agricultural businesses by 20%, strengthening inclusion and balanced representation. • Deliver a 15% improvement in labour efficiency through data driven workforce planning and advanced people analytics. • Institutionalise People & Culture as a core enabler of sustainability, organisational resilience, and long term value creation.

SOCIAL AND RELATIONSHIP CAPITAL

OUR RELATIONSHIPS WITH COMMUNITIES, CUSTOMERS, SUPPLIERS, AND REGULATORS ARE BUILT ON TRUST, TRANSPARENCY, AND MUTUAL BENEFIT. AT EPP, WE GO BEYOND COMPLIANCE TO DRIVE INCLUSIVE GROWTH THROUGH ETHICAL SOURCING, MEANINGFUL COMMUNITY DEVELOPMENT, AND RESPONSIBLE CUSTOMER ENGAGEMENT. THESE ENDURING PARTNERSHIPS ARE STRATEGICALLY VITAL, STRENGTHENING OUR SOCIAL LICENCE TO OPERATE AND SUPPORTING LONG-TERM BUSINESS CONTINUITY.

KEY HIGHLIGHTS

100%
Customer Concerns Resolved

Rs.1.6Bn
Spent on Local Suppliers

140
Screened Using Environmental and Social Criteria

Rs.146Mn
Spent on Community

By creating shared value through purposeful stakeholder engagement, we embed responsible practices across our operations and reinforce the foundations for sustainable, long-term success.

KEY COMPONENTS

- Customer Relationships
- Brand & Market Trust
- Supplier & Smallholder Partnerships
- Community Engagement & Development

Key Focus	2025 Highlights	SDGs Impacted
Customer engagement and grievance management	100% of customer complaints were resolved through structured, transparent, and responsive feedback mechanisms, strengthening product accountability and customer trust.	12 Responsible Consumption and Production; 16 Peace, Justice and Strong Institutions
Product quality and food safety	36% of products are covered under recognised certification standards (e.g. HACCP, ISO 22000), ensuring consistent compliance with food safety and quality requirements and safeguarding consumer health.	3 Good Health and Well-Being; 12 Responsible Consumption and Production
Local supplier engagement	151 local suppliers were engaged, promoting inclusive economic participation and supporting livelihoods within plantation linked rural communities.	8 Decent Work and Economic Growth; 11 Sustainable Cities and Communities
Economic contribution to local suppliers	Rs. 1,656 Mn was paid to local suppliers, providing stable and timely income flows to smallholders and strengthening financial resilience.	1 No Poverty; 8 Decent Work and Economic Growth
Responsible sourcing and supplier sustainability	140 suppliers were screened using environmental and social criteria, encouraging responsible sourcing and sustainable land use practices across the supply chain.	12 Responsible Consumption and Production; 15 Life on Land
Community development investment	Rs. 146Mn was invested in healthcare, education, and community infrastructure initiatives to improve overall community well-being.	3 Good Health and Well-Being; 4 Quality Education; 11 Sustainable Cities and Communities
Social impact and beneficiaries	24,989 beneficiaries were reached through community development programmes, improving access to essential services and enhancing socio economic resilience in underserved plantation linked communities.	1 No Poverty; 3 Good Health and Well-Being; 4 Quality Education; 10 Reduced Inequalities; 11 Sustainable Cities and Communities

Focus Area	KPI	GRI
Customer Relationship & Market Trust	• Customer complaints received and	GRI 418: Customer Privacy GRI 416: Customer Health & Safety

SOCIAL AND RELATIONSHIP CAPITAL

Focus Area	KPI	GRI
Strengthening Smallholder Supplier Network	• % of green leaf sourced from registered smallholders	GRI 204: Procurement Practices GRI 413: Local Communities
Community Engagement & Development	• Number of community development projects implemented • Number of beneficiaries reached	GRI 413: Local Comm

CAPITAL TRADE-OFFS

Capital	Key Trade-off	Net Impact	Strategic Response
Financial Capital Page 96 to 101	Maintaining guaranteed purchasing arrangements, fair pricing, and timely payments to smallholders creates cost rigidity, particularly during periods of weak market (auction) conditions.	+ Secured green leaf supply, reduced supplier attrition, and continuity of operations. − Margin pressure when market prices decline while supplier payments remain relatively stable.	Implemented structured pricing mechanisms aligned with market benchmarks, supported by continuous supplier engagement to balance commercial viability with supply security.
Manufactured Capital Page 102 to 109	Logistics optimisation initiatives (route planning, load consolidation, return loads) improve efficiency but reduce flexibility in supplier collections.	+ Lower fuel consumption reduced empty mileage, and improved distribution efficiency. − Potential delays or reduced responsiveness for remote smallholders.	Applied balanced route planning supported by demand forecasting and coordinated procurement scheduling to maintain efficiency while managing service levels.
Natural Capital Page 174 to 198	Reliance on an extensive smallholder supplier network limits direct control over environmental practices, while efforts to increase supply volumes may intensify land and input use beyond estate boundaries.	+ Opportunity to drive large scale environmental improvement beyond owned estates through supplier influence. − Increased risk of soil degradation, agrochemical overuse, and biodiversity pressure on third party lands where enforcement is indirect.	Embedded environmental criteria into supplier onboarding, strengthened field level engagement, and leveraged certification frameworks (e.g. Rainforest Alliance) to extend sustainable land management practices across the value chain.
Intellectual Capital Page 110 to 127	Sharing agronomic knowledge, climate smart practices, and operational know how with suppliers reduces information asymmetry across the supply chain.	+ Improved supplier quality, greater consistency, and lower rejection rates. − Reduced exclusivity of operational knowledge.	Adopted controlled and continuous field level knowledge transfer aligned with internal operational and quality standards.

Capital	Key Trade-off	Net Impact	Strategic Response
Human Capital Page 128 to 149	Deep community engagement activities (e.g. NBRO coordination, surveys, advisory panels, grievance handling) increase operational demands on estate management teams.	+ Stronger community trust, reduced conflict, improved crisis response (e.g. Cyclone Ditwah), and enhanced workforce community relations. − Increased workload beyond core plantation operations.	Established structured committees, participatory governance mechanisms, and integrated community engagement responsibilities into defined operational roles.

KEY RISKS AND OPPORTUNITIES

Risk / Opportunity	Potential Impact on EPP	Strategic Response
Risk: Supplier dependency and market volatility	Disruptions in green leaf supply or reduced supplier loyalty during price fluctuations may affect production volumes, quality consistency, and revenue stability.	Maintained a guaranteed purchasing model, strengthened supplier relationships through continuous engagement, and ensured timely payments to sustain supplier confidence and long term retention.
Risk: Community vulnerability to climate events (Cyclone Ditwah)	Damage to community infrastructure and livelihoods can undermine workforce stability, supplier productivity, and overall operational continuity.	Coordinated with relevant technical agencies (e.g. NBRO), conducted risk assessments, and supported community recovery initiatives to enhance resilience and maintain stakeholder trust.
Opportunity: Strengthening smallholder partnerships	Improved supplier loyalty, consistent green leaf quality, and enhanced long term supply security.	Expanded training programmes, technical support, and relationship building initiatives to develop a more capable, resilient, and sustainable smallholder supplier base.
Opportunity: Community resilience building	A more stable workforce and supplier base, reduced operational disruptions from climate related events, and a stronger social licence to operate.	Continued collaboration with external agencies and implemented targeted community risk mitigation and climate adaptation initiatives.

MANAGEMENT APPROACH

Our management approach is centred on building strong, transparent, and ethical relationships with customers, suppliers, and communities. We focus on delivering consistent, high-quality tea by investing in modern field and factory operations and applying our technical expertise as a core element of our customer value proposition. A structured emphasis on product stewardship, clear communication, and effective complaint resolution supports this. Furthermore, we adhere to national and international food safety requirements, reinforced through recognised certifications, competitive auction performance, and systematic quality monitoring that enables timely corrective action. Alongside this, we strengthen engagement with customers and trade partners through direct interaction and feedback, while maintaining rigorous standards of quality, safety, and transparency. Our approach is further underpinned by ongoing community development initiatives and strong governance practices, ensuring responsible operations, stakeholder trust, and long-term sustainability.

GRI 3-3

SOCIAL AND RELATIONSHIP CAPITAL PERFORMANCE

KPI	2025/26	2024/25	% Growth (YoY)
Customer complaints resolved (%)	100%	100%	Maintained
Number of local suppliers	151	118	28% Increased
Products covered under certification standards (%)	36%	37%	2.70% Decreased
Payments made to local suppliers (Rs. Mn)	1,656	1,273	30% Increased
Number of new suppliers screened	140	60	133% Increased
Investment in community development (Rs. Mn)	146	274	47% Decreased
Beneficiaries of community development projects / initiatives (No.)	24,989	34,010	26.50% Decreased

SOCIAL AND RELATIONSHIP CAPITAL

GOVERNANCE

A strong governance framework supports social and relationship capital through recognised standards and internal policies that promote ethical conduct, transparency, and responsible stakeholder engagement across the value chain.

Policies	Standards
Supplier Code of Conduct	Rainforest Alliance (RA) Certification Standards
EPP Grievance Handling Mechanism	Forest Stewardship Council (FSC) Standards
EPP Environmental, Social & Governance (ESG) Policy	Hazard Analysis and Critical Control Points (HACCP)
Aitken Spence Integrated Sustainability Policy	ISO 22000 – Food Safety Management Systems

CUSTOMERS

We serve a diverse base of global and local customers, upholding strong environmental and social commitments and maintaining the highest standards of product quality.

Value-added products

B2B, B2C customer segments including SEC A & B+

Non- value added products

Leading Tea and rubber exporters

GRI 3-3

MANAGEMENT APPROACH

Our approach to customer management is focused on building trusted, long term relationships across both B2B and B2C segments, underpinned by strong product stewardship, direct engagement, and a fully integrated farm to fork operating model. During FY 2025/26, this approach was further strengthened by enhancing direct to customer channels, expanding our premium retail presence, and integrating preventive quality assurance systems. These initiatives enabled a more responsive, insight driven engagement model while reinforcing consistency in quality, safety, and service delivery.

Our structured customer segmentation across tea, berries, and value added products allows us to tailor engagement strategies to specific market needs, ensuring customer expectations are met with precision while maintaining uniform standards across the portfolio.

Our Customer Value Proposition

Our customer value proposition is built on three core pillars that define how we create and deliver value across our markets.

QUALITY AND CONSISTENCY

Assured through robust dual-level verification processes and adherence to internationally recognised certification standards, including Rainforest Alliance (RA), HACCP, and ISO 22000.

SUSTAINABILITY AND TRACEABILITY

Embedded within our integrated farm-to-fork model, ensuring that our products are ethically sourced, environmentally responsible, and fully traceable across the value chain.

RELIABILITY AND RESPONSIVENESS

Enabled through a structured supply chain and proactive customer engagement, allowing us to deliver on time and resolve issues effectively.

GRI 418-1

Strengthening customer privacy and data security

We maintain robust data governance and information security protocols to safeguard customer information and ensure compliance with applicable data protection requirements. During FY 2025/26, we strengthened access controls and IT General Controls (ITGC), conducted regular system vulnerability assessments and audits, and enhanced data monitoring through integrated digital platforms, including our ERP systems and Power BI dashboards.

There were zero substantiated complaints relating to breaches of customer privacy or loss of customer data reported during the year.

GRI 2-25

Customer relationship management

We deliver a direct farm to fork experience that ensures quality, safety, and nutrition by eliminating intermediaries and maintaining a strong customer centric focus. Our structured customer management approach spans distinct market segments Modern Trade, General Trade, and HORECA/ B2B and is supported by a dedicated field sales force through Business Development Representatives (BDRs). By strengthening customer engagement, expanding sales capabilities, diversifying our product portfolio beyond fresh berries, and enhancing quality assurance and complaint management processes, we continue to improve the overall customer experience, strengthen retail and export partnerships, and support stable, sustainable revenue growth.

During the year, we enhanced customer engagement by expanding direct interaction channels, including dedicated hotlines, WhatsApp, and digital platforms, improving accessibility and ease of communication. We further strengthened the BDR model to enable closer relationship management, faster response times, and more frequent customer interactions. In addition, structured segmentation across B2B and B2C customer clusters enabled more targeted and effective engagement strategies aligned with specific market needs.

Enhancing customer experience and reducing complaints

The Challenge

Delays in complaint resolution, particularly within Modern Trade channels, were impacting overall customer satisfaction and partner confidence.

Our Strategic Response

We implemented a more focused customer engagement and complaint management approach by strengthening dedicated sales and service teams, improving issue tracking and escalation processes, and enhancing preventive quality assurance measures across the supply chain. This enabled earlier identification of potential issues and more frequent, targeted in store engagement with retail partners.

The Impact

These initiatives resulted in faster complaint resolution, a reduction in overall complaint volumes, an improved end consumer experience, and stronger, more collaborative relationships with retail partners.

Maintaining customer communications in FY 2025/26

Tea

- Regular Customer visits
- Claim management system of the Sri Lanka Tea Brokers' Association
- Estate visits with key buyers
- Participated in **02** trade fairs

- **150** Local buyers
- **4** brokers
- **4** direct overseas buyers

Rubber

- Regular customer visits
- One to one engagement
- Estate visits with key buyers

- **24** buyers
- **1** brokers

Berries

- One to one engagement with leading supermarket chains

- Leading supermarket chains (460 Outlets)

Oil Palm

- One to one engagement

- 02 direct buyers

Value-Added Products

- Engagement at retail outlet
- Social media platforms

  Berry Much (IG & FB)

  Harrow House (IG & FB)

- Retail customers of "Harrow House"
- Online customers

Customer engagement

We adopt a multi channel approach to customer engagement, combining direct interactions, market facing activities, and strategic partnerships to strengthen relationships, enhance visibility, and capture real time customer insights across key markets.

- Targeted estate visits for key and high potential buyers, including facility tours, on site tea evaluations, and direct interaction with estate management to strengthen relationships and generate new business opportunities
- Active social media engagement featuring product promotions, seasonal campaigns, and storytelling around product origin and health benefits
- In store activations and promotions to enhance product visibility and encourage customer interaction
- Participation in exhibitions and promotional events, enabling direct engagement, product tastings, and real time customer feedback
- Strengthened distributor and retail partnerships to improve communication, expand market reach, and reinforce long term collaboration

Product quality

Our New Product Development (NPD) and Quality Department exercises comprehensive oversight across the production lifecycle to ensure consistent compliance with defined batch level quality standards. Full traceability is enabled through unique identification codes applied across the value chain. We source raw materials exclusively from certified, Good Agricultural Practices (GAP)–compliant producers, safeguarding input integrity and quality at origin. Our processing facilities operate in line with internationally recognised RA, FSC, ISO and HACCP certifications, while selected product

SOCIAL AND RELATIONSHIP CAPITAL

categories including tea, beverages, and jams are supported through certified and regularly audited outsourcing partners.

During the year, we further strengthened product quality assurance by enhancing dual level verification systems, increasing the scope of random audits, and reinforcing estate level controls. In parallel, targeted supplier training and engagement initiatives deepened supplier integration, supporting consistent compliance, improved quality outcomes, and stronger alignment across the value chain.

GRI 416-1, 416-2 , 13.10.2, 13.10.3
SASB 1FB-AG-250a.1, 2FB-AG-250a.2

PRODUCT RESPONSIBILITY

During the year under review, 36% of our products were assessed for health and safety impacts. Furthermore, there were 5 incidents of non-compliance recorded under RA requirements and 9 incidents of non-compliance recorded under FSC requirements with health and safety regulations. Related to products, and no product recalls were issued. All non-compliances were addressed during the year.

Ensuring Product Responsibility	B2B Tea	Fresh Berry Operations	Processed Goods (Drinks, Jams, etc.)
Quality Assurance	Dual level quality verification at estate and head office levels to ensure consistency and compliance.	Strict adherence to defined quality KPIs, including ripeness, weight, and packaging standards.	Production undertaken through ISO certified partners, supported by batch level quality verification.
Traceability & Transparency	Transparent, auction based sales mechanism supported by certification driven assurance.	Continuous farm audits and monitoring, supported by direct distribution to preserve freshness and traceability.	Batch identification, random audits, and verification to ensure full traceability and compliance.

Product safety

We ensure product safety across our operations through responsible sourcing, sustainable manufacturing practices, and quality assurance systems designed to protect consumers and meet regulatory requirements.

Sustainable sourcing, manufacturing, and safe use

We prioritise the use of locally sourced raw materials wherever possible, supporting supply chain transparency and reducing environmental impact. Our manufacturing processes are designed to meet strict safety and quality standards, complemented by ongoing sustainable packaging initiatives aimed at minimising environmental footprint while ensuring product integrity and safe use.

Communication to customers

We communicate product safety and quality transparently through multiple channels. Packaging and labelling serve as the primary interface with consumers, prominently displaying certifications such as Rainforest Alliance, HACCP, and other relevant standards. Labels provide clear information on ingredients, nutritional value, product origin, and usage instructions in all three languages, enabling informed consumer choice.

For B2B customers, including auction participants and export markets, product catalogues and marketing materials clearly outline certification credentials, sourcing practices, and quality standards. Digital platforms, including social media and online channels, are increasingly used to communicate plantation origins, traceability, health benefits, and sustainability practices. In addition, we engage directly with customers through retail outlets, exhibitions, and promotional events, enabling real time interaction and feedback.

Product health & safety assessments and monitoring

We conduct systematic product health and safety assessments across the value chain. This includes compliance with Rainforest Alliance, HACCP, and ISO standards across relevant product categories, periodic internal audits, and independent third party inspections of sourcing and production processes. Laboratory testing is undertaken to verify compliance with food safety requirements, including Maximum Residue Limits (MRLs) for export markets. Quality checks are embedded at multiple stages, from raw material sourcing to final product distribution, to ensure consistent safety and quality outcomes.

GRI 417 1, 2

Product labelling

We provide clear, accurate, and comprehensive product and service information to enable informed customer decision-making and ensure full regulatory compliance. Product labelling serves as a primary communication tool and includes essential details such as product identification and descriptions, ingredient composition and nutritional information, dates of manufacture and expiry, storage and usage instructions, country of origin, and relevant traceability information. Where applicable, certifications such as Rainforest Alliance, HACCP, and ISO are clearly displayed to reinforce product credibility and assurance.

All product labels are presented in Sinhala, Tamil, and English, ensuring accessibility to a broad and diverse customer base. Product-specific labelling protocols are applied to maintain consistency and compliance across categories, with tea products adhering to recognised industry standards, rubber packaging guided by internal estate-level requirements, and value-added products complying fully with Consumer Authority regulations, including mandatory disclosures such as batch codes, maximum retail prices, and nutritional data.

Labelling and product information are subject to structured internal review and approval processes to ensure accuracy, compliance with applicable regulatory requirements, and alignment with responsible and ethical marketing practices. We continuously review and refine our labelling protocols in line with evolving regulations, consumer expectations, and recommendations from our marketing and compliance teams.

Compliance record

There were no Incidents of non-compliance concerning product and service information and labelling in FY 2025/26.

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Promoting responsible product use and consumption

We support responsible consumption by providing clear guidance on proper product storage, usage, and disposal through our product labelling, while also highlighting key attributes such as "natural", "locally sourced", and "no preservatives". For fresh products such as strawberries, packaging is specifically designed to maintain freshness and extended shelf life, helping to minimise waste and reduce product disposal due to spoilage.

In addition, we use digital platforms and in store engagement to educate consumers on appropriate product handling and storage practices, as well as the importance of reducing food waste. Sustainability focused messaging is integrated into our marketing and brand communications, reinforcing environmentally conscious consumer behaviour and responsible purchasing decisions.

GRI 417-3

Marketing communication

We engage customers through an integrated mix of retail activations and promotional campaigns, active social media engagement and storytelling, and direct interaction at events and retail outlets. This approach enhances brand visibility, encourages meaningful customer interaction, and strengthens relationships across key market segments.

We uphold transparency, accuracy, and integrity in all marketing communications, guided by the Aitken Spence Group Communication Guidelines, which applies across all Group companies. Our marketing practices are ethical, evidence based, and aligned with regulatory requirements and stakeholder expectations. All communications:

- Comply with the Aitken Spence Group Communication Guidelines
- Are subject to multi level internal review and approval processes
- Are based on verified, substantiated, and evidence backed claims

B2B Tea Marketing

In line with industry practice, our B2B tea marketing is primarily relationship driven, relying on product quality, reputation, and long standing partnerships facilitated through tea brokers, rather than conventional advertising channels.

Value added brands marketing (Harrow House, Berry Much)

For our value added brands, we utilise targeted below the line (BTL) marketing, with a focus on digital platforms such as Facebook and Instagram, to engage consumers, build brand awareness, and communicate product attributes effectively.

Approval process and customer protection

All marketing and advertising materials are subject to a rigorous internal approval process, requiring clearance from the Marketing Department and review by a multi functional committee, including relevant Chief Operating Officers. This process places strong emphasis on substantiated, evidence based claims to safeguard customer interests and uphold responsible marketing practices.

Compliance record

There were zero incidents of non compliance with marketing and communication regulations reported during FY 2025/26.

Advertising and promotional budgeting approach

Our Advertising and Promotional (A&P) budgeting follows a flexible, activity based model. Budgets are determined based on clearly defined initiatives, enabling us to effectively support dynamic growth priorities such as targeted activations, sampling programmes, and new product introductions. While this approach may result in a marginally higher overall investment, it ensures greater alignment with strategic objectives and market opportunities.

BERRY MUCH

Followers 22K

Reach 36.6K

Followers 7K

Reach 13.3K

HARROW HOUSE

Followers 8.1K

Reach 2.8K

Followers 3K

Reach 1.6K

GRI 2-25

Customer complaints management

We manage customer complaints through structured, segment specific processes that emphasise transparency, direct engagement, and continuous improvement.

B2B Tea Operations

Customer complaints within our B2B tea operations are formally managed through the centralised claims system administered by the Colombo Brokers' Association, ensuring transparency and consistency for producers, brokers, and buyers. Upon receipt of a complaint notification, we work closely with the relevant broker to engage directly with the buyer, investigate the issue, and reach a satisfactory resolution. In addition, we benefit from regular feedback and improvement insights shared by tea exporters, supported by our long standing trading relationships.

We enhanced our B2B tea complaint handling process by involving estate leadership directly in market engagements, enabling Plantation Executives to gain first hand insight into buyer expectations and quality requirements, and strengthening alignment between estate operations and market demands.

Value-Added Product Range

We support customer engagement and complaint management through direct communication channels, responsive support structures, and a strong emphasis on prevention. Dedicated platforms, including a customer hotline and WhatsApp channels, enable timely tracking and resolution of issues, supported by an expanded customer support team. Customer feedback is systematically analysed and used to drive continuous improvement through transparent investigation and corrective action. To further reduce complaint occurrences, we have strengthened our front end engagement by restructuring the sales force, enabling more frequent in store monitoring of product quality and shelf presence. These measures, integrated with ongoing enhancements to quality assurance processes, have improved responsiveness, reduced complaints, and strengthened relationships with customers and retail partners.

Customer complaint statistics

TOTAL COMPLAINTS RECEIVED:

48

COMPLAINT RESOLUTION RATE:

100%

Indicator	Performance
Number of customers who lodged complaints	48
Number of customers who received responses	48

Customer satisfaction scores

Our Group Human Resources Department conducts an annual stakeholder survey on our behalf to assess customer satisfaction. The survey captures structured feedback from key tea and rubber customers, as well as other relevant industry stakeholders, providing insights to support continuous improvement in customer engagement and service delivery.

CUSTOMER TESTIMONIALS

"Elpitiya Plantations PLC has been a reliable and professional partner, consistently delivering products that meet our quality requirements. Their proactive communication, responsiveness, and commitment to timely delivery have contributed significantly to the stability of our operations. We value this strong partnership and look forward to continuing our collaboration."

Virochana Mahanama
Manager – Tea

Sunshine Consumer Lanka

"Elpitiya Plantations PLC has become a cornerstone of our supply chain. Their team consistently delivers high product quality while maintaining strong, genuine relationships. Whether meeting specifications or responding swiftly to urgent requests, they are exceptionally reliable and easy to work with. It is rare to find a partner that demonstrates such consistency in both delivery and communication."

Roshan David
General Manager – Business and Product Development

Heritage Teas (Pvt) Ltd.

"Working with EPP has been a seamless experience, underpinned by consistent product quality and reliable delivery. Their strong relationship management and close attention to our requirements clearly distinguish them as a trusted and dependable partner."

Radley Perumal
Van Rees Sri Lanka

"We value EPP for their consistent product quality and their ability to meet specifications across batches. This reliability enables us to uphold our own standards with confidence and deliver assurance to our clients."

Dilan Fernando
Director
UniWorld Teas (Pvt) Ltd.

SOCIAL AND RELATIONSHIP CAPITAL

GRI 2-6

SUPPLIERS

Our suppliers play a critical role in ensuring the continuity and reliability of our operations, as the inputs they provide are essential to sustaining our business activities and value chain.

Our supplier categories

- Fertiliser and other agro inputs
- Bought leaf
- Firewood and Fuel
- Packaging material
- Transport services

Management approach

We select suppliers based on their ability to consistently meet quality requirements, comply with ethical and regulatory standards, and support uninterrupted operations. Particular priority is given to reliable suppliers, especially smallholders who are critical to our bought leaf supply. These relationships are actively maintained not merely as a matter of goodwill, but because they are essential to operational continuity and long term value creation.

Our supply chain

Our presence along the value chain

Estates and Polytunnels

Grow and harvest tea, rubber, oil palm and other crops

Factories for processing

8 Tea factories

1 Own Rubber Factory

Packing, storage, and dispatch of other

Tea & Rubber Auctions

Supermarket chains and Harrow House for value-added products

Value addition & distribution to domestic market and India

Supplier Analysis (FY 2025/26)

Category	No. of suppliers	Definition
Total Suppliers	705	
Local Suppliers	151	Within 35-45km radius of operations (outside Colombo)

GRI 308-1, 308-2, 414-1

Supplier selection

All suppliers are subject to a comprehensive screening process at onboarding, based on clearly defined criteria covering quality, regulatory compliance, and environmental and social responsibility. These assessments are designed to ensure full compliance with applicable legal requirements and alignment with our standards for ethical sourcing, fair labour practices, and food safety.

Following onboarding, suppliers are reviewed periodically to verify ongoing compliance and performance against these standards. During the reporting period, all newly engaged suppliers were assessed using social criteria as part of this structured evaluation process.

Through these ongoing assessments, we uphold strict quality control measures and reinforce our commitment to sustainability and social responsibility across our procurement activities, ensuring product integrity and responsible supply-chain practices.

GRI 308-1, 2

Our supplier screening criteria

Supplier screening statistics – 2025/26

96

Existing key suppliers were screened using environmental & social criteria

NO

Suppliers were identified as having significant actual and potential negative social impacts

75%

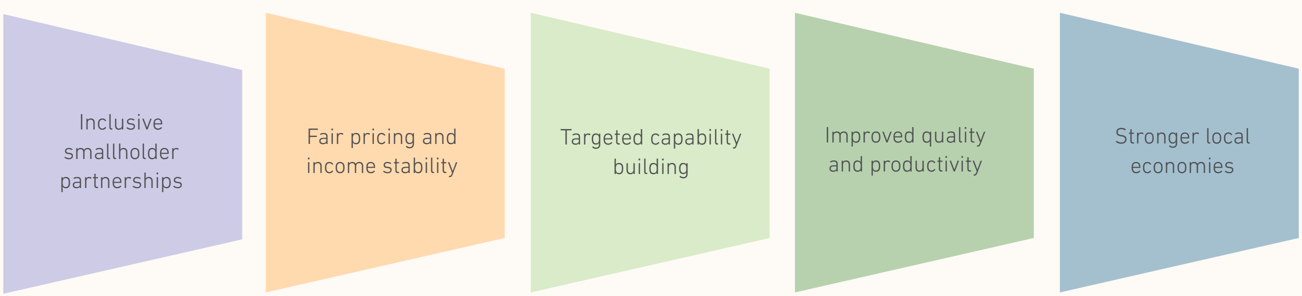
of new suppliers were screened using environmental & social criteria

NO

Suppliers were identified as having significant actual and potential negative environmental impacts

Strengthening our supply chain

We strengthen supply chain resilience through close supplier engagement, targeted capability building initiatives, and strategic diversification to reduce dependency risks and ensure consistent performance. Our bought leaf supply chain is nurtured through exclusive partnerships with small scale plantation owners and home growers (SMEs), who play a vital role in our value chain. We integrate these partners through fair pricing commitments, targeted technical training, and dedicated support for sustainable farming practices. Our strategic interventions focus on capacity building programmes that enhance agricultural best practices, strengthen financial literacy, and promote climate smart adaptation, thereby improving supplier productivity and resilience. These efforts have delivered tangible benefits, including improved supplier livelihoods, higher quality and more reliable raw materials, and a stronger local economy. To address ongoing challenges such as climatic risks and market volatility, we implement mitigation measures including supplier diversification, continuous monitoring, and regular engagement to ensure the long term sustainability and stability of our supply chain.



Embedding environmental sustainability across the supply chain

To uphold key Environmental, Social, and Governance (ESG) standards, we have implemented a comprehensive Supplier Code of Conduct applicable across our supply chain. A structured rollout of the Code is currently underway, commencing with targeted communication to a core group of priority suppliers.

We have established clear objectives to be achieved by the end of 2030, including 100% supplier awareness of the Supplier Code of Conduct and the completion of assessments for 75% of key suppliers against its requirements. Full implementation and integration of the Code across the supply chain is targeted within the 2029 - 2030 timeframe, embedding responsible sourcing practices into ongoing supplier engagement and evaluation processes.

During the year under review, we undertook a range of initiatives to green our supply chain and encourage our clients to adopt environmentally responsible practices by embedding sustainability across both upstream and downstream activities, as indicated below:

SOCIAL AND RELATIONSHIP CAPITAL

Upstream Activities

Identifying the supplier base:

- Estate-level operations
- Small-scale planters (Tea & Coffee)
- Home growers
- SMEs

Supplier engagement & development:

- Focus on long-term, reliable relationships
- Training: Tea quality & productivity improvement

Support: Regular site visits & knowledge sharing

Optimising inbound logistics:

Collect fertiliser/ supplies on return trips

BENEFIT: Reduce empty mileage & emissions

Company Operations / Procurement Strategy

Strategic procurement (Head Office):

Prioritise SMEs in vendor evaluation

BENEFIT: Provide consistent business opportunities

Downstream Activities

Optimising outbound logistics:

Consolidate tea deliveries to Colombo

BENEFIT: Reduce delivery trips & emissions

Minimise distribution footprint:

Implement transport optimisations

Incorporate energy-efficient vehicles

BENEFIT: Lower environmental impact of distribution

GRI 13.23

Responsible resource use and supply chain traceability

We minimise the unsustainable extraction of natural resources across our supply chain through robust traceability mechanisms, increased reliance on local sourcing, and continuous supply chain monitoring. Integrated traceability checks, including those embedded within Rainforest Alliance certification, support transparency and accountability. We further prioritise responsible input use to reduce environmental impacts, while certifications such as Rainforest Alliance and HACCP help ensure that minimum environmental and social standards are consistently met. Ongoing monitoring and structured supplier assessments reinforce compliance and drive continuous improvement.

Environmental governance, policy advocacy, and research partnerships

We have implemented initiatives to strengthen environmental governance within society and to support targeted environmental research. These efforts include active policy advocacy, strict adherence to applicable environmental regulations, and collaboration with external stakeholders to improve environmental practices where necessary. We invest in research initiatives and strategic partnerships aimed at enhancing environmental performance, sustainability outcomes, and operational resilience. In addition, we conduct awareness and training programmes to promote the adoption of best practices across our supply chain, reinforcing responsible environmental stewardship and continuous improvement.

GRI 204-1

Promoting local procurement and sourcing

We promote local procurement by prioritising suppliers within our operating regions, particularly smallholder farmers and SMEs who form a critical part of our bought leaf supply chain. Given the nature of plantation operations, sourcing within a defined geographical radius enables us to maintain product quality, reduce lead times, and manage logistics more efficiently.

We support local sourcing through consistent purchasing arrangements and fair pricing structures, which provide suppliers with greater income stability while ensuring continuity of supply. We also engage closely with suppliers through regular interactions, technical support, and targeted training programmes to help them meet required standards and improve productivity.

In addition, we work collaboratively with suppliers through planning and coordination activities, such as demand forecasting and procurement scheduling, to better align supply with operational needs. This integrated approach strengthens supply chain stability while contributing to the local economy practically and sustainably.

Rs.1,656Mn
Spent on local suppliers in 2025/26

47%
Spending on local suppliers

Sustainable sourcing and transparency in communication

We integrate sustainable sourcing into our procurement processes by working with suppliers who meet clearly defined environmental, social, and quality requirements. All suppliers are assessed at onboarding and reviewed periodically to ensure continued compliance with applicable standards, including labour practices, environmental responsibility, and regulatory obligations.

We further support sustainability through ongoing engagement with suppliers, including training programmes, site visits, and knowledge sharing initiatives focused on responsible input use, soil management, and sound agricultural practices. These efforts help maintain supply consistency while progressively improving supplier performance over time.

In addition, we apply practical measures such as localised sourcing, basic logistics optimisation, and the use of recognised certifications such as Rainforest Alliance and HACCP to support traceability and compliance across our supply chain.

We communicate these practices to our customers primarily through product certifications, corporate disclosures, and direct engagement where required, ensuring a transparent and practical understanding of our sourcing standards.

Environmental impact management and mitigation

We address potential negative impacts on resource utilisation and the environment arising from product distribution and expansion by systematically identifying risks through supplier assessments, operational reviews, and continuous monitoring of sourcing and logistics practices. Environmental risks are identified through site visits, supplier evaluations, certification requirements, and internal reviews of procurement and distribution activities, enabling us to implement appropriate mitigation measures.

The key environmental issues identified include emissions from transportation and distribution activities, inefficient logistics such as multiple trips and empty return loads, overuse or improper application of agricultural inputs, waste generation and packaging related impacts, and limited visibility into sourcing practices in the absence of robust traceability systems.

To address these risks, we have implemented a range of mechanisms and actions. Logistics efficiency is improved through delivery consolidation to reduce trip frequency, the use of return load collections to minimise empty mileage, and ongoing route planning to improve fuel efficiency and reduce emissions. Sustainable sourcing practices are strengthened through supplier screening at onboarding and periodic reassessments, alongside training and regular engagement to promote responsible input use and the gradual adoption of improved agricultural practices.

We reinforce traceability and compliance through the use of recognised certifications such as Rainforest Alliance and HACCP, supported by supplier audits, documentation requirements, and the integration of sustainability criteria into procurement decisions. Packaging related impacts are addressed through a gradual shift towards more environmentally responsible materials and collaboration with suppliers to improve packaging practices and reduce waste.

Where environmental gaps are identified, we work closely with suppliers to agree on corrective actions and maintain continuous follow up to ensure that improvements are implemented and sustained. Together, these measures minimise environmental harm, improve resource efficiency, and support more resilient and responsible supply chain operations.

Proactive environmental risk identification

Reduced packaging and waste impacts

Stronger traceability and compliance

Responsible sourcing and input management

Reduced logistics-related emissions

SOCIAL AND RELATIONSHIP CAPITAL

Upskilling suppliers

We support supplier development through a combination of targeted training, field engagement, and ongoing knowledge sharing, with a focus on improving productivity, quality, and compliance with required standards. Our key initiatives include training programmes and workshops covering best agricultural practices, climate smart techniques, and sustainable farming methods. We conduct regular field visits and provide on site guidance through our internal teams to address practical challenges and improve day to day operations.

We also facilitate knowledge sharing sessions to exchange best practices and align suppliers with our operational and quality expectations, alongside support on quality assurance and food safety standards to ensure consistency in output. In addition, we assist suppliers with basic business practices such as record-keeping and operational improvements, helping to enhance efficiency and transparency.

These initiatives are implemented on a continuous basis, enabling suppliers to progressively strengthen their capabilities while maintaining alignment with our requirements and contributing to a more resilient and reliable supply chain.

Developing suppliers as partners

We develop our suppliers as long term partners by building stable, mutually beneficial relationships that extend beyond transactional purchasing. This approach is underpinned by consistent purchasing arrangements that provide suppliers with a reliable market for their produce, alongside fair and transparent pricing mechanisms that support income stability.

We maintain regular engagement and open communication through site visits, discussions, and structured feedback to ensure alignment with our expectations.

Capacity building support is provided through training, technical guidance, and knowledge sharing initiatives to help suppliers improve quality, productivity, and overall performance.

Additionally, we work collaboratively with suppliers on planning activities, including aligning supply with demand forecasts, to ensure continuity and reduce supply disruptions. Where required, we offer practical support mechanisms, including access to inputs and operational assistance, to help suppliers maintain agreed standards and strengthen the resilience of the supply chain.

Supplier procurement framework and income stability

We continue to maintain structured purchasing arrangements with our supplier base, with particular emphasis on smallholder farmers, to ensure continuity of supply while providing a degree of income stability. These arrangements are designed to create consistency, transparency, and long term partnership across our sourcing network.

Key aspects of these arrangements include:

- Guaranteed purchasing of green leaf within defined sourcing areas, subject to suppliers meeting established quality standards
- Regular and predictable procurement cycles, enabling suppliers to plan harvesting and operational activities with greater certainty
- Pricing aligned with prevailing market benchmarks, ensuring suppliers receive fair value while maintaining commercial sustainability
- Timely payments, supporting supplier cash flow and the continuity of their operations

In addition, we engage with our suppliers on an ongoing basis to communicate pricing trends, quality requirements, and procurement expectations. While pricing remains influenced by broader market dynamics, including auction prices, our structured approach provides suppliers with greater visibility, consistency, and confidence in their ongoing relationship with us.

Income stability for smallholder supplier	Fair and transparent pricing
Supply continuity and reliability	Improved supplier planning and efficiency
Stronger long-term partnerships	Enhanced cash flow for suppliers

Packaging optimisation and environmental impact

We continue to adopt a gradual and practical approach to improving our packaging practices, with a focus on reducing environmental impact while safeguarding product quality and operational efficiency. Our efforts are guided by feasibility, compliance requirements, and the need to maintain consistent standards across our operations.

Key initiatives include:

- Increasing the use of more environmentally responsible packaging materials where feasible, including the reduction or elimination of non essential packaging components
- Optimising packaging design to minimise material usage while ensuring product protection and integrity during handling and transportation
- Engaging with suppliers and service providers to enhance packaging standards and assess more sustainable material and design alternatives
- Conducting ongoing reviews of packaging processes to identify opportunities for reduction, reuse, or substitution where operationally viable

- Where applicable, packaging improvements are aligned with customer specifications and export requirements, ensuring full compliance while progressively integrating more sustainable packaging solutions.

GRI 407 1, 13.18.2

Supply relationships in which the right to freedom of association and collective bargaining may be at risk

Based on supplier screening processes and ongoing assessments conducted during the reporting period, we did not identify any significant risks relating to restrictions on the right to freedom of association or collective bargaining within our supply chain. These considerations form part of our supplier evaluation framework and are monitored through periodic reviews to ensure continued compliance with applicable labour standards.

Suppliers at significant risk for incidents of child labour

No suppliers were identified as being at significant risk for incidents of child labour during the reporting period. Child labour risks are addressed during supplier onboarding and monitored through ongoing engagement, including one on one discussions with suppliers. These processes incorporate basic checks on labour practices to ensure compliance with applicable legal requirements and ethical standards.

GRI 13.16.2, 409 1

Suppliers at significant risk for incidents of forced or compulsory labour

No suppliers were identified as being at significant risk for incidents of forced or compulsory labour during the reporting period. Risks related to forced or compulsory labour are assessed as part of the supplier screening process and are subject to periodic review to confirm continued compliance with labour standards.

GRI 2-28

Our Membership in industry associations

Memberships	Affiliations
• Ceylon Chamber of Commerce	• Sri Lanka Tea Board
• Palm Oil Association of Sri Lanka	• Tea Commissioners' Office
• Ceylon Tea Traders Association	• Tea Promotion Bureau
The Ceylon Rubber Traders' Association (CRTA)	• Tea Research Institute (TRI)
• The Planters Association of Ceylon (PA)	• Rubber Research Institute (RRI)
• Employers Federation of Ceylon (EFC)	• Coconut Research Institute (CRI)
• Employers Federation of Ceylon Network on Disability	• National Institute of Plantation Management (NIPM)
• Ceylon Planters Provident Society (CPPS)	
• Estate Staffs' Provident Society (ESPS)	
• Ceylon Planters Benevolent Society	
• Biodiversity Sri Lanka,	
• Lanka Rainwater Harvesting Forum.	
• Oil Palm growers Association.	
• Lanka Coffee Growers Association	
• Ceylon Cinnamon Growers Association	
• United Nations Global Compact (UNGC	

COMMUNITY

As a human intensive business, we recognise our responsibility to the more than 30,000 individuals living within our plantation communities. Our commitment is centred on enhancing overall well being, improving livelihoods, and supporting long term independence within these communities.

Management approach

We leverage our resources, expertise, and partnerships to drive socio economic empowerment and build resilient, thriving communities. Our community development approach is guided by four foundational pillars that ensure interventions are inclusive, impactful, and sustainable.

SOCIAL AND RELATIONSHIP CAPITAL

Contribution to SDGs

Good Health and Well-being

- **Employee Health and Safety:**
We implement comprehensive occupational health and safety programmes, supported by regular medical camps and estate level clinics, to ensure consistent access to healthcare services for employees and their families.

- **Community Well Being:**
Our initiatives promote holistic community health through maternal and child health awareness, nutrition programmes, and mental health support across estate communities.

- **Preventive Health Measures:**
Regular safety audits, targeted training on agrochemical and pesticide handling, and wellness awareness campaigns help reduce workplace and community level health risks.

- **COVID 19 Legacy Practices:**
We continue to uphold practices strengthened during the pandemic, including enhanced hygiene standards, vaccination drives, and community resilience building measures to improve preparedness for future public health emergencies.

Quality Education

- **Estate Schools and Scholarships:**
We support estate schools by providing learning materials, infrastructure assistance, and scholarship opportunities for children of employees, thereby strengthening access to quality education.

- **Youth Development:**
We invest in youth development initiatives that build technical, vocational, and soft skills, enhancing employability and preparedness for future career opportunities.

- **Capacity Building:**
We provide continuous training and development programmes for employees focused on human resources, sustainability, and leadership, ensuring knowledge sharing, skills enhancement, and intergenerational capacity building.

Clean Water and Sanitation

- **Safe Drinking Water:**
We work to ensure reliable access to safe, clean drinking water for employees, their families, and the surrounding estate communities.

- **Improved Sanitation Facilities:**
We upgrade estate housing with modern sanitation infrastructure, helping to reduce waterborne diseases and improve overall public health.

- **Water Stewardship:**
We promote responsible water management through rainwater harvesting, efficient irrigation systems, and wastewater treatment initiatives aimed at conserving water resources and minimising environmental impact.

- **Community Outreach and Awareness:**
We conduct awareness programmes on hygiene practices and responsible water use to encourage sustainable consumption and strengthen community health outcomes.

Empowering communities through responsible stewardship

We initiate community development projects through participatory needs assessments, including surveys that capture the perspectives of youth, families, and estate workers to identify their aspirations and vulnerabilities. Projects are designed in close consultation with stakeholders, with particular attention given to women and other vulnerable groups. Risk identification measures, such as NBRO certified housing and land assessments, are integrated at the planning stage to ensure safety and sustainability.

We monitor progress through social and environmental impact assessments, gender sensitive analysis, and continuous ecological tracking. Findings are shared transparently with communities to promote accountability. Ongoing oversight and feedback are facilitated through local community groups, occupational health and safety committees, and formal grievance mechanisms.

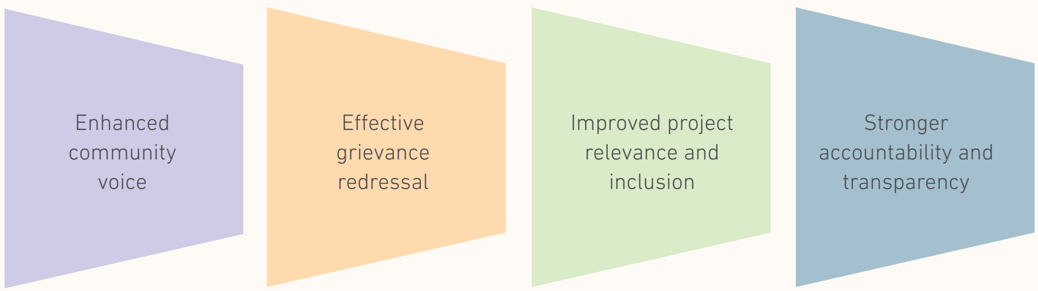
Sustainability is ensured by embedding these initiatives within long term frameworks, including the Plantation Trainee Programme for youth empowerment, inclusive governance structures, and CSR integration through the Elpitiya Trust, which institutionalises community upliftment. Our ability to respond swiftly to immediate needs such as during the Ditwah Cyclone, when we distributed Rs. 7 million worth of dry rations demonstrates our commitment to community resilience. Annual KPIs and periodic evaluations further ensure accountability and continuous improvement.

Strengthening participatory governance

Advisory panels play a pivotal role in strengthening community participation across the entire lifecycle of our development initiatives. At Elpitiya Plantations, these panels serve as structured and inclusive platforms through which community representatives, youth leaders, women's groups, and estate workers actively contribute to project ideation, ensuring that initiatives are grounded in genuine local needs and aspirations.

During the design phase, advisory panels provide critical feedback on proposed interventions, identify potential social and environmental risks, and recommend culturally appropriate approaches, thereby enhancing inclusivity and relevance. Throughout implementation, the panels function as monitoring and accountability mechanisms, supporting progress tracking, outcome evaluation, and transparent communication. They also act as vital conduits between management and communities, facilitating continuous dialogue and effective grievance redressal.

By embedding advisory panels within our governance framework, we strengthen trust, amplify the voices of vulnerable groups, and ensure that development initiatives are not merely top down interventions but co created solutions. This approach fosters long term resilience, shared ownership, and sustainable community upliftment.



GRI 13.12.2 413-1

COMMUNITY ENGAGEMENT AND IMPACT MANAGEMENT MECHANISMS

Across our operations, we have implemented structured community engagement, impact assessment, and development programmes that are responsive to local needs and aligned with responsible governance practices. These initiatives include the following:

Component	Our Approach / Key Actions	Purpose and Outcomes
i. Social impact assessments (including gender impact assessments)	We conduct participatory community surveys to capture the perspectives of youth, families, and estate communities. These assessments integrate gender sensitive considerations to identify aspirations, challenges, and development priorities.	Ensure inclusive, equitable, and needs based intervention design that reflects local realities
ii. Environmental impact assessments and ongoing monitoring	We collaborate with the National Building Research Organisation (NBRO) to assess land stability and housing conditions, identify environmentally and geologically risk prone areas, and implement precautionary and preventive measures supported by continuous monitoring	Strengthen environmental risk management and safeguards communities from potential hazards
iii. Public disclosure of environmental and social assessment results	We share the findings of environmental and social impact assessments with estate communities and relevant stakeholders through structured communication channels	Reinforce transparency, trust, and informed community participation
iv. Local community development programmes based on community needs	We design and implement programmes based on locally identified needs, including health camps, education support, livelihood development, and well being initiatives across estates. During the Ditwah Cyclone, we provided immediate relief by distributing Rs. 7 million worth of dry rations to vulnerable families	Enhance community well-being, resilience, and continuity of basic needs during both normal and crises
v. Stakeholder engagement plans based on stakeholder mapping	Our engagement strategies are guided by comprehensive stakeholder mapping to ensure inclusive representation of estate workers, youth, women, and vulnerable groups, supported through partnerships with PHDT and the Tea Leaf Trust	Promote inclusive engagement, targeted outreach, and strengthened stakeholder relationships

SOCIAL AND RELATIONSHIP CAPITAL

Component	Our Approach / Key Actions	Purpose and Outcomes
vi. Broad based local community consultation committees	We have established local community focus group discussions and consultation committees comprising estate leaders, youth representatives, and women's groups	Enable participatory decision making and integration of vulnerable voices into development planning
vii. Worker representation bodies	Works councils, occupational health and safety committees, and other worker representation mechanisms operate across estates to address social, health, and operational impacts collaboratively	Strengthen worker voice, workplace safety, and impact management
viii. Formal local community grievance mechanisms	We maintain accessible and transparent grievance mechanisms that are clearly communicated to communities and managed in a timely and systematic manner	Ensure accountability, trust, and respectful resolution of community concerns

GRI 13.12.3, 413-2

Community impact identification, mitigation, and response

We recognise that while plantation operations are vital to economic growth, employment creation, and regional development, they may also generate actual and potential adverse impacts on surrounding communities. Our management approach focuses on proactively identifying, assessing, and mitigating these impacts through structured engagement, timely disaster response, and long term resilience planning.

Key areas of impact and our response

1. Natural disasters and climate related risks

Ditwah Cyclone Response:

Even as the cyclone posed immediate threats to housing, livelihoods, and food security across several of our estate communities, we implemented swift relief measures to address urgent needs and support early recovery of affected families.

Risk identification and prevention:

To strengthen preparedness and reduce future risks, we partnered with the National Building Research Organisation (NBRO) to assess land stability and housing conditions. These assessments enabled us to identify vulnerable zones and implement precautionary measures to mitigate climate related and geological risks.

2. Community safety and environmental risks

We operate in regions that are susceptible to environmental hazards such as landslides, flooding, and soil erosion. Through NBRO certified assessments, continuous monitoring, and targeted preventive actions, we work to minimise community exposure to these risks and enhance overall safety.

3. Socio economic vulnerabilities

We acknowledge that estate communities face persistent challenges related to healthcare access, education outcomes, and income stability. To better understand and respond to these challenges, we conduct participatory community surveys that capture the perspectives of youth and families. Insights from these surveys guide the design of development programmes that respond directly to locally identified needs and priorities.

4. Operational and environmental impacts

Our plantation activities have the potential to impact water resources, biodiversity, and land use. We address these risks through ongoing environmental monitoring, responsible estate management practices, and continuous consultation with local communities to ensure that potential impacts are minimised, mitigated, and managed responsibly.

Additional information is available in the Natural Capital section on page 174 of this report.

5. Grievance Redressal and Representation

We maintain formal and accessible grievance mechanisms that enable community members to raise concerns transparently and without fear of retaliation. In parallel, worker representation bodies, occupational health and safety committees, and local consultation forums ensure that community voices particularly those of women and other vulnerable groups are meaningfully included in decision making processes.

Responding to community needs

We have adopted a comprehensive system to proactively identify, understand, and respond to the needs of our communities and employees, ensuring our interventions are timely, inclusive and impactful.

On-the-Ground Presence	Employee Voice	Data Insights	External Perspectives	Action & Monitoring:
Estate Welfare Officers directly engage with communities.	Regular trade union discussions, annual satisfaction surveys, and co-worker groups provide avenues for feedback, idea generation, knowledge sharing, and addressing work-related and social issues.	Tracking key social indicators (nutrition, education, health, attrition) provides quantitative understanding.	Partnerships with government agencies, NGOs, and experts inform our approach based on wider social priorities.	Community issues are escalated through a structured governance pathway from estate-level Welfare Officers to the Sustainability Committee and the Board of Directors. Continuous local monitoring and periodic reporting ensure effective oversight, accountability, and informed decision-making to strengthen community initiatives and guide future actions.

Employee volunteerism

We encourage employee volunteerism by fostering strong community ownership of our engagement initiatives. While management provides financial support and senior leadership offers strategic guidance, community members and employees take the lead in planning and implementing estate level activities. This approach strengthens collaboration, builds local leadership, and complements our broader efforts to promote employee participation and volunteer-driven community impact.

GRI 203-1, 203-2

Infrastructure supported

The following table presents the scope of housing infrastructure support provided across Elpitiya Plantations' estates, highlighting resident populations, existing line room housing, and the number of new housing units delivered or upgraded. It illustrates our progress in improving living conditions, safety, and dignity for estate communities through targeted housing investments.

Estate	Resident Population	Resident Workers	Existing Line Rooms	New Housing Units Supported	Housing Upgrade Coverage (% of Line Rooms Replaced/Upgraded)
Dunsinane	4,560	580	576	703	121%
Sheen	4,476	312	607	118	38%
Fernlands	3,792	513	533	259	50%
Meddecombra	4,540	653	649	490	75%
New Peacock	3,267	266	603	114	43%
Nayapane	2,864	307	615	124	40%
Up Country Sub Total	**23,499**	**2,631**	**3,583**	**1,808**	**69%**
Talgaswella	1,587	347	325	125	36%
Gulugahakande	906	104	80	128	123%

Estate	Resident Population	Resident Workers	Existing Line Rooms	New Housing Units Supported	Housing Upgrade Coverage (% of Line Rooms Replaced/Upgraded)
Lelwala	719	87	70	81	93%
Ketandola	1,177	134	196	89	66%
Devitura	1,701	252	260	210	83%
Bentota	375	146	58	50	34%
Elpitiya	672	242	100	99	41%
Low Country Sub Total	7,137	1,312	1,089	782	60%
Grand Total	**30,636**	**3,943**	**4,672**	**2,590**	**66%**

Proposed New Housing Projects by the Plantation Human Development Trust (PHDT)

Our ongoing commitment to enhancing living conditions, safety, and dignity within estate communities through structured planning, regulatory compliance, and responsible implementation is given below:

Housing Development Status

New Peacock – 50 Units	Fernlands – 21 Units	Lelwala – 10 Units	Dunsinane – 15 Units
Total Suppliers Land and beneficiary identification completed; NBRO assessment report pending.	**15** houses are currently under construction **7** houses pending; land and beneficiaries identified; NBRO report pending	Land and beneficiaries identified; NBRO certification completed; survey pending.	Land and beneficiaries identified; NBRO approval pending.

Gulugahakande – 28 Units	Elpitiya – 21 Units	Meddecombra – 78 Units
Beneficiaries identified and NBRO certification completed; land related issues currently being resolved.	All required approvals received; project cleared to proceed.	• **76** houses under construction • **2** houses on hold pending NBRO clearance

In 2025, ongoing PHDT supported activities in the Up Country region focus on improving water infrastructure under the Indian Housing Programme across Fernlands and Meddecombra estates. With targeted interventions at division level and a total investment of approximately Rs. 19.25 million, these projects aim to enhance access to safe water, strengthen sanitation standards, and improve overall well-being and living conditions for estate communities.

GRI 413-1

Community development

Improve Access to Healthcare

Initiatives conducted in FY 2025/26

- Blood donation campaigns
- Medical camps for the estates and surrounding communities
- First aid awareness programmes
- Anti rabies control programmes
- Dengue prevention and awareness campaigns
- Nutrition awareness sessions promoting balanced diets and improved maternal and child health
- Mobile eye clinics conducted in partnership with Vision Care
- Ayurvedic medical programme – Lelwala Estate
- Alms giving initiative in support of the Cancer Hospital
- Donation of 25 maternity care packs to pregnant mothers in celebration of International Women's Day – Head Office
- Breast cancer screening and awareness programmes conducted in estates in celebration of International Women's Day

Key benefits

- Contribute to life saving medical procedures, emergency care, and surgical treatments while fostering a culture of volunteerism, empathy, and social responsibility.
- Promote early identification of health conditions and improve access to essential medical services for underserved estate communities.
- Equip community members with practical first aid knowledge and skills, enabling timely and effective response during medical emergencies.
- Improve awareness of hygiene, disease prevention, and healthy practices, contributing to safer and more resilient communities.
- Offer emotional encouragement and material assistance to cancer patients, reinforcing dignity, compassion, and community solidarity.

3,981 Beneficiaries

Rs. 9 Mn. Resources Allocated

Supporting Quality Childcare

Initiatives conducted in FY 2025/26

- Annual educational and recreational trip for CDC children
- Sinhala and Tamil New Year (Avurudu) celebrations at CDCs to promote cultural awareness
- Annual CDC exhibition showcasing children's learning and creative talents
- Annual CDC concert to encourage confidence, expression, and social interaction
- Provision of nutritious after school meals to support child health, well-being, and learning outcomes

Key benefits

- Support holistic child development by nurturing cognitive, emotional, social, and physical growth.
- Strengthen education, creativity, and life skills through structured learning, artistic expression, and experiential activities.
- Promote cultural values and social harmony by encouraging inclusion, respect, and shared cultural experiences.
- Improve health, nutrition, and overall, well-being through access to nutritious meals and supportive care.
- Build stronger, more engaged communities by fostering shared responsibility, parental involvement, and local ownership.

2,104 Beneficiaries

Rs. 2 Mn. Resources Allocated

SOCIAL AND RELATIONSHIP CAPITAL

Expanding Educational Opportunities

Initiatives conducted in FY 2025/26

- Annual book distribution programme to support continuous learning and improve access to educational resources for children.
- Launch of the basic English course at Dunsinane Estate, aimed at strengthening foundational language skills and enhancing future educational and employment opportunities.

Key benefits

- Enhance learning outcomes and literacy levels, supporting academic progress and lifelong learning.
- Promote equitable access to quality education, ensuring all children have the resources needed to succeed.
- Empower children with essential knowledge and skills to support future educational pathways and employment readiness.

5,774 Beneficiaries

40 scholarships granted to employees' children

Community engagement for development

Initiatives conducted in FY 2025/26

- Conducted a tree plantation campaign with the participation of schoolchildren to promote environmental sustainability and foster environmental awareness from an early age.
- Implemented a home gardening project to strengthen household food security and encourage sustainable living practices.
- Distributed vegetables and dry rations to support nutrition and meet the essential needs of community members.
- Restored access to reliable electricity, improving safety, connectivity, and quality of life at the Sheen estate.
- Conducted basic English classes for youth in the Sheen Estate to enhance language skills, employability, and educational opportunities.
- Conducted a rabies prevention programme to raise awareness and reduce public health risks within the community.
- Delivered financial management awareness sessions to improve financial literacy, household budgeting, and long term economic stability.

Key benefits

- Promote sustainable environmental practices Improve living standards and basic facilities
- Support education, health, and food security
- Empower individuals toward self-reliance and development

Future Focus

Time Horizon	Focus Areas	Key Actions	Expected Outcomes
Short Term **(2026/27 – 2027/28)**	Immediate Resilience and Well-being	• Rapid disaster response and relief mechanisms • Community surveys to identify youth, family, and workforce needs • NBRO certified housing and land risk assessments	Enhanced disaster preparedness, timely humanitarian support, strengthened community trust, and improved safety and well-being
Medium Term (2028/29 – 2029/30)	Institutionalising Community Development	• Expansion of the Plantation Trainee Programme • Youth competency and employability skills development • Digital literacy and ICT training initiatives • Establishment of advisory panels and consultation committees • Water stewardship and sanitation infrastructure upgrades • Zero Hunger Community initiatives	Sustainable skills development, inclusive decision making, improved access to health, education, and water services, and strengthened community resilience
Long Term **(2030/31 and beyond)**	Strategic Sustainability and Empowerment	• Integration of SDGs 3 (Health), 4 (Education), and 6 (Water & Sanitation) into plantation operations • Institutionalisation of CSR through the Elpitiya Trust • Expansion of women's empowerment and financial literacy programmes • Embedding climate resilience and disaster preparedness into estate operations	Empowered, self reliant communities aligned with national development priorities, enhanced social sustainability, and long term plantation value creation

NATURAL CAPITAL

OUR OPERATIONS SPAN BOTH AGRICULTURAL AND NON-AGRICULTURAL SECTORS, WITH OUR PERFORMANCE CLOSELY LINKED TO THE HEALTH AND SUSTAINABILITY OF THE NATURAL RESOURCES ON WHICH WE DEPEND. MANAGING ESTATES ACROSS 8,838 HECTARES OF ECOLOGICALLY SIGNIFICANT LAND, WE RECOGNISE OUR RESPONSIBILITY AS CUSTODIANS OF THESE LANDSCAPES AND ARE COMMITTED TO PROTECTING AND ENHANCING THE ENVIRONMENT IN WHICH WE OPERATE.

KEY HIGHLIGHTS

14,385
New Trees Planted

596Mn Lts
of Harvested Rainwater

5,643MT
of Organic Compost Produced

6.39GJ
Energy Intensity per MT of Production

KEY COMPONENTS

- Land Use Management
- Energy Management
- Emissions Management
- Water Management
- Waste Management
- Material Management
- Biodiversity Conservation

Focus	2025 Highlights		SDGs Impacted
Soil Health	• Applied 5,643 MT of organic compost to improve soil fertility • Planted 14,385 trees to enhance green shade cover and ecosystem health • Maintained 79 rainwater harvesting ponds to support soil moisture retention	6 CLEAN WATER AND SANITATION	Rainwater harvesting supports water availability and soil moisture management.
		15 LIFE ON LAND	Tree planting and soil health initiatives support biodiversity conservation and ecosystem resilience.
Energy Management	• Generated 2,493,108 kWh of solar power • Generated 3,469,399 kWh of hydropower • Generated 11,149,203 Kg of biomass	7 AFFORDABLE AND CLEAN ENERGY	Increased generation and use of renewable energy sources.
		13 CLIMATE ACTION	Reduced carbon footprint through improved energy efficiency and renewable energy adoption.
Emissions Control	• Achieved 31% reduction in Scope 2 emissions compared with base year through increased renewable energy use and efficiency improvements	13 CLIMATE ACTION	Mitigation of climate change through emissions reductions.
		12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Efficient energy use and reduced environmental impact across operations.

Focus Area	KPI	GRI
Reduction of Nitrogen Based Chemical Fertilisers	Achieve a 50% reduction in nitrogen based chemical fertiliser application by 2030	GRI 303 3 (Water withdrawal: relevance of fertiliser runoff) GRI 304 2 (Significant impacts on biodiversity) GRI 306 3 (Waste generated: agrochemical residues)
Reduction of Chemical Weed Control	Achieve a 65% reduction in chemical weed control by 2030	GRI 304 2 (Impacts on biodiversity) GRI 306 3 (Waste generated: chemical use)

NATURAL CAPITAL

Focus Area	KPI	GRI
Reduction of Chemical Pest Control	Achieve a 75% reduction in chemical pest control by 2030	GRI 304 2 (Impacts on biodiversity) GRI 403 7 (Prevention of occupational health and safety impacts: exposure to hazardous chemicals) GRI 306 3
Expansion of Green Shade Tree Cover	Increase green shade tree cover by 10% by 2030	GRI 304 3 (Habitats protected or restored) GRI 304 1 (Operational sites in or near biodiversity sensitive areas)
Rainwater Harvesting Capacity	Achieve 300 million litres of rainwater harvesting capacity by 2030	GRI 303 1 (Interactions with water as a shared resource) GRI 303 3 (Water withdrawal) GRI 303 5 (Water consumption)
Soil Carbon Enhancement	Increase soil carbon levels by 3% by 2030	GRI 305 1 (Direct GHG emissions: relevance of carbon sequestration) GRI 305 2 (Energy indirect GHG emissions) GRI 304 2 (Impacts on soil and land ecosystems)
Renewable Energy Generation	Meet 300% of electrical energy demand through renewable energy sources	GRI 302 1 (Energy consumption within the organisation) GRI 302 4 (Reduction of energy consumption) GRI 305 1 & 305 2 (Reduction of GHG emissions)

CAPITAL TRADE-OFFS

Capital	Key Trade-off	Net Impact	Strategic Response
Financial Capital Page 96 to 101	Allocation of financial resources towards high cost restoration of hydropower plants and recovery from crop damage, resulting in short term revenue losses	(+) Potential long term cost savings and protection of future revenue streams through more resilient infrastructure (−) Increased short term capital expenditure and reduced flexibility to allocate funds towards strategic growth and expansion initiatives.	Strengthened physical infrastructure (e.g. gabion walls, bunds) to protect assets • Incorporated climate resilient design standards to safeguard financial returns against future climate shocks
Intellectual Capital Page 110 to 127	Investment in specialised recruitment (Agronomist and Sustainability Certification Professional) to strengthen technical governance and compliance	(+) Enhanced expertise in soil and crop management and improved compliance with international standards (RA, FSC, etc.) (−) Recruitment and training costs; risk of knowledge loss if key personnel exit; potential short term adjustment challenges	• Conducting continuous learning and professional certification programmes • Implemented knowledge sharing across estates • Strengthened R&D initiatives focused on crop resilience and sustainable practices

Capital	Key Trade-off	Net Impact	Strategic Response
Manufactured Capital Page 102 to 109	Allocation of capital and labour towards the repair and upgrading of damaged infrastructure, limiting resources available for other investments	(+) Improved resilience of hydropower plants and processing facilities, higher operational efficiency and reduced future downtime (−) Damage to units, machinery and crop stock, resulting in temporary production disruptions	• Implemented a comprehensive disaster risk reduction strategy • Upgraded infrastructure to climate resilient standards • Strengthened preventive maintenance programmes
Human Capital Page 128 to 149	Time and resources dedicated to disaster preparedness, safety training and recovery efforts may temporarily reduce operational output	(+) Improved employee skills, safety awareness and preparedness (−) Temporary work disruptions and exposure to climate related hazards	• Implemented robust health and safety systems • Upskilled employees in disaster response and resilience • Strengthened employee welfare and support programmes
Social & Relationship Capital Page 150 to 173	Resources invested in supplier engagement, enforcement of supplier Codes of Conduct and sustainability evaluations	(+) Stronger supplier relationships, improved sustainability performance across the supply chain and enhanced long term resilience (−) Short term delays or increased costs during supplier onboarding and assessment	• Enforced the supplier code of conduct with environmental and social criteria • Provided guidance and capacity building support to suppliers • Integrated sustainability considerations into procurement and maintain transparent communication

KEY RISKS AND OPPORTUNITIES

Risk / Opportunity	Potential Impact on EPP	Strategic Response
Risk: Damage to renewable energy assets and agricultural operations due to extreme weather events	• Damage to renewable energy infrastructure, cultivated areas, and associated operational assets. • Temporary disruptions to agricultural production and renewable energy generation. • Potential impacts on operational efficiency, productivity, and long-term asset sustainability.	• Immediate assessments were conducted to identify affected areas and prioritise restoration activities. • Rehabilitation and recovery measures, including replanting, infrastructure restoration, slope stabilisation, drainage improvements, and flood mitigation initiatives, were implemented. • Climate-resilient design features and agricultural practices are being incorporated to strengthen long-term resilience and reduce future exposure to extreme weather events. • Continuous monitoring and risk assessments are undertaken to enhance preparedness and adaptive capacity across operations
Opportunity: Availability of NBRO risk assessments and disaster risk reduction guidelines	• Improved identification of landslide- and flood-prone areas across estates • Reduced risk of infrastructure damage and operational disruptions • Enhanced long-term resilience of estate assets and communities	• NBRO risk assessments were used to identify high-risk zones and prioritise mitigation actions, with recommended measures integrated into estate planning and infrastructure design. Ongoing monitoring and regular updates of vulnerability assessments support continuous improvement in disaster risk reduction and resilience.

NATURAL CAPITAL

GRI 3-3

MANAGEMENT APPROACH

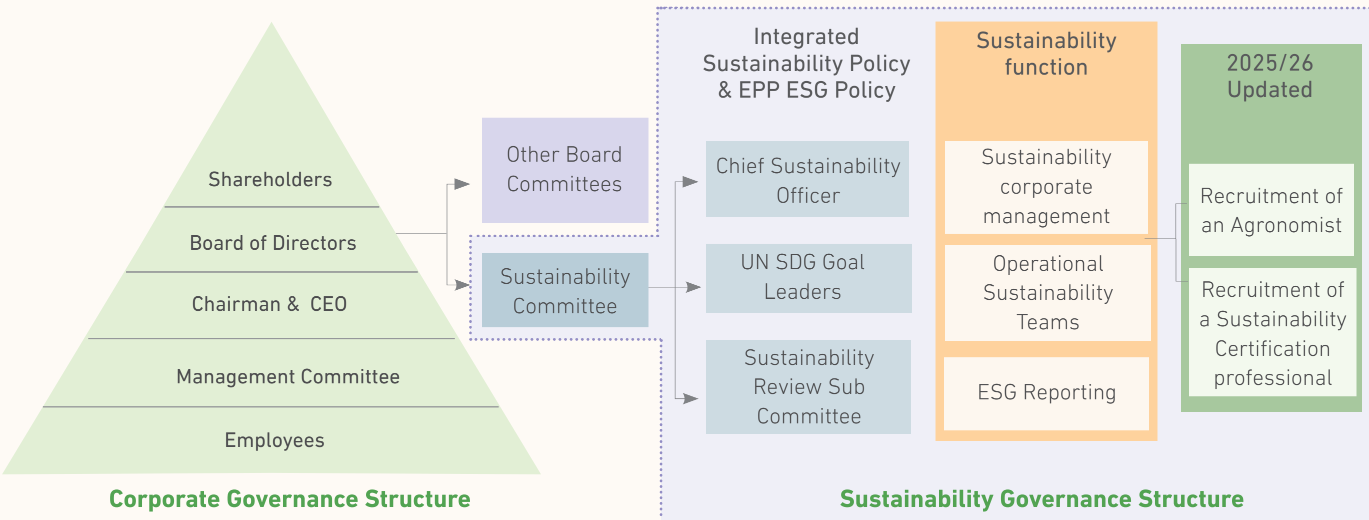
We manage natural capital as a core component of our long-term operational sustainability and environmental resilience. Our approach is centred on sustaining soil health, strengthening water stewardship, improving energy and resource efficiency, conserving biodiversity, and advancing decarbonisation, to maintain a productive and resilient business while minimising environmental impact.

Management decisions are guided by structured land-use planning, resource stewardship and risk-mitigation frameworks, which balance natural capital considerations with financial, human and manufactured capitals. We integrate regenerative agricultural practices, watershed protection measures, renewable energy solutions and biodiversity conservation initiatives into operational planning to ensure ecosystem services continue to support crop productivity, environmental integrity and social well-being.

Continuous monitoring, performance measurement and feedback mechanisms are embedded across estates, subsidiaries and joint ventures. These processes enable ongoing improvements in natural capital management, ensuring that natural resources remain productive and resilient, while remaining aligned with our sustainability objectives and long-term business priorities.

NATURAL CAPITAL PERFORMANCE

KPI	2025/26	2024/25	% Growth (YoY)
Application of chemical fertiliser	783.80 Kg/Ha	800 Kg/ha	2.03% Reduction
Application of chemical weed control	2.73 L/Ha	2.61 L/ha	4.60% Increase
Application of chemical pest control	0.27 L/Ha	0.34 L/ha	20.59% Reduction
Rainwater harvested	596 Mn Litres	312 Mn Litres	91.03% Increase
Solar power generated	2,493,108 Kwh	2,317,304 Kwh	7.59% Increase
Hydropower generated	3,469,399 Kwh	3,772,417 Kwh	8.03% Reduction



1. Corporate governance – setting direction and accountability

At the highest level, the Board of Directors provides strategic oversight and accountability for environmental and sustainability priorities, including land use, material inputs, water stewardship, and energy management. The Board, supported by the Sustainability Committee and Audit and Risk Committees, oversees key risk exposures, including climate-related impacts, regulatory compliance risks (fertiliser use, emissions, water abstraction), and cost pressures arising from resource inefficiencies.

Direct linkage:

Environmental and climate-related risks are formally recognised at the Board level and cascaded into management responsibilities and action plans.

2. Sustainability governance – translating strategy into measurable action

The Sustainability Committee converts Board-level direction into structured, measurable actions. This includes defining environmental focus areas (land, water, energy, biodiversity, and inputs), setting KPIs and performance targets (e.g., fertiliser reduction, mechanisation efficiency, waste minimisation), and embedding these targets into enterprise-wide processes.

Environmental priorities are integrated with:

- **Enterprise Risk Management (ERM):** Environmental and climate risks are identified, tracked, and monitored.
- **Operational Planning:** Sustainability targets are embedded into estate and factory operational plans.

Initiatives to strengthen 2025/26 governance capacity:

To enhance technical depth and execution quality:

- An Agronomist is being recruited to strengthen soil, crop, and land-use management.
- A Sustainability Certification Professional is being recruited to oversee compliance with external standards and sustainability certifications, ensuring that environmental parameters are effectively monitored, accurately recorded, and aligned with credible certification requirements.

Direct linkage:

Board priorities are translated into specific KPIs, technical interventions, and time-bound action plans.

3. Operational execution – managing natural capital on the ground

Estate and factory teams are responsible for implementing sustainability actions in day-to-day operations, including:

- Land-use and crop planning practices
- Soil health and input management (fertilisers and agrochemicals)
- Water use and irrigation management
- Energy efficiency and renewable energy operations
- Waste management and responsible material use
- Biodiversity conservation (buffer zones, habitat protection)

Performance is measured monthly, captured through ESG data systems, and reviewed against defined targets.

Direct linkage:

Governance decisions are converted into tangible, field-level practices.

4. Natural capital outcomes – measurable environmental change

The integrated governance and operational system deliver measurable outcomes across natural capital dimensions, including:

- Improved land-use management and soil stability
- Controlled and monitored water use
- Effective renewable energy management
- Emissions control and energy efficiency improvements
- Reduced waste generation and improved material efficiency
- Contained biodiversity risks within estate boundaries

Direct linkage:

Operational actions directly influence the condition of land, water, and ecosystems, while supporting yield stability, cost control, and long-term land productivity.

5. Feedback loop – performance informing governance

ESG and environmental performance data feed back into:

- Management reviews
- Board-level reporting
- Risk assessments and strategy discussions

Where performance gaps or emerging risks are identified (e.g., elevated nitrogen-based fertiliser use), strategies are adjusted and corrective interventions introduced, such as organic compost blends, environmentally friendly weed management practices, and on-site composting initiatives.

Direct linkage:

Natural capital performance outcomes directly inform future Board decisions, ensuring continuous improvement and adaptive governance.

Standards and Policies

STANDARDS AND CERTIFICATIONS

- Rainforest Alliance (RA) Certification
- Forest Stewardship Council (FSC) Certification
- Roundtable on Sustainable Palm Oil (RSPO) Certification
- Regenerative Agriculture (regenagri) Certification

POLICIES

- ESG Policy – Elpitiya Plantations PLC
- Integrated Sustainability Policy – Aitken Spence PLC

GRI 13.5.1,13.6.1

LAND USE MANAGEMENT

Our land use management is guided by a structured approach that balances productive use, conservation, and long term resilience. Most relevant facts and figures relating to land, soil, water, and biodiversity are detailed in the respective sections of this report. This section consolidates key elements of the approach and highlights how land related decisions are integrated across operations, avoiding duplication of information.

Land zoning and allocation

Ecological sensitivity, operational requirements, and long term sustainability considerations inform land use planning.

NATURAL CAPITAL

Qualitative Aspects	Quantitative Indicators
• Identification and protection of conservation areas, including forest patches and riparian buffers • GIS based mapping of biodiversity refugia and environmentally sensitive zones • Establishment of no chemical and low intervention zones • Structured land use planning that separates areas for cultivation, conservation, and infrastructure	• **Biological assets under management:** – Tea: **1,772 ha** – Oil Palm: **1,709.25 ha** – Rubber: **508.94 ha** • **Biodiversity sensitive areas identified and protected:** – 2 High Conservation Value (HCV) areas – 9 critical ecosystems identified across low country estates

Soil management and land productivity enhancement

Soil health is a core focus area, supported through regenerative and nature based solutions integrated into routine estate management.

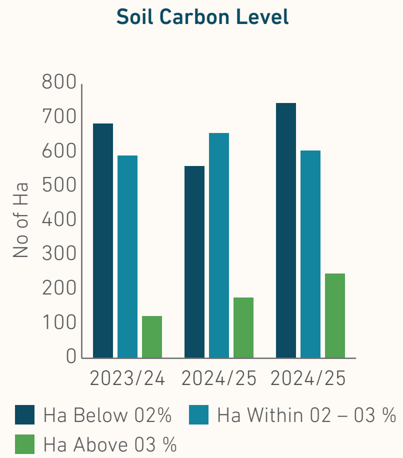
Qualitative Aspects	Quantitative Indicators
• Adoption of regenerative agriculture practices and nature based solutions (NBS) • Maintenance of natural undergrowth and ground cover to protect soil structure • Implementation of soil conservation measures to minimise erosion, including contour planting and mulching • Use of organic composting to reduce reliance on chemical inputs	• **30%** reduction in chemical weed control usage compared to the 2017/18 baseline • **83%** reduction in chemical pest control usage compared to the 2017/18 baseline • Fertiliser application intensity: **2 MT/ha** • Volume of organic compost applied: **5,643 MT** • Increase in yield per hectare (YPH) Tea **10%** Rubber **27%** Oil Palm **9%** • Soil carbon levels monitored (refer table below), demonstrating improved soil fertility and land productivity

GRI 13.5.1

Soil carbon levels of managed soils
Goal: Increase soil carbon levels to 3% by 2030

Percentage of land area with soil carbon levels between 2–3% (FY 2025/26)

Estate	% of Total Estate Extent
Dunsinane Estate	47%
Sheen Estate	11%
Meddecombra Estate	34%
Fernland Estate	70%
New Peacock Estate	24%
Nayapane Estate	21%



Soil moisture and water resource management

Water availability and soil moisture retention are critical for plantation resilience.

Qualitative Aspects	Quantitative Indicators
• Rainwater harvesting to support soil moisture retention and irrigation requirements • Maintenance of no chemical buffer zones to protect water sources and surrounding ecosystems	• **79** rainwater harvesting ponds in operation • **46** million litres of rainwater harvested during the reporting period totalling **596** million litres of harvested rainwater over the **13** rain cycles

Crop planning and replanting

Crop planning decisions are aligned with climate resilience, productivity improvement, and diversification objectives.

Qualitative Approach	Quantitative Indicators
• Selection of climate resilient and high yielding crop varieties • Optimisation of land productivity through crop diversification across tea, rubber, and oil palm • Gradual phasing out of rubber planting in less suitable areas • Transition towards climate resilient perennial crops to strengthen long term productivity and resilience	**Land allocated for the berry project:** – Dunsinane Estate: **19.52 ha** – New Peacock Estate: **2.86 ha** **Investment in field Development (LKR):** Consumable biological assets: **30Mn** Bearer biological assets: - Tea : **90 Mn** - Rubber : **17 Mn** - Oil Palm : **37 Mn** – Berries : **101 Mn** – Cinnamon : **37 Mn** – Coffee : **18 Mn** – Bamboo : **7 Mn** – Durian : **5 Mn** – Avocado :**1.4 Mn** – Coconut : **47 Mn** – Agarwood : **7 Mn**

GRI 13.5.1

Climate risk and resilience planning

Land management practices also support climate adaptation and resilience.

Qualitative Aspects	Quantitative Indicators
• Maintenance of vegetation cover to improve local microclimates • Implementation of soil moisture retention practices • Use of drainage management and terracing to reduce erosion and climate related risks	• **14,385** trees planted to enhance green shade cover and strengthen climate resilience

GRI 302-1, 3 ,4

Energy Management

Through a combination of technology enhancements, operational efficiency improvements, and renewable energy integration, we optimised energy usage and achieved quantifiable reductions in energy consumption.

Energy Efficiency	Technology Integration	Renewable Energy Generation	Behavioural Changes
Fuel use efficiency	Nature based solutions for energy efficiency	Solar power generation	Training & development
Regular maintenance	Reducing fossil fuel dependency	Hydro power generation	
Machinery upgrade		Self grown biomass	

Performance	Unit	2025/26	2024/25
302-1 Energy consumption within the organisation	GJ	203,570	163,554
302-2 Energy consumption outside of the organisation	Outside reporting scope		
302-3 Energy intensity	GJ per MT of production	6.39	5.65
302-4 Reduction of energy consumption	GJ	Due to the operational expansion, we do not experience a significant reduction in energy consumption	
302-5 Reductions in energy requirements of products and services	Outside reporting scope		

NATURAL CAPITAL

Energy efficiency and renewable energy initiatives (2025/26)

Focus Area	Key Initiatives (2025/26)	Impact
Responsible sourcing for energy conservation	Solar drying of fuel wood prior to factory use	Increased the calorific value of fuel wood by reducing moisture content, resulting in lower firewood consumption per unit of made tea and reduced thermal energy losses during combustion.
	Establishment and maintenance of dedicated fuel wood plantations Planted 14,385 new trees, 445 trees utilised as fuel wood	Ensured a reliable and sustainable supply of biomass fuel, reducing dependence on externally sourced fuel and mitigating supply driven inefficiencies and cost volatility.
Operational efficiency management	Installation and use of firewood splitters to reduce log size and increase surface area	Improved combustion efficiency through enhanced oxygen penetration, leading to faster heat generation and reduced firewood consumption per production cycle.
	Structured fuel wood storage systems (covered and ventilated)	Prevented re-absorption of moisture, maintained fuel quality, and avoided additional energy required to evaporate excess moisture during combustion.
Renewable energy management	Monthly monitoring of renewable energy generation (solar and mini hydro), supported by corrective actions	Enabled timely identification and rectification of under performance, improving renewable energy utilisation and reducing reliance on grid electricity.
	Gradual replacement of conventional vehicles with hybrid and electric vehicles for estate and administrative operations Purchased an Electric vehicle during the financial year.	Reduced fuel consumption per kilometre travelled and lowered dependence on fossil fuels, contributing to direct reductions in Scope 1 emissions, transport related energy costs, and improved fleet energy efficiency.

Transitioning to renewable energy

Severe damage caused by Cyclone Ditwah to our mini hydro power stations adversely affected generation capacity, resulting in lower renewable energy output during the financial year under review.

Our renewable energy portfolio

Our total renewable energy generation capacity was 4,210 kW as of 31 March 2026.

3,469,399kWh
Hydro

11,149,203Kgs
Biomass

2,493,108kWh
Solar

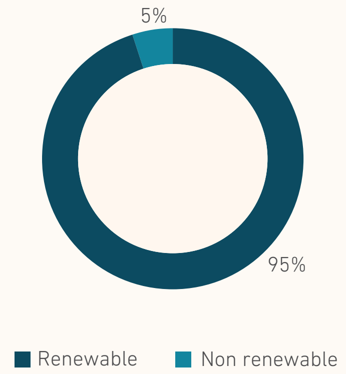
20 new rooftop solar panels installed

Aspect	Solar	Hydro	Biomass
			
Description	Installed capacity of 10 kWsupported by 20 solar panels in Devitura Assistant Manager bungalow and the Crèche expanding our solar panel installations beyond factories.	Two mini hydro power stations with a combined capacity of1610 kW.	Ownership and management of 97,421 fuel wood trees supporting biomass energy requirements.
Impact	Generated stable renewable electricity supplied to the national grid, creating a recurring revenue stream through feed in tariffs while contributing to national renewable energy targets.	Generation was lower during the year due to damage caused by Cyclone Ditwah, resulting in reduced renewable energy sales and revenue. This underscores the impact of physical climate risks on generation assets.	Ensures 100% renewable thermal energy for factory operations, eliminating reliance on fossil fuels in processing. While not contributing to grid exports, it reduces exposure to fossil fuel price volatility.
Energy Generated (2025/26)	2,493,108 kWh	3,469,399 kWh	11,149,203Kgs
Future Focus	Scale up of solar capacity through a 49 MW ground mounted solar development pipeline planned over the next five years. **Phased implementation:** • 2026/27: Two 3 MW projects • 2027/28: Two 5 MW projects • 2028/29: Two 5 MW and one 3 MW projects • 2029/30: Two 10 MW projects Rooftop solar capacity will be increased to 4.06 MW through three 500 kW systems and one 200 kW system, although this remains secondary to ground mounted installations due to space and scalability limitations. The strategy is aligned with national renewable energy targets (70% by 2030) and supported by secured grid off take arrangements and feed in tariffs, enabling predictable long term revenue generation.	The installed mini hydro capacity will be maintained at 1.46 MW, as viable locations within estates are fully utilised. Future efforts will focus on asset restoration, strengthening infrastructure resilience, and stabilising generation output.	Maintain self sufficiency in biomass supply while improving combustion efficiency to further optimise renewable thermal energy use within factory operations

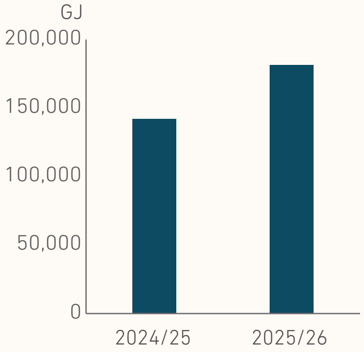
Energy consumption within the organisation

Source	Type	Unit	2025/26	2024/25
Non-renewable	Petrol	GJ	1,834	2,085
	Diesel	GJ	8,157	7,720
	LPG	GJ	314	335
	National Grid	GJ	11,788	11,381
Renewable	Biomass	GJ	180,617	141,151
	Briquettes	GJ	860	877
Total energy consumed		GJ	203,570	163,554
Energy intensity		GJ per MT of production	6.39	5.65

Total direct energy consumption



Energy consumed from renewable sources



GRI 305-1,2,4,5,6,7, SASB FB-AG-110a.1, SASB FB-AG-110a.2

EMISSIONS MANAGEMENT

Emission type		2017/18 (Base Year)	2024/25	2025/26
Direct (Scope 1) GHG emissions	tCO2e	6,549	5,464	6,540.12
Indirect (Scope 2) GHG emissions	tCO2e	2,129	1,352	1,472.46
Total GHG emissions	tCO2e	8,678	6,816	8,012.58
Emission intensity	GHG tCO2e/ Mt Production unit	0.41	0.24	0.25
Total emissions reduced from biogenic emissions	tCO2e	-	15,676	12,896.14
Emissions of ozone-depleting substances (ODS)	tCO2e	Negligible	Negligible	Negligible
Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	tCO2e	Negligible	Negligible	Negligible

2017/18 FY has been considered as the base year considering the favourable business context and the most represented year.

The base year for emissions has been set as FY 2017/18. This year was selected as it represents a period of stable and favourable business conditions, providing a reliable and representative benchmark for tracking emissions performance over time.

IPCC emission factors are used when calculating the GHG emissions.

Emissions of Joint Ventures

	tCO_2e
Direct (Scope 1) GHG emissions	12.18
Indirect (Scope 2) GHG emissions	3.06
Total GHG emissions	**15.24**

The group is responsible only 50% of emissions due to Equity share approach.

Our commitment to SBTi targets

Demonstrating a strong commitment to addressing climate change and embedding sustainability across its operations, Aitken Spence became the first diversified conglomerate in Sri Lanka to publicly commit to setting science based targets by becoming a signatory to the Science Based Targets initiative (SBTi) in 2022.

In support of this Group level commitment, we have established near term emission reduction targets as part of its strategic roadmap to achieve net zero emissions by 2030, with a focus on addressing the Group's most significant emission sources.

Our net zero pathway prioritises the reduction of material emissions across the value chain through the following key strategies:

Driving absolute emissions reductions

Focus Area	Actions Implemented	Progress (2025/26)
Reduction of direct N_2O emissions from managed soils (Scope 1)	Reduction of nitrogen based chemical weed and pest control practices	• 30% reduction in chemical weed control application per hectare • 83% reduction in chemical pest control application per hectare
Transition from fossil fuels to renewable and low emission alternatives (Scope 1)	Conversion of supervisory and operational vehicles to hybrid and electric vehicles	• Purchased an electric vehicle during the FY 2025/26 • Total of 3 hybrid and EVs in the company owned fleet
Optimising supply chains to reduce Scope 3 emissions	Prioritisation of local suppliers to minimise transport related emissions	• 23% increase in expenditure on local suppliers compared to the previous financial year

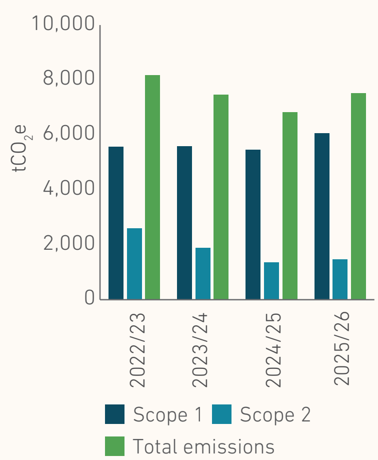
Carbon capture and removal to address residual emissions

To address residual emissions and achieve a net zero balance, we continued to invest in nature based carbon sequestration initiatives, including:

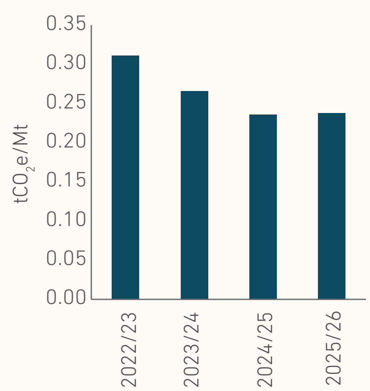
- **1,182.45** hectares of land managed under agroforestry systems
- **14,385** new trees planted during the reporting period

These initiatives contribute to long term carbon removal while delivering co benefits such as biodiversity enhancement, soil health improvement, and climate resilience.

Total Emissions



Emissions Intensity



EMISSIONS INTENSITY PER MT PRODUCTION

0.25 tCO_2e

TOTAL EMISSIONS

8,013 tCO_2e

TOTAL EMISSIONS REDUCED FROM BIOGENIC EMISSIONS

12,896 tCO_2e

NATURAL CAPITAL

GRI | GRI 303-1, 303-2, 13.7.2, 13.7.3
SASB 4FB-AG-440a.2, SASB 5FB-AG-140a.1 SASB 6FB AG-140a.2 SASB 7FB-AG-140a.3

WATER MANAGEMENT

As our principal operations are based on plantation crops, namely tea, rubber, and oil palm, we primarily rely on rain fed water, with limited use of other natural water sources. To optimise the effective use of rainfall, we have developed 79 rainwater harvesting ponds across our estates. During the 2025/26 financial year, these ponds enabled the harvesting of approximately 46 million litres of rainwater totalling 596 million litres over the 13 rain cycles supporting soil moisture retention and mitigating drought related risks.

In addition to rainwater, groundwater is utilised to meet certain operational requirements, with total groundwater abstraction amounting to 10 million litres during the reporting period.

Water quality management remains a key focus area. At our rubber processing factory in Elpitiya, water quality parameters, including Chemical Oxygen Demand (COD), Biological Oxygen Demand (BOD), and pH levels, are periodically tested and monitored to ensure compliance with applicable standards.

During FY 2025/26, we implemented a range of water conservation measures aimed at safeguarding water resources and surrounding ecosystems. These include the maintenance of grass buffer zones, riparian habitats, vegetative barriers, and designated chemical free buffer zones to prevent contamination of surface and groundwater sources.

There were no incidents of non compliance related to water quality standards during the reporting year, in line with the requirements of Rainforest Alliance certification standards.

Water-related impacts

As our principal operations are based on plantation crops, tea, rubber, and oil palm, we primarily rely on rain fed water, with limited use of other natural water resources. To support efficient water use and landscape stability, routine field maintenance practices such as effective drainage management, terracing, and the maintenance of buffer zones are consistently implemented across our estates.

Measuring water quality

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

Drinking water	Factory wastewater	Up-rooting field
SLSI Standards (pH, coliform and selected physical and chemical parameters)	SLSI and RRISL standards (pH, BOD, COD, Turbidity)	SLSI Standards (pH, BOD, COD, Turbidity)

Our approach to identifying and managing water related impacts

Continuation of the "Best Harvest" Project

We identify and manage water related impacts through the long term implementation of the "Best Harvest" Project, a strategic initiative designed to enhance water security, minimise dependency on external water sources, and improve climate resilience across plantation operations. The project spans a 10 year timeframe, from 15 August 2019 to 14 August 2029, and covers all estates engaged in tea, rubber, and oil palm cultivation.

Scope of assessment and management approach

The assessment scope includes field level water availability, soil moisture retention, groundwater recharge, and irrigation efficiency across operational estates. As the Company's plantation activities are predominantly rain fed, water related risks particularly drought and seasonal variability are addressed through nature based solutions integrated into estate management plans.

Key tools and methodologies

The primary management intervention under the project is the construction of rainwater harvesting ponds, with 79 ponds established as at 2025/26. These ponds serve as decentralised water storage and aquifer recharge systems, collectively enabling the harvesting of approximately 596 million litres of rainwater. This approach has significantly reduced reliance on externally sourced water and the use of water bowsers for transportation.

To enhance efficiency and minimise water losses, the project integrates solar powered water pumps and smart agriculture fertigation systems, enabling precise application of harvested rainwater aligned with crop and soil requirements. These technologies support optimised irrigation practices while reducing energy intensity and operational costs.

Outcomes and impact

As a result of these measures, approximately 59% of total operational water requirements are currently met through harvested rainwater. The project has strengthened soil moisture retention, supported groundwater recharge, and improved the resilience of plantation operations to drought conditions, thereby reducing water related operational risks over the long term.

Use of Solar

Water Pumps and Fertigation with Harvested Rainwater

596Mn Lts

Of rainwater harvested

79%

Water retention ponds`

100%

Estate Households Provided With Potable Water.

Monitoring our water-related impacts

Strategic integration: The project is embedded as a core component of our sustainability strategy, directly supporting SDG 6 (Clean Water and Sanitation) through improved water availability and efficiency, and SDG 15 (Life on Land) by enhancing soil health, groundwater recharge, and ecosystem resilience.

Science based and nature based approach: The initiative adopts a science driven, nature based methodology through collaboration with the Lanka Rainwater Harvesting Forum (LRHF). Expert guidance is utilised for site selection, pond design, and technical audits to optimise soil moisture management and water retention outcomes.

Monitoring and reporting framework: Progress is systematically monitored through a monthly ESG reporting framework, capturing key indicators such as harvesting pond capacity and total volumes of rainwater collected. These metrics are consolidated and reviewed at management level to assess performance, guide decision making, and ensure continuous improvement.

Stakeholder involvement in water management

Stakeholder Type	Stakeholder Group	Key Responsibilities
Internal Stakeholders	Estate Management	Coordinate and oversee project implementation, monitor progress against targets, and supervise day to day operation of rainwater harvesting systems.
	Staff	Ensure regular maintenance, inspection, and functionality of rainwater harvesting ponds and associated infrastructure.
	Workers	Support routine upkeep activities, report operational issues, and assist in implementing water conservation practices at field level.
	Community	Engage in awareness initiatives, support protection of shared water resources, and contribute to safeguarding surrounding ecosystems.
External Stakeholders	Lanka Rainwater Harvesting Forum (LRHF)	Provide technical partnership and expert consultation, conduct site assessments and technical audits, and offer guidance on best practices for rainwater harvesting and soil moisture management.

NATURAL CAPITAL

GRI 303-3,4,5, 13.7.4, 13.7.5, 13.7.6

Water withdrawal

KPI	Unit	2025/26	2024/25
Surface water	ML	21.7	21.7
Groundwater	ML	9.8	7.4
Rainwater harvested	ML	45.8	52.1
Municipal lines	ML	0.001	1
Total water withdrawn	ML	77.4	81.1
Total water discharge	ML	58	60.80
Total water consumption	ML	19.30	20.30

**The total rainwater harvested amount has been derived by the assumption of 13 rainfall cycles per year*

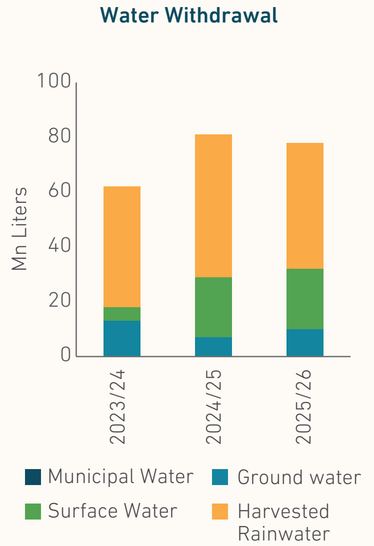
**Total water discharge has been calculated assuming 3:4 ratio between water discharge and water withdrawn*

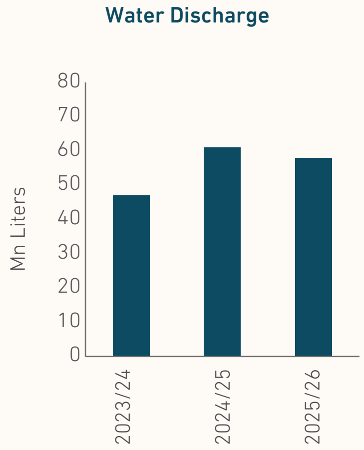
As our core operations are in Agri business based on plantation crops, we primarily rely on rain fed water, with water resource management closely linked to prevailing climatic conditions.

To support informed, data driven decision making, rainfall levels and the number of wet days are recorded every month at estate level. This information is consolidated into periodic reports and used to guide water management practices, field operations, and risk mitigation measures related to climatic variability.

Water discharged by location

During the financial year 58.02 mega litres of water discharged to ground water sources through a sand filtration process.





GRI 306-1,2,3,4,5, 13.8.2, 13.8.3, 13.8.4, 13.8.5, 13.8.6

WASTE MANAGEMENT

Waste-related impacts within our operations primarily arise from plantation and processing activities, including the generation of organic waste, agrochemical residues, and factory effluents. If not effectively managed, these waste streams have the potential to contribute to a range of environmental and social risks, including water pollution, soil degradation, biodiversity loss, and health and safety concerns.

During FY 2025/26, we implemented a series of targeted waste and effluent management measures to address these risks in a systematic and responsible manner. The following table outlines the key adverse impacts identified, the mitigation actions undertaken, and the outcomes achieved, reflecting our ongoing commitment to environmental stewardship, regulatory compliance, and continuous improvement in sustainable operational practices.

Adverse Impact Area	Description of Impact	Mitigation Measures Implemented (FY 2025/26)	Outcomes / Results Achieved
Water Pollution from Factory Effluents	Wastewater from rubber processing containing high organic load (COD, BOD) and suspended solids can degrade downstream water quality, affecting aquatic ecosystems and community water availability.	Regular monitoring of effluent discharge at Elpitiya Estate rubber factory, including testing for COD, BOD, pH, and turbidity to ensure compliance with regulatory and FSC standards.	Achieved full compliance with Environmental Protection License (EPL) conditions and FSC requirements, ensuring protection of downstream water bodies and maintaining water quality.
Soil Contamination from Agrochemical Residues and Waste	Improper handling and disposal of agrochemical residues can lead to soil degradation and long-term contamination, affecting soil health and productivity.	Implementation of a zero-use policy for pesticides classified as "Extremely Hazardous" or "Highly Hazardous."	Reduced risk of soil contamination and degradation, supporting improved soil health and safer agricultural practices.
Biodiversity Impacts from Unmanaged Waste and Runoff	Nutrient-rich runoff (nitrogen, phosphorus) and chemical traces may alter natural habitats and adversely impact flora and fauna within and around estates.	Maintenance of grass buffer zones, riparian reserves, vegetative barriers, and designated chemical-free buffer zones across estates.	Minimised runoff-related impacts, protected sensitive ecosystems, and strengthened biodiversity conservation within estate boundaries.
Human Health and Safety Risks	Exposure to hazardous waste streams (e.g., chemical containers, oil waste) poses risks to workers and nearby communities if not properly managed.	Conducted chemical handling and safety training programmes for field-level staff involved in agrochemical use and waste management.	Improved occupational health and safety standards and reduced risk of exposure to hazardous materials.
Land and Resource Inefficiency	Inefficient waste management practices, including disposal of reusable organic waste, result in resource loss and increased environmental burden.	Achieved zero waste to landfill across estate operations during the reporting period.	Maximised resource recovery, reduced landfill dependency, and lowered overall environmental footprint.
Organic Waste Mismanagement / Resource Loss	Failure to utilise organic waste streams can result in lost opportunities to enhance soil fertility and reduce reliance on synthetic fertilisers.	Implementation of composting and waste valorisation initiatives, including in situ composting of weed undergrowth, composting of refused tea and oil palm empty fruit bunches, and conversion of non-marketable produce into value-added products.	Closed nutrient loops, improved soil fertility, and reduced dependence on synthetic fertilisers, supporting sustainable land management practices.

Our Commitment to the Circular Economy

A Success Story: Biochar production from waste cinnamon sticks

As part of our commitment to circular economy principles, we have successfully transformed waste generated from cinnamon cultivation into a value added product through the production of biochar. This initiative demonstrates how agricultural byproducts can be effectively reused to create economic value while enhancing soil health and minimising waste.



NATURAL CAPITAL

Biochar Production Performance (2025/26)

	Total Production (kg	Cost Savings (LKR)	Profit per kg (LKR)
Gulugahakande Estate	11,525	759,612.75	65.91
Devitura Estate	8,000	918,825.00	108.85

Ensuring circularity

This initiative ensures circularity across the cinnamon value chain through the following practices:

- Utilisation of byproducts, specifically leftover cinnamon sticks, for biochar production
- No external sales; biochar is supplied exclusively to sister estates to enhance soil carbon levels within company managed soils
- Achievement of zero material waste in cinnamon production
- Generation of a steady income stream from waste valorisation
- Improvement and maintenance of soil carbon levels across estates

Other circular economy commitments

In addition to biochar production, our broader circular economy initiatives linked to material management and waste management practices outlined in earlier sections include:

- In house compost production using refuse tea and oil palm empty fruit bunches
- On site composting of field undergrowth
- Conversion of non marketable fresh berries into value added products

Waste generated in FY 2025/26

Non-hazardous waste	333MT
Composted waste	331
Paper & cardboard	0.2
Food waste	1.9
Hazardous waste	**Not Generated**

Waste and type of disposal	2025/26
Waste diverted from disposal	
Composting	331
Recycle	2
Waste diverted to disposal	
Authorised landfill	0

GRI 13.6.2

Volume and intensity of Chemical used

Intensity of the pesticides Volume	Volume (MT)
Extremely hazardous	0
Highly hazardous	0
Moderately hazardous (Pesticide)	1,478
Slightly hazardous	15
Unlikely to present an acute hazard	0

331MT

of production waste composted

NO

hazardous waste generated

10%

Increase in waste composted

Foliar application of chemical fertiliser to reduce fertiliser waste

GRI 13.6.1

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

Training and awareness initiatives were conducted to strengthen employee capacity in pest management, safe pesticide application, and overall occupational health and safety.

Specialised training on pest management and the proper use of pesticides was provided to workers, while comprehensive health and safety training sessions were delivered with facilitation by SGS. A total of 32 training hours were completed under these programmes.

In addition, general health awareness sessions for welfare staff members in the low country were conducted by the Medical Officer of Health (MOH), contributing a further 16 training hours.

GRI 301-1,2,3,13.6.1

MATERIAL MANAGEMENT

Our material management practices focused on reducing environmental impact, improving resource efficiency, and strengthening circularity across operations.

Transition to renewable packaging materials

Bulk tea packaging continued its transition toward multiwall paper sacks, reducing reliance on carbon intensive materials and increasing the use of lower carbon, renewable packaging inputs.

Maintenance of 100% renewable primary raw material

All production remained fully based on 100% green leaf, ensuring our core raw material remains entirely renewable.

GRI 13.6.1

Measured reduction in chemical inputs (continuous progress)

We continued making progress toward its 2030 targets of a 65% reduction in chemical weed control and a 75% reduction in chemical pest control. Annual reductions are systematically tracked and managed through field level controls, monitoring systems, and strengthened closed loop nutrient management practices.

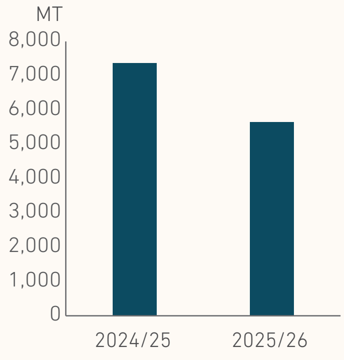
30%

reduction of chemical weed control compared to base year 2017/18

Scaling of internal compost production

Internal compost production was expanded through refused tea composting, oil palm bunch composting, and in situ weed composting. These initiatives reduced dependence on external material inputs while improving soil organic matter and nutrient recycling.

Compost Production



Strict controls on hazardous materials

In line with Rainforest Alliance (RA) and Forest Stewardship Council (FSC) certification requirements, highly hazardous pesticides were eliminated, safer alternatives were prioritised, and field staff received regular training on safe handling and application.

Soil focused material efficiency approach

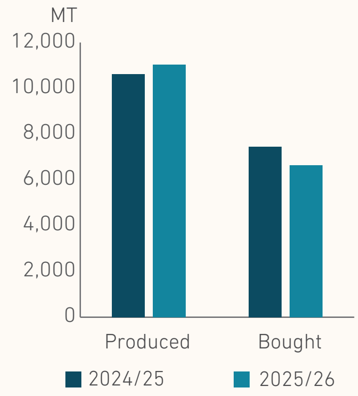
Fertiliser use was optimised to minimise runoff, while soil conservation measures—such as erosion control and organic matter enhancement—ensured more efficient use of material inputs at source.

Limitation in downstream material recovery

Given the export oriented nature of the Company's operations, there is no operational control over post consumer packaging recovery in end markets. Accordingly, packaging materials reclaimed during the reporting period amounted to 0%, in accordance with GRI 301 3 disclosures.

Zero carbon product certificate for saving 2tCO2e of emissions by purchasing paper sacks from a zero carbon supplier

Green leaf composition



NATURAL CAPITAL

Adverse Impact Area	
301-1 Materials used by weight or volume	33,539 MT
301-2 Recycled input materials used	None
301-3 Reclaimed products and their packaging materials	Due to the export oriented nature of operations and lack of control over end market recovery, no post consumer packaging was reclaimed during the reporting period (0%).

OUR COLLABORATIONS FOR ENVIRONMENTAL SUSTAINABILITY

Our collaborations encompass partnerships with the listed organisations, supported by an environmental management framework aligned with recognised local and international standards.

- Sri Lanka Sustainable Energy Authority
- Ceylon Electricity Board
- United Nations Development Project
- Biodiversity Sri Lanka
- Lanka Rainwater Harvesting forum
- Asian Development Bank
- Sri Lanka Mahaweli Authority
- Rainforest Alliance
- FSC, Forest Stewardship Council
- UN SDGs
- United Nations Industrial Development Organisation

CIRCULAR ECONOMY

We integrate circular economy principles into our estate operations by optimising resource use, minimising waste, and promoting regenerative practices across the value chain. Through precision based input management, reduction of chemical intensity, full reuse of organic waste, and nature based solutions such as rainwater harvesting, we aim to close material loops and enhance long term soil health. Our approach supports efficient production while reducing environmental impact and strengthening resilience across our agricultural operations.

01. Precision based field operations

Adopt precision based field operations by planning fertiliser and pesticide application based on estate specific conditions rather than uniform application. This approach enables informed, field level decisions, reduces unnecessary resource use, and improves overall input efficiency.

02. Active reduction of chemical input intensity

We are actively working towards a 65% reduction in chemical weed control and a 75% reduction in chemical pest control by 2030. Progress is monitored annually, with estate level action plans developed and implemented to achieve these targets.

03. Full reuse of organic waste within estates

All organic waste generated within our estates is reused as inputs and not discarded. Key waste streams include:

- Refused tea, which is converted into compost
- Oil palm empty fruit bunches, which are composted
- Weeds, which are composted in situ

This practice partially replaces synthetic fertiliser requirements and contributes to enhanced soil carbon levels.

04. Controlled fertiliser application to minimise losses

We carefully plan and monitor fertiliser application to reduce nutrient runoff and prevent over application. These practices are supported by soil management plans maintained for certification compliance. Key best practices monitored include:

- Effective drainage management as a first line of defense against runoff
- Terracing to minimise soil erosion.

05. Rainwater harvesting

Through the harvesting of 596 million litres of rainwater across our 79 rainwater harvesting ponds, we have implemented a nature based solution to maintain soil moisture and provide irrigation support during drought conditions.

GRI 13.6.1

06. Integrated Pest Management (IPM)

Applied an Integrated Pest Management approach by combining cultural, biological, and chemical practices. This enables us to identify critical cases requiring chemical treatment, while the majority of pest and disease incidences are managed through cultural methods (such as shade management and smoking) and biological controls.

07. Training and development

Implemented an e Tutor Learning Management System to enhance operational management knowledge through a self paced learning approach, strengthening our intellectual and human capital.

GRI 101-1,2,3,4,5,6,7,8, 13.3.2, 13.3.3, 13.3.4, 13.3.5, 13.3.8, 13.3.9, SASB 7FB-AG-000.C

BIODIVERSITY CONSERVATION

GRI 101-1

Policies to Halt and Reverse Biodiversity Loss

Our biodiversity approach is guided by the Integrated Sustainability Policy of Aitken Spence PLC and the ESG Policy of Elpitiya Plantations PLC, which collectively underpin our environmental stewardship commitments. The group is considering to develop a standalone biodiversity policy in the future.

In line with Forest Stewardship Council (FSC) certification requirements, biodiversity assessments are conducted across all low-country estates on a three-year cycle. The most recent survey was completed in FY 2023/24, with the next assessment scheduled for FY 2026/27.

We adhere strictly to national regulatory requirements, including government restrictions on plantation expansion above 5,000 feet above sea level, ensuring protection of ecologically sensitive highland ecosystems.

In line with best practices, we maintain a zero-deforestation and no ecosystem conversion policy, ensuring that natural forests and ecosystems are not cleared for plantation development. Areas identified as High Conservation Value (HCV) through biodiversity assessments are clearly demarcated and protected, with no expansion permitted into such zones.

GRI 101-2

Management of Biodiversity Impacts

We apply a structured biodiversity management approach based on the mitigation hierarchy, integrating avoidance, minimisation, restoration, and enhancement measures across our operations:

- Avoidance: Prevention of deforestation and degradation of natural ecosystems, with strict prohibition of harm to threatened species.
- Minimisation: Implementation of Integrated Pest Management (IPM) practices, reduced agrochemical usage, and preventive measures to avoid soil and water contamination.
- Restoration and Conservation: Rehabilitation of degraded areas, maintenance of riparian buffers, and conservation of natural habitats to support biodiversity.
- Enhancement: Promotion of biodiversity through preservation of natural vegetation, habitat creation for wildlife and pollinators, and adoption of agroforestry practices to improve ecosystem resilience.

These practices are embedded within our operational frameworks and are detailed within the wider sustainability disclosures of this report.

GRI 101-5

Locations with Biodiversity Impacts

We maintain an inventory of endangered species across our low-country estates, covering both flora and fauna, to support targeted conservation efforts. Certain locations, such as the Pathinidola area, have been identified as high conservation value zones due to their ecological sensitivity and proximity to plantation boundaries. These areas are demarcated and managed under strict conservation controls, including no-chemical zones, in compliance with internal policies and regulatory requirements.

Ecosystems assessed across our operations

1. Bentota

Ecosystem Type	Key Locations
Riparian Vegetation	• Along the Bentota River, extending approximately 5–10 metres on either side of the riverbanks
Marshy Lands	• Marshy areas located within the Main Division of Bentota Estate
Secondary Forest Vegetation	• Areas where previous plantation cultivation has been discontinued and allowed to regenerate naturally
Grasslands	• Grassland areas and paddy fields within the Bentota Estate Main Division

Conservation status of flora & fauna

Flora

Status	No. of species
Endemic species	05
Native species	41
Exotic species	28
Near threatened species	02
Endangered species	-
Vulnerable species	02
Least concerned species	42
Data deficient species	01
Invasive alien species	01

Fauna

IUCN Status	Nationally threatened species
DD	13
LC	163
NT	11
VU	13
EN	09
CR	01

Marshy land in Main division of Bentota Estate

2. Elpitiya

Ecosystems conserved and their locations

Ecosystem Type	Locations
Riparian Vegetation	• Patthini Dola stream at Giragoda Division, Elpitiya Estate (designated High Conservation Value area)
Marshy Lands	• Marshy land located along Wathurawala Kanda Road, Elpitikanda Division, Elpitiya Estate
Secondary Forest Vegetation	• Secondary forest patch at Nagahathenna Division, Elpitiya Estate (designated High Conservation Value area)

Riverine vegetation in Bentota Estate by Bentota River

Conservation status of flora & fauna

Flora

Status	No. of species
Endemic species	11
Native species	53
Exotic species	29
Near threatened species	04
Endangered species	02
Vulnerable species	03
Least concerned species	54
Data deficient species	02
Invasive alien species	-

Patthini Dola

Fauna

IUCN Status	Nationally threatened species
DD	08
LC	140
NT	11
VU	15
EN	12
CR	04

The Atuwagala monestry & secondary forest patch

3. Talgaswella

Ecosystems and associated locations

Ecosystem Type	Locations
Riparian Vegetation	• Reservoir perimeter within the Talgaswella Estate
Marshy Lands	• Water ponds and associated low lying marshy areas within the estate

Reservoir area in Talgaswella estate

Water pond in Talgaswella estate

Conservation status of flora & fauna

Flora

Status	No. of species
Endemic species	03
Native species	39
Exotic species	19
Near threatened species	02
Endangered species	-
Vulnerable species	-
Least concerned species	59
Data deficient species	01
Invasive alien species	-

Fauna

IUCN Status	Nationally threatened species
DD	14
LC	148
NT	13
VU	10
EN	06
CR	01

4. Lelwala

Conservation status of flora & fauna

Fauna

Status	No. of species
Endemic species	02
Native species	33
Exotic species	21
Near threatened species	03
Endangered species	-
Vulnerable species	-
Least concerned species	32
Data deficient species	01
Invasive alien species	-

Fauna

IUCN Status	Nationally threatened species
DD	15
LC	152
NT	12
VU	08
EN	05
CR	03

5. Gulugahakande
Conservation status of flora & fauna

Fauna

Status	No. of species
Endemic species	02
Native species	40
Exotic species	22
Near threatened species	01
Endangered species	01
Vulnerable species	-
Least concerned species	50
Data deficient species	02
Invasive alien species	-

Fauna

IUCN Status	Nationally threatened species
DD	14
LC	131
NT	06
VU	10
EN	05
CR	01

GRI 101-4

Identification of Biodiversity Impacts
We conduct biodiversity risk identification through structured assessments and surveys across our estates. Comprehensive biodiversity studies carried out across our low-country estates have enabled us to identify and formally demarcate key High Conservation Value (HCV) areas, including:

- Atuwagala Monastery and Surrounding Forest, Nagathenna Division (39 hectares)
- Paththini Dola Stream Ecosystem, Giragoda Division (approximately 750 metre stretch)

These surveys form the foundation for understanding site-specific biodiversity sensitivities, with plans in place to extend assessments to our up-country estates to ensure full geographic coverage.

Biodiversity risks are further integrated into our Enterprise Risk Management (ERM) framework, where environmental risks, including biodiversity-related impacts, are systematically identified, assessed, and monitored. Oversight is provided by the Board-level Audit and Risk Committee, ensuring that biodiversity considerations are embedded within enterprise-wide risk management and decision-making processes.

Biodiversity conservation measures implemented in FY 2025/26
The following routine best practices and technological integrations are implemented across our operations and contribute directly to biodiversity conservation.

Maintaining no chemical zones
Designated buffer areas are maintained within estates where no agrochemicals are applied, particularly around water bodies and environmentally sensitive habitats.

Impact: Protects aquatic ecosystems, prevents chemical runoff, and preserves habitat integrity for flora and fauna.

Maintaining natural undergrowth in tea, rubber, and oil palm fields
Native ground vegetation is retained in plantation areas instead of complete clearing, allowing natural regeneration within managed landscapes.

Impact: Enhances on site biodiversity, improves soil structure, supports pollinators, and reduces soil erosion.

Friendly weed management
Beneficial, non invasive plant species are selectively identified and retained rather than removed through blanket weed control practices.

Impact: Promotes plant diversity, provides habitats for insects and small fauna, and supports natural pest regulation.

Selective pesticide application using precision technologies
Agrochemicals are applied only in critically affected plots using precision agriculture techniques, including drone assisted and targeted foliar applications.

Impact: Minimises chemical exposure across the wider landscape, reduces impacts on non target species, and helps maintain ecological balance.

GIS Based Biodiversity Mapping
Geospatial tools are used to identify and monitor biodiversity sensitive areas such as refugia, watersheds, forest patches, degraded lands, and key habitats.

Impact: Enables data driven conservation planning, supports habitat protection and restoration prioritisation, and strengthens landscape level biodiversity management.

GRI 101-6

REGENERATIVE AGRICULTURE PRACTICES AND OUTCOMES

Core Principle of Regenerative Agriculture	Solutions Implemented	Quantifiable Impact
Maintaining soil cover and enhancing biodiversity & microclimate regulation	Cover crops are systematically established across cultivated plots to minimise soil exposure, reduce erosion, retain soil moisture, and enhance organic matter content. This practice is embedded into routine estate management processes, ensuring consistent application rather than ad-hoc implementation. Shade trees are planted within plantations to enhance canopy cover, regulate ambient temperatures, improve soil moisture retention, and support on-farm biodiversity.	• 34,559 shade trees planted and managed to enhance green canopy cover.
Increasing plant diversity	Intercropping and agroforestry systems are adopted by integrating economically and ecologically beneficial crops (such as coffee and pineapple) within existing plantations. Land is deliberately allocated for multi species cultivation to reduce reliance on monocropping, enhance ecosystem resilience, and optimise overall land productivity.	• Rs. 17 Mn invested in planting Coffee • 56,678.53 Pineapple plants per hectare • 1,182.45 hectares allocated for agroforestry systems. • Rs. 123 Mn invested in field replanting with perennial crops.
Feeding the soil food web	Organic composting systems are implemented through a combination of centralised composting facilities and in-situ composting practices. Organic waste streams, including refused tea, oil palm empty fruit bunches, and on-site weeds, are converted into nutrient-rich compost to restore soil microbial activity, reduce reliance on chemical fertilisers, and close nutrient loops within estate ecosystems.	• 5,643 MT of organic compost produced inhouse. • 242.30 Ha land has above 3% soil carbon level. 605.79 Ha of land has 2%-3% soil carbon level • 2311 hectares managed under eco-friendly weed control practices.
Water stewardship	Rainwater harvesting systems are installed to capture and store precipitation for operational use and groundwater recharge, thereby supporting soil moisture retention and enhancing climate resilience.	• 596 million litres of rainwater harvested.

Supplier evaluation under the Sustainable Supplier Code of Conduct (SSCC)

Environmental criteria are integrated into supplier evaluations through the Sustainable Supplier Code of Conduct, which establishes principles and standards for ethical, social, and environmentally responsible practices. Suppliers are encouraged to align with the following focus areas:

- Resource management and waste reduction
- Renewable energy use
- Pollution prevention
- Climate action
- Biodiversity and ecosystem protection

GRI 13.4.1

Natural ecosystem conversion

In alignment with Forest Stewardship Council (FSC) principles, we maintain a strict policy prohibiting the conversion of natural forests and ensuring the protection of existing natural forest patches. None of our plantations have been established on land cleared of natural forest after 1994, and we do not convert natural forests into plantation use under any circumstances.

While limited crop type changes of up to 5% are permitted within already established agricultural areas, our forest plantations are confined to timber and fuelwood species. In instances where land conversion is unavoidable outside natural forest areas, we ensure that no High Conservation Value Forests (HCVF) are affected and that any potential impacts on surrounding forest patches are minimised.

Ecologically sensitive areas, including marshy lands and ponds within our Forest Management Units (FMUs), are safeguarded through designated buffer zones. These ecosystems are strictly protected from conversion during planting and harvesting operations. In addition, awareness programmes are conducted to reinforce the ecological importance of these habitats among estate staff and surrounding communities.

NATURAL CAPITAL

Limited community access to water bodies is permitted under clearly defined conditions, with strict prohibitions on pollution and activities that may compromise ecological integrity.

GRI 13.23

Traceability and Certifications

We ensure full traceability across our key products. Tea produced in our estates is traceable from factory processing to the final point of sale under Rainforest Alliance (RA) certification requirements. Similarly, our rubber operations are certified under the Forest Stewardship Council (FSC) framework, ensuring responsible sourcing, traceability, and sustainable plantation management practices.

GRI 101-7

Changes to the State of Biodiversity

We monitor ecosystem health through indicators such as soil quality. As part of our sustainability targets, we aim to achieve 3% soil carbon levels by 2030, supporting enhanced soil fertility, carbon sequestration, and ecosystem resilience.

GRI 101-8

Ecosystem Services

We recognise the critical importance of ecosystem services to our operations and communities. Our key focus areas include:

- Enhancing green cover: Target to increase green share/vegetation cover by 10% by 2030, contributing to carbon sequestration and reducing soil erosion
- Integrated Pest Management (IPM): A three-tiered approach:
  - Cultural methods – managing pest risks through crop practices and preventive measures
  - Biological methods – introducing natural predators to control harmful pests
  - Limited chemical interventions – applied as a last resort in a controlled and responsible manner

These initiatives support soil health, biodiversity conservation, climate resilience, and sustainable agricultural productivity.

GRI 101-3

Access and Benefit Sharing

The Group complies with applicable national regulations on access and benefit-sharing related to genetic resources.

No material use of genetic resources requiring formal access and benefit-sharing agreements was identified during the reporting period. Where applicable, the Group engages with relevant authorities and stakeholders to ensure compliance with environmental and biodiversity-related requirements. During the biodiversity surveys conducted in the up country community awareness sessions has conducted on educating the community on coexistence with natural ecosystems.

As part of our environmental and community outreach, we have collaborated with Aitken Spence Travels under the Green Force Initiative to raise awareness and mitigate human-leopard conflict, promoting coexistence and biodiversity conservation in surrounding communities.

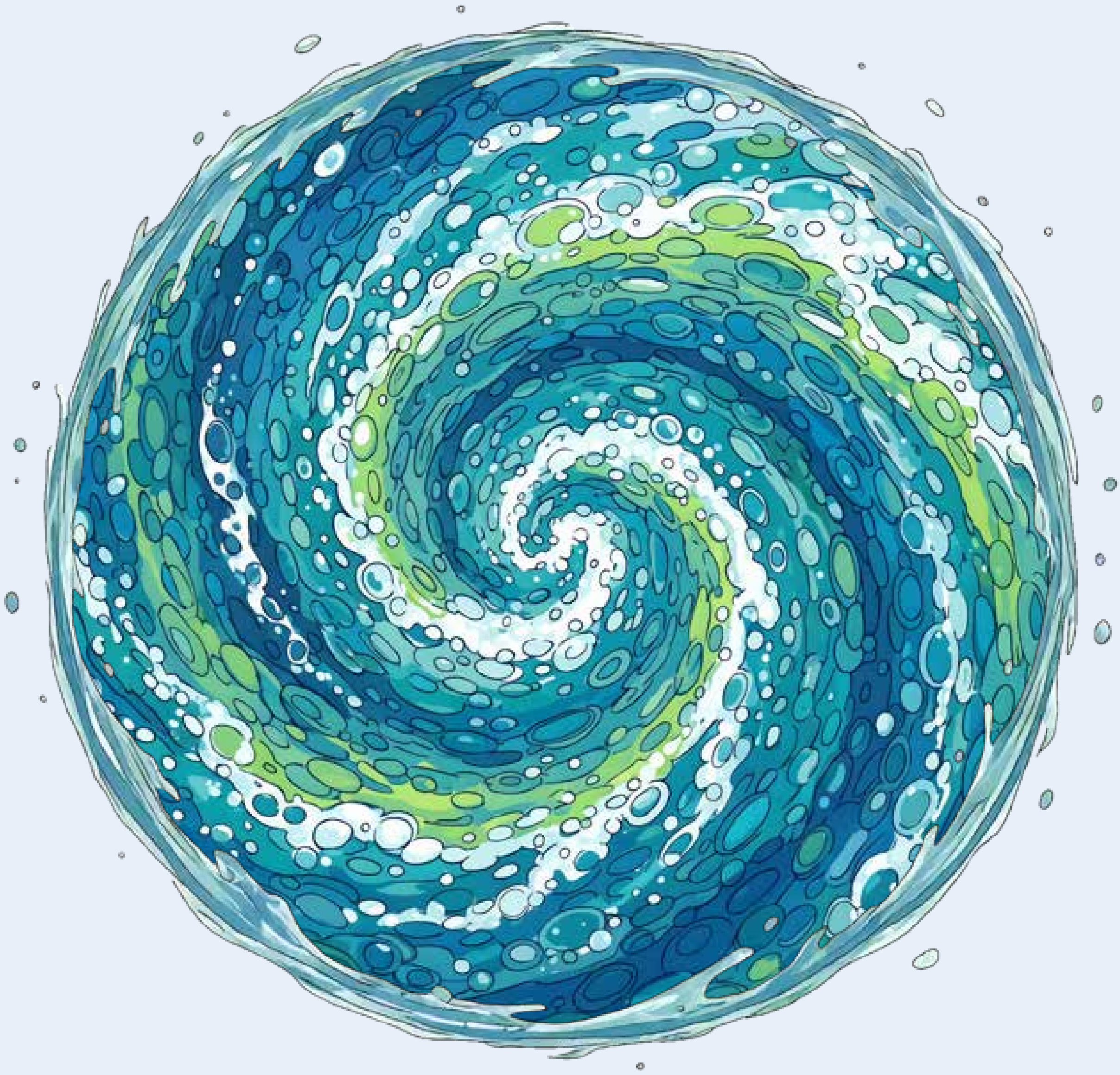
FUTURE FOCUS

Resource efficiency and climate action targets

Action Area	Unit of Measure (UOM)	2025/26	2026/27	2027/28	2028/29	2029/30
Reduction of chemical fertiliser application intensity	% of kg/ha	(6%)	(6%)	(6%)	(6%)	(6%)
Reduction of chemical weed control application	% of Litre/ha	(1.5%)	(1.5%)	(1.5%)	(1.5%)	(1.5%)
Reduction of chemical pest control application	% of Litre/ha	Target achieved; maintaining application at 2.5 l/ha per annum across the period				
Increase in green shade cover	Number of trees planted	10,383	11,529	11,018	10,709	10,336
Renewable energy generation growth	% increase over baseline (kWh)	190%	200%	220%	250%	300%

Notes

- Base year FY 2017/18
- 3%-5% mature tree falloff is considered when increasing green shade cover



BEYOND WHAT WE INFLUENCE

At Elpitiya Plantations, sustainability and climate-related matters are approached through a lens of interconnectedness. Environmental, social, governance, and financial factors do not operate in isolation; each influences and is influenced by the others. Through our Sustainability Related Disclosures, we seek to provide a transparent view of these relationships, enabling stakeholders to better understand how sustainability and climate-related risks and opportunities may affect our strategy, performance, and long-term value creation. By recognising these connections and integrating them into decision-making, we strengthen resilience, enhance accountability, and support sustainable growth for the future.

Ocean eddies are large swirling currents that transport heat, nutrients, and energy across vast distances, linking different parts of the marine environment in a continuous exchange of resources. Though they may form far from shore, their influence extends well beyond their point of origin, redistributing heat and nutrients, shaping marine ecosystems, and demonstrating the interconnected nature of complex natural systems.

INDEPENDENT ASSURANCE REPORT ON THE SLFRS SUSTAINABILITY-RELATED FINANCIAL DISCLOSURES

EY
Building a better working world

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

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

Scope

We have been engaged by Elpitiya Plantations PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Elpitiya Plantations PLC's SLFRS Sustainability-related Financial Disclosures (the "Subject Matter") contained in Elpitiya Plantations PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2026 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Elpitiya Plantations PLC

In preparing the Subject Matter, Elpitiya Plantations PLC applied the Sri Lanka Sustainability Disclosure Standards, SLFRS S1 – General Requirements for Disclosure of Sustainability related Financial Information and SLFRS S2 – Climate-related Disclosures ("Criteria").

Such Criteria were specifically designed for the disclosure of material information on climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity; As a result, the subject matter information may not be suitable for another purpose.

Elpitiya Plantations PLC's responsibilities

Elpitiya Plantations PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (s 3000 (Revised), and the terms of reference for this engagement as agreed with Elpitiya Plantations PLC on 2 June 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies quality management standards, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance

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

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

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with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

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

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

Emphasis of matter

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

Conclusion

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

Restricted Use

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

Ernst + Young

Chartered Accountants

4 June 2026
Colombo

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

01. BASIS OF PREPARATION

01. 1. Reporting Entity, Organisation Boundary and Value Chain

01.1.1. Reporting Entity and Organisation Boundary

The company's 2025/26 sustainability related financial impact report has been prepared for the company (Elpitiya Plantations PLC) and its subsidiaries (together refer as the "the group") and the reporting boundary applied in preparing the SLFRS sustainability-related financial disclosures is consistent with the boundary used for the Group's financial reporting boundary. Elpitiya Plantations PLC ("the Company" or "the Group") is a Sri Lanka–based plantation company principally engaged in the cultivation and processing of tea, rubber and oil palm. In addition to its core plantation operations, the Group has progressively diversified its agricultural portfolio through experimental and early-stage investments in berries, cinnamon, coffee and coconut, undertaken with the objective of enhancing long-term profitability and resilience. The Group has expanded into selected non-plantation sectors as part of its diversification strategy, including renewable energy generation, value-added agricultural products and tourism-related activities. The Group manages approximately 8,800 hectares of land and employs a workforce of over 4,400 employees across its estates, factories and corporate functions.

01.1.2. Value Chain

Refer to the Business model on page 54-55.

01.2. Basis of Materiality

Climate-related matters are considered material where they could reasonably be expected to affect the Group's prospects, including current and future cash flows, access to finance, and cost of capital, in line with the principles of SLFRS S1 and SLFRS S2.

Materiality is evaluated using a dual-lens approach, incorporating both quantitative thresholds and qualitative criteria:

Quantitative Thresholds

Climate-related risks and opportunities are considered quantitatively material where the estimated financial impact exceeds the following thresholds against key financial line items:

Line Item	Margin Band
Profit Before Tax (PBT)	± 5%
Total Assets	± 1%

The group has considered the industry practice and the group's operational context when deriving the quantitative thresholds.

Qualitative Criteria

The following qualitative factors are considered when determining the materiality of climate-related risks and opportunities, irrespective of whether they meet the immediate financial thresholds:

1. Crop impact on revenue-dominance.
2. Level of uncertainty in planning and decision-making due to unpredictable climate conditions.
3. Long-term resilience and sustainability of the Group's business (for opportunities).

01.3. Functional Currency

Sustainability related financial information are reported in Sri Lankan Rupees (LKR). All amounts have been rounded to the nearest thousand, unless otherwise stated.

01.4. Sources of Guidance

Focus	Source / Framework	Application in SLFRS S1 & S2 Disclosures
SLFRS Sustainability Disclosure standards	SLFRS S1 – General Requirements for Disclosure of Sustainability-Related Financial Information	Forms the overarching framework for sustainability-related financial disclosures, including governance, strategy, risk management, and metrics and targets.
	SLFRS S2 – Climate-Related Disclosures	Applied for the identification, assessment, and disclosure of climate-related risks and opportunities, including financial impacts, and climate-related metrics.
Climate Science & Policy References	IPCC Sixth Assessment Report (AR6)	Informed the identification and assessment of physical climate risks (including temperature increase, rainfall variability) and long-term climate projections relevant to plantation operations.
	Sri Lanka Nationally Determined Contribution (NDC 3.0)	Sri Lanka Nationally Determined Contribution (NDC 3.0)
Industry-specific Scientific & Technical Sources	Ceylon Tea - Climatic Requirements (Tea Research Institute, 2020)	Used to define optimal climatic thresholds for tea cultivation and assess deviations contributing to physical climate risks.
	Sri Lanka Tea Industry in Transition:150 Years and Beyond (IPS,2018)	Supported the evaluation of climate sensitivity and long-term impacts on tea productivity.
	Handbook of Rubber (Volume 1): Agronomy (Rubber Research Institute, 2021)	Used to determine climate-related agronomic sensitivities and associated operational risks in rubber cultivation.
	Oil Palm Industry in Sri Lanka: An Economic Analysis (Pathiraja et al., 2023)	Informed the assessment of climate-related risks and economic implications for oil palm operations.

01.5. Reporting Period

Financial Year 2025/26: Commencing 1 April 2025 and ending 31 March 2026.

01.6. Time Horizon

- Short term - 2026/27 - 2027/28 (1-2 Years)
- Medium Term -2028/29 -2029/30 (3-4 years)
- Long term - 2030/31 and beyond (5+ years)

These timeframes are aligned with the Group's strategic priorities, the anticipated progression of sustainability initiatives and the long-term lifespan of assets and investments.

Short Term (1 to 2 years)	Immediate operational adaptation
Medium Term (3 to 4 years)	Business model adaptations
Long Term (5+ years)	Strategic Transformation

01.7. Connected Information

The Group's identified climate-related risks and opportunities are considered material due to their potential influence on operational resilience, long-term strategy, financial performance, cash flows, and enterprise value creation. Accordingly, these matters are integrated across governance, strategy, risk management, performance monitoring and financial planning processes in line with the principles of SLFRS S1 and SLFRS S2.

Connected Area	Acute Physical Risk – Extreme Weather Events	Chronic Physical Risk – Pest & Disease Outbreaks	Climate-Related Opportunity – Industry Diversification
Nature of Connectivity	Increased rainfall intensity, flooding and landslide risks affecting estate operations, infrastructure and crop productivity.	Rising temperature variability and changing climatic conditions increasing pest infestation and disease susceptibility across plantations.	Strategic transition towards diversified and climate-resilient business segments to reduce dependence on climate-sensitive plantation income streams.
Time Horizon	Short to long term	Medium to long term	Short to Long term
Governance Connectivity (Refer to Governance on page 206-208, , Sustainability Committee Report on page 266)	Overseen by the Board and Sustainability Board Review Committee through periodic climate risk reviews, estate-level monitoring, and operational reporting mechanisms.	Overseen through integrated agronomic monitoring systems, operational management structures, and periodic Board-level climate risk reviews.	Overseen by the Board through strategic investment planning, diversification oversight, and long-term capital allocation decisions.
Strategy & Business Model Connectivity (Refer to Strategy on pages 209 to 219)	Adaptation initiatives include climate-resilient infrastructure, drainage enhancement, slope stabilisation, soil conservation, and climate monitoring systems to support operational continuity and protect plantation productivity.	Implementation of Integrated Pest Management (IPM), predictive monitoring, precision agriculture, and biological control mechanisms to preserve crop productivity and crop quality.	Transition from a predominantly plantation-based revenue structure towards diversified revenue streams including renewable energy, controlled-environment horticulture, value-added products, and regenerative tourism initiatives.
Value Chain Connectivity (Refer to S1&S2 Strategy on pages 209 to 219, Business Model on pages 54 to 55)	Impacts upstream agricultural production through crop damage, field inaccessibility, and disruptions to harvesting and transportation activities. Downstream impacts may include reduced production volumes and supply chain interruptions.	Impacts upstream agricultural production through yield deterioration and quality reduction, with downstream implications for tea manufacturing quality, auction prices, and export competitiveness.	Expands the Group's value chain beyond primary agricultural production into energy generation, branded agri-products, and service-oriented business activities, improving revenue diversification, and business resilience.
Risk Management Connectivity (Refer to Risk Management on pages 220 to 224, Risk Management Report on pages 269 to 278)	Integrated into the Group's enterprise risk management framework under environmental risks and monitored through estate-level climate indicators, rainfall tracking, and vulnerability assessments.	Integrated into the enterprise risk management framework through continuous field-level monitoring, infestation tracking, severity assessments, and agronomic intervention protocols.	Incorporated into strategic risk assessments, investment appraisals, and long-term capital allocation planning processes.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Connected Area	Acute Physical Risk – Extreme Weather Events	Chronic Physical Risk – Pest & Disease Outbreaks	Climate-Related Opportunity – Industry Diversification
Metrics & Targets Connectivity (Refer to Metrics & Targets on pages 224 to 229)	Connected to rainfall variability monitoring, adaptation investments, operational disruption indicators, and estate productivity performance metrics.	Connected to infestation frequency, cultivation extent, spraying cycles, agronomic intervention efficiency and crop productivity indicators.	Connected to diversified revenue targets, renewable energy capacity expansion, polytunnel expansion, value-added product revenue, and strategic investment indicators.
Financial Statement Connectivity (Refer to Notes on Financial Statements on pages 295 to 346)	May influence assumptions relating to maintenance expenditure, infrastructure restoration costs, capital expenditure planning, plantation productivity, and future revenue generation.	May influence assumptions relating to crop productivity expectations, operational expenditure associated with pest management activities, and future revenue generation.	May influence assumptions relating to capital allocation, investment financing requirements, diversified revenue generation, and long-term cash flow resilience.
Financial Prospects Connectivity (Refer to Notes on Financial Statements on pages 295 to 346)	Increased exposure to extreme weather events could result in greater earnings volatility, pressure on operating cash flows and increased adaptation-related expenditure over the short to medium term.	Increasing pest and disease pressure could contribute to structural increases in crop protection costs, operational expenditure, and variability in revenue generation.	Diversification initiatives are expected to strengthen earnings resilience, reduce dependency on climate-sensitive crops, and improve long-term revenue stability and cash flow resilience.
Connectivity to Other Corporate Disclosures (Refer to Risk Management Report on pages 269 to 278 and Transformation Strategy on pages 46 to 53)	Connected to the Risk Management Report, operational resilience disclosures, natural capital disclosures, and Management Discussion & Analysis sections. Natural capital on pages 174-198, Management discussion on pages 44-198	Connected to agribusiness strategy disclosures, operational resilience initiatives, enterprise risk management disclosures, and sustainability performance discussions. Risk Management on page 269-278, capital report on pages 96 -198	Connected to the diversification strategy, capital allocation discussions, business model transformation disclosures, and Management Discussion & Analysis sections. Transformation Strategy on page 46-53, Value creation model on page 54-55, Management discussion on page 44-198

01.8. Transitional Relief

In preparing this sustainability-related financial information for the first annual reporting period under SLFRS Sustainability Disclosure Standards, the Group has applied the following transitional reliefs, as permitted under SLFRS S1 and SLFRS S2:

- **SLFRS S1 – Disclosure of information on climate-related risks and opportunities**

In the first annual reporting period in which the Group applies SLFRS S1, the Group has selected to disclose information only on climate-related risks and opportunities, in accordance with SLFRS S2. Accordingly, the requirements of SLFRS S1 have been applied only insofar as they relate to the disclosure of climate-related risks and opportunities.

- **SLFRS S1 – Disclosure of comparative information**
  In accordance with SLFRS S1, the Group has not disclosed comparative information relating to its climate-related risks and opportunities for the reporting period. The Group will progressively introduce comparative information in future reporting periods in line with the transitional provisions of the Standard.

- **SLFRS S2 – Disclosure of Scope 3 greenhouse gas emissions**
  As permitted under SLFRS S2, the Group has disclosed Scope 1 and Scope 2 greenhouse gas emissions for the reporting period. Disclosure of Scope 3 greenhouse gas emissions will be phased in and will become mandatory two years after the initial application of the Standard.

- **SLFRS S2 – Disclosure of qualitative information regarding anticipated climate-related risks and opportunities**
  The Group has applied the transitional relief under SLFRS S2 to defer the disclosure of qualitative information regarding anticipated climate-related risks and opportunities for a period of two years following the mandatory application of the Standard.

- **SLFRS S2 – Climate resilience disclosures**
  In accordance with SLFRS S2, the Group has applied the transitional relief that permits a two-year deferral in fully complying with the requirements relating to climate resilience disclosures, including the use of climate-related scenario analysis to assess resilience.

01.9. Significant Judgements, Uncertainties and Proportionality

01.9.1. Significant Judgements

Area	Significant Judgement Applied
Selection of material CRROs	Management determined that extreme weather events, pest and disease outbreaks and industry diversification represented the most material climate-related risks and opportunities based on their potential influence on plantation productivity, operational continuity, revenue generation, and long-term enterprise value.
Material operational scope	Climate-related assessments were prioritised for tea, rubber and oil palm operations as these segments collectively contribute to approximately 93% of Group revenue and represent the most climate-sensitive components of the business model.
Assessment of acute and chronic physical risks	Judgement was applied in determining that prolonged rainfall variability, flooding, landslides, temperature increases, and changing pest patterns are reasonably expected to have material operational and financial implications for plantation operations.
Determination of optimum climatic thresholds	Management used external scientific literature and industry publications to establish optimum rainfall and temperature ranges for tea, rubber, and oil palm cultivation and assessed deviations from these thresholds as indicators of potential climate-related risk exposure.
Determination of time horizons	Short, medium, and long-term horizons were determined based on crop cycles, estate planning periods, investment horizons, infrastructure lifespan, and expected timing of climate-related impacts.
Assessment of climate-related opportunities	Management applied judgement in determining that renewable energy expansion, controlled-environment berry cultivation, value-added products, and eco-tourism initiatives are expected to improve business resilience and reduce dependency on climate-sensitive agricultural income streams.
Assessment of financial impacts	Judgement was applied in assessing how identified CRROs could influence revenue generation, crop yields, operating costs, capital expenditure requirements, asset utilisation and long-term cash flow resilience.

01.9.2. Uncertainties

Area	Source of Estimation Uncertainty
Future climate patterns	The timing, severity and frequency of future extreme weather events, rainfall variability and temperature changes remain uncertain and may differ from historical climatic trends used in current assessments.
Crop response to climate variability	Actual crop productivity impacts may vary from current assumptions due to differences in estate elevation, soil conditions, microclimates, crop age profiles and agronomic practices.
Regional climate data limitations	Climate assessments were based on data obtained from the nearest Agrometeorological stations within an approximate 40–50 km radius from operational locations. Accordingly, the data may not fully reflect estate-specific microclimatic conditions across all operational areas.
Historical trend analysis	Historical climate and financial performance data were used to assess potential climate-related impacts; however, past trends may not fully represent future climatic conditions or future financial outcomes.
Future financial effects of CRROs	Uncertainty exists regarding the magnitude and timing of future financial impacts associated with climate-related risks and opportunities, including impacts on plantation productivity, operational expenditure, adaptation investments, diversification returns and future revenue composition.
Regulatory and market conditions	Future regulatory developments, land-use policies, renewable energy regulations and market demand conditions may influence the feasibility and financial performance of diversification-related initiatives.

1.10. Statement of Compliance

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

02. GOVERNANCE

This section describes,

- The governance structures and oversight mechanisms established to manage material climate-related risks & opportunities impacting the Group's strategy, operations, and financial prospects.
- The roles of the Board and Management in overseeing climate-related governance, risk management, and strategic decision-making processes.

In line with the SLFRS S1 & S2 Sustainability Disclosure Standard requirements.

02.1. Roles & Responsibility

Board	
The Board of Directors retains overall responsibility for the oversight of sustainability- and climate-related risks and opportunities that may affect the Group's strategy, business model and long-term financial performance. The Board exercises this oversight through its Sustainability Committee and Audit & Risk Committee, while retaining ultimate accountability for sustainability-related outcomes. Sustainability and climate considerations are integrated into Board deliberations on strategic planning, capital allocation, diversification initiatives and risk appetite.	
Board Sub Committees	
Sustainability Committee	**Audit & Risk Committee**
The Sustainability Committee supports the Board in overseeing the Group's sustainability and ESG agenda. The Committee reviews and advocates alignment between the Group's ESG strategy and its overall business strategy, taking into account the operational realities of plantation agriculture and the Group's diversification initiatives. The Committee monitors progress towards approved ESG goals and targets and oversees compliance with applicable global sustainability-related standards and frameworks adopted by the Group. It also reviews sustainability-related risks and opportunities identified across the Group's operations, including those arising from climate variability, regulatory developments and evolving stakeholder expectations, and provides recommendations to the Board on strategic priorities and required management actions. Refer to the Sustainability Committee report on page 266	The Audit & Risk Committee supports the Board in overseeing the effectiveness of the Group's risk management framework, financial reporting processes, internal and external audit functions, and compliance with legal and regulatory requirements. **Key activities during the financial year** • Identification of Environmental Risks as a priority risk in the ERM framework • Integration of Climate related risks into the ERM registry under environmental risk Refer to the Audit & Risk Committee report on page 259

Fully Integrated Governance Mechanism

Management Roles & delegations	
Chief Executive Officer (CEO)	**Chief Sustainability Officer (CSO)**
The CEO provides leadership in integrating sustainability considerations into operational and investment decisions, including diversification initiatives and capital expenditure programs, and reports to the Board on internal operations including material sustainability and climate-related matters.	The Chief Sustainability Officer is responsible for driving the Group's ESG and sustainability strategy and for overseeing the execution of sustainability initiatives across plantation and non-plantation operations. This includes coordinating sustainability-related activities across estates, factories and corporate functions; monitoring progress against approved objectives; and ensuring alignment with applicable sustainability standards, certifications and stakeholder expectations. The CSO provides regular updates to the Sustainability Committee on performance, emerging risks and opportunities, and developments in sustainability-related regulations and best practices.

Implementation & Support Teams			
Sustainability Review Committee	**UN SDG Goal Leaders**	**Plantations & Sustainability Department**	**ESG reporting function**
Supports sustainability committee by reviewing sustainability-related performances and assessing sustainability related risks and opportunities.	Execution of sustainability initiatives aligned with the Group's commitment to achieve its nine designated UN Sustainable Development Goals (SDGs).	Ensure compliance with sustainability-related certifications and monitoring the implementation and performance of sustainability initiatives at the operational level.	A dedicated role established to ensure compliance with sustainability-related reporting standards, while strengthening transparency, accuracy, and credibility of disclosures.

Fully Integrated Governance Mechanism

Refer to the Our Commitment to ESG & Strategy on page 56

GRI 2-17

02.1.1. Skills and Competencies

A voluntary self-assessment survey was undertaken by the three Sustainability Committee members to identify capability gaps and guide future training and awareness initiatives. Complementing this, A brief awareness session conducted for the main board at the Aitken Spence Group level to strengthen sustainability oversight and awareness.

02.1.2. Inform

The Board is informed of sustainability-related risks and opportunities through structured and regular governance processes. The Audit & Risk Committee, which met seven times during the financial year, reviews environmental risks including climate-related risks as part of its quarterly Enterprise Risk Management (ERM) review, including the assessment of internal controls, risk exposures and mitigation actions relevant to climate-sensitive operations.

Refer to the Audit & Risk Committee Report on page 259

In parallel, the Sustainability Committee received updates on progress against ESG goals and targets, including climate-related initiatives and performance during the two committee meetings conducted during the financial year. supported by bi-monthly UN SDG Goal Leader performance reports from sustainability review committee meetings and management submissions. The deliberations and decisions of the Sustainability Committee are formally minuted and tabled at Board meetings, ensuring the full Board is kept informed of emerging climate-related risks and opportunities, progress against targets, and matters requiring strategic or oversight intervention. The sustainability committee convened twice during the financial year.

Refer to the Sustainability Committee report on page 266

02.1.3. Address

The Board addresses sustainability -related risks and opportunities through the sustainability committee considering their implications when reviewing and approving the Group's ESG strategy, business plans, and major investment decisions. The key environmental risks are directed to the main board through the Audit & Risk committee. The Board provides direction to the management on priority areas, approves sustainability-related objectives

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and targets, and ensures alignment between sustainability considerations and the Group's overall strategic objectives directed through the sustainability committee and the recommendations of Audit & Risk committee on Environmental risks.

02.1.4. Monitor

Management monitors sustainability-related risks and opportunities through Sustainability Review Committee meetings, ESG performance reviews and ongoing operational monitoring processes. Progress against ESG goals and targets, implementation of climate-related mitigation actions and emerging environmental risks are reviewed by management and reported to the Sustainability Committee to support the Board's oversight of sustainability-related risks and opportunities. The Audit & Risk Committee also reviews the integration of environmental risks within the Group's enterprise risk management framework through periodic risk assessments and internal control processes.

02.2. Policies and procedures

Aitken Spence Integrated Sustainability Policy

Provide policy guidance on overall business activities and related compliance requirements.

Environmental, Social and Governance sustainability Policy of Elpitiya Plantations PLC

Oversees all ESG-related functions, ensuring strategic alignment across the business and strengthening resilience to identified sustainability-related risks and opportunities.

03. STRATEGY

This section describes,

- Current and anticipated effects of material climate related risks & opportunities that impacts on group's business model, strategy, and financial planning over the short, medium, and long term.
- Group's adaptation strategies for managing material climate related risks & opportunities.

In line with the SLFRS S1 & S2 Sustainability disclosure standard requirements.

Line Item	
S	Short term
M	Medium term
L	Long term

(Refer Time horizon page 203)

03.1. Material Climate related risks

03.1.1. Increase frequency of extreme weather events (Acute Physical Risk)

Time Horizon	S,M,L
Increase frequency of extreme weather events	**Acute Physical Risk**

Estates located in the up- and mid-country regions in the Nuwara Eliya and Kandy districts are vulnerable to high-intensity rainfall events that may trigger crop damage, landslides, soil erosion and infrastructure damage. Meanwhile, estates in the low-country wet zone in the Galle district experience prolonged and above-average rainfall, which may affect crop productivity, field accessibility and agronomic operations. These conditions may result in reduced crop yields, higher estate maintenance and rehabilitation costs, and disruptions to harvesting and transportation activities, potentially reducing operating cash flows and profitability. Increased exposure to physical climate risks may also require additional capital expenditure on climate adaptation measures and could affect lender and investor risk perceptions, potentially influencing the Group's access to finance and cost of capital over the long term.

Current year Effect to Business Model & Value chain	
Impact to business model	**Impact to value chain**
During the financial year, rainfall across several estates significantly exceeded 11-year historical averages, with up-country estates recording nearly 49% above long-term levels and certain low-country estates experiencing exceptionally high rainfall, including monthly deviations exceeding 600 mm above optimal levels.	Upstream supply chains experienced temporary disruption due to road inaccessibility, affecting fertiliser, food, fuel and packaging deliveries. Internally, estate road damage impaired field-to-factory logistics. However, downstream customer deliveries were largely maintained without significant shipment delays. In response, drainage systems were upgraded, soil conservation measures enhanced, and capital allocated towards climate-resilient plant varieties and infrastructure reinforcement. Adaptation budgets have been increased for the forthcoming financial year.

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Although some low-country estates recorded higher total rainfall, the most severe damage occurred in up-country estates due to intense rainfall events, including the Ditwah Cyclone, with steep terrain increasing risks of landslides, soil erosion, and road failures.

High rainfall intensity and prolonged wet conditions adversely affected tea production in up-country and mid-country estates, resulting in estimated annual yield reductions of:

- 12% yield drop in up-country tea operations.
- 15.69% yield drop in mid-country tea operations.

Excessive rainfall caused significant damage to housing, estate roads, and culverts, resulting in repair costs of approximately Rs. 177 Mn, while access constraints led to temporary factory disruptions and reduced labour attendance in six up country and mid country estates.

Refer Statement of Profit or Loss on page 290

No insurance recoveries were recognised in respect of these events. Management assessed the overall financial impact as material to operating performance for the year.

Anticipated effect to Business model & value chain

Elevated rainfall levels may affect crop productivity and quality across tea, rubber and oil palm operations, particularly in low-country estates where prolonged wet conditions can disrupt agronomic practices. In contrast, high-intensity rainfall events in the up-country estates located within the central highlands may increase exposure to landslides, soil erosion and damage to estate infrastructure, including access roads, worker housing and factory facilities. These conditions may disrupt harvesting cycles, field transportation and factory processing activities, potentially affecting supply continuity and operational efficiency.

Concentration

The risk of increasing high rainfall events is geographically distributed across up-country, mid-country and low-country estates; however, risk concentration is most acute in up-country tea operations, where rainfall intensity and terrain vulnerability amplify physical exposure.

Out of the Group's 13 estates, 6 estates located in the up-country and mid-country regions. The remaining seven estates located in the low-country regions experienced high to extremely high annual rainfall levels, which primarily affect crop productivity and the quality of tea, rubber and oil palm, although infrastructure damage risks are comparatively lower due to flatter terrain and lower rainfall intensity.

Although certain low-country estates recorded higher absolute rainfall volumes, the most severe infrastructure damage and production volatility occurred in up-country estates due to:

- High-intensity rainfall episodes,
- Steep gradients increasing landslide susceptibility,
- Soil erosion and water runoff concentration,
- Estate road and housing vulnerability.

Operationally, the risk is concentrated within:

- Field production activities (tea cultivation)
- Estate infrastructure, including roads, culverts and drainage systems.
- Worker housing and staff quarters in high-slope terrain

Secondary exposure exists within:

- Upstream logistics supplying fertiliser, food and fuel.
- Internal transport routes linking fields to factories.
- Downstream exposure remains comparatively limited, as export and customer delivery channels were maintained despite internal disruptions.

Accordingly, while high rainfall is experienced across all climatic zones, the financial and operational concentration of risk is most pronounced within up-country agricultural operations and supporting estate infrastructure.

Refer Our Estates on page 14

Strategies & Decisions Made for Adaptation

1. Adaptive Intelligence

- Hyper-Local Monitoring: Installation of the Agri-Met weather station at Meddecombra Estate. Daily rainfall and monthly wet days tracking across all 13 estates.
- Vulnerability Mapping: Assessments identifying risks to specific assets (crop lands, estate infrastructure, machinery, buildings, worker housing, business operations, data systems and supply chains) and the formal demarcation of landslide-prone areas using NBRO recommendations.
- Early Warning Systems: Integration of meteorological data into operational planning to trigger coordinated.

2. Governance for Adaptation

- Dedicated Response Teams: Establishment of disaster teams across all estates and the Head Office.
- Capacity Building: Planned to conduct quarterly training and simulation exercises for landslides, floods, and fire incidents.
- Strategic Integration: Aligning climate risks directly into the Enterprise Risk Management (ERM) and Sustainability Strategy.

3. Operational Adaptations

- Ecosystem Management: Extensive soil conservation (mulching, contour planting) and carbon enhancement to mitigate degradation from heavy rainfall.
- Varietal Resilience: Introduction of high-yielding, climate-resilient strains of tea, rubber, oil palm, and coffee. agronomic adaptation measures include intercropping initiatives.
- Strategic Diversification: Expanding into 10+ alternative crops (Agarwood, Cinnamon, Berries, etc.) and intercropping 11 Ha of pineapple to spread risk.

4. Asset Handling

- Civil & Structural Protection:
  - Targeted structural hardening of worker housing, estate infrastructure, and data systems based on site-specific vulnerability assessments.
  - Formal demarcation and proactive monitoring of landslide-prone areas to prevent catastrophic damage to buildings and machinery.
- Protected Cultivation (Micro-Climate Control):
  - Operation of 53 polytunnels including the 13 polytunnels installed during the year group-wide to eliminate rainfall-related crop damage for sensitive varieties targeting to expand up to 100 polytunnels by 2030.

Refer Strategy section for more information.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Resource planning for adaptation and progress

Focus	Resources Deployed	Operational Actions	Measured Outcome / Impact
1. Climate-Resilient Infrastructure	- Drainage, terracing, contouring and slope stabilisation across high-risk upcountry estates - Transition from reactive maintenance to preventive maintenance	- Upgrading estate drainage networks - Contour-based land shaping and reinforced terracing - Slope stabilisation in landslide-prone area	- Reduction in exposure to soil erosion, waterlogging and landslides across identified high-risk zones - Protection of tea cultivation areas in climate-vulnerable estates
2. Agronomy & Soil Management	- 34,559 shade trees are maintaining. - 79 rainwater harvesting ponds are maintaining. - Full ground cover using leguminous species across tea lands - Intercropping with pineapple cultivation currently integrated within plantation systems, while diversified crop cultivation has expanded at Dunsinane Estate and New Peacock Estate.	- Shade tree management to regulate microclimate - Soil conditioning (low-till practices) - Mulching, contour planting and erosion control - Moisture retention and runoff control - 11 hectares of pineapple cultivation, diversified crop cultivation has expanded to 19.52 hectares at Dunsinane Estate and 2.86 hectares at New Peacock Estate. - Recent polytunnels expansion includes 13 new 1,000m^2 tunnels installed during FY 2025/26 to scale horticultural resilience	- Improved root stability and soil structure under high rainfall conditions - Enhanced moisture regulation and reduced runoff - Sustained tea productivity despite increased rainfall intensity - Obtaining revenue resilience via climate resilient crops and agronomic practices.
3. Monitoring & Early Warning Systems	- 01 Agri-Met station (Meddecombra Estate) - Rainfall tracking across 100% of estates (13/13) monitoring cycles per estate	- Monthly rainfall and wet-day monitoring - Hyper-local climate data integration into estate planning - Data-driven scheduling of fertiliser, harvesting and maintenance	- 100% estate-level climate monitoring coverage - Improved timeliness of operational decisions (monthly cycle) - Reduced climate-related disruptions to field operations
4. Institutional Capacity & Response Systems	- DRR teams across 13 estates + Head Office (14 units) - Quarterly simulations - Recruited 9 technical experts (5 agronomists + 4 specialists)	- Estate-level disaster preparedness and response planning - Planning quarterly simulation exercises for landslides - Technical advisory on agronomy and soil resilience	- Full estate coverage (100%) for disaster preparedness - Expecting to enhance response readiness validated through planned annual simulations - Strengthened technical decision-making across field operations

*Refer Natural Capital section on page 174

Financial Effect

Current year financial effect

During the year, the Group experienced the effects of Cyclone Ditwah, which resulted in expenditure of approximately Rs. 177 Mn relating primarily to the repair and restoration of housing, estate road infrastructure and culverts. These impacts have been recognised in the financial statements for the year under review.

While extreme weather events also affect crop yields, production volumes, revenue and profitability, the management is unable to reliably quantify these impacts in isolation. Agricultural production is influenced by a wide range of interrelated factors, including rainfall distribution, temperature patterns, sunshine hours, pest and disease incidence, crop cycles, elevation-specific growing conditions, labour availability, field productivity initiatives and agricultural input usage. Accordingly, it is not possible to determine with sufficient reliability the extent to which changes in yield, revenue, or profitability are attributable solely to climate-related weather events.

Significant risk of material adjustments to carrying value of assets and liabilities

No risk of material adjustments to carry value of assets and liabilities for the next financial reporting period.

Anticipated financial effect.

Refer transitional relief on page 204

Climate resilience

Refer transitional relief on page 204

Significant Judgements & uncertainties

Refer Judgements & Uncertainties on page 205

03.1.2. Pest & Disease Outbreaks

Time Horizon	M,L
Pest & Disease Outbreaks	Chronic Physical Risk

Rising temperatures and shifting humidity patterns create favourable conditions for pest and pathogen proliferation, threatening both crop yield and quality. Tea is increasingly vulnerable to blister blight, tea tortrices, nettle grub and mite infestations; rubber faces risks from Pestalotiopsis; oil palm is exposed to fruit rot and algae formation; while berries are prone to grey mold, anthracnose, and root rots. These outbreaks may result in reduced crop yields, deterioration in product quality and increased crop protection and agronomic management costs, potentially affecting the Group's operating cash flows and profitability. In addition, increasing climate-related biological risks may require higher ongoing investment in monitoring, pest control and adaptive agricultural practices, while potentially influencing lender and investor assessments relating to operational resilience, access to finance and the Group's cost of capital over the long term.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Current year effect to Business Model & Value chain

Current year effect to Business model & value chain

We have not experienced a material Impact to the business model and value chain on the event of Pest & disease outbreaks throughout this financial year.

Anticipated effect to Business model and Value chain

Changing climatic conditions are expected to increase pest reproduction cycles and geographic spread, resulting in more frequent and intense infestations across both upcountry and mid-country tea estates. As a result, the group anticipates a structural increase in crop protection costs, driven by higher frequency of spraying cycles, increased dosage requirements and the need for integrated pest management interventions.

From an operational perspective, pest and disease pressure is expected to cause:

- Yield losses due to tea leaf damage, defoliation and reduced photosynthetic capacity, directly lowering green leaf intake.
- Quality deterioration, particularly affecting made tea parameters such as leaf appearance, liquor brightness and flavour profile, which are critical for export grading.
- Increased variability in harvest cycles, disrupting plucking rounds and labour productivity.

These impacts are expected to directly affect the group's primary production stage, with downstream consequences across the value chain. Lower quality inputs to factories may result in reduced made tea grades and lower auction prices, while inconsistent supply volumes may impact the group's ability to meet forward sales commitment.

The decline in the natural rubber industry in parts of Asia, driven by fungal diseases such as Pestalotiopsis the leaf fall disease, demonstrates how widespread plant disease outbreaks can lead to sustained yield reductions, premature defoliation and long-term weakening of crop systems. In affected regions, this has resulted in significant drops in latex yields, increased replanting cycles and, in some cases, the abandonment of rubber cultivation due to economic unviability.

Concentration

It has been anticipated that the rubber plantations in the low country region may have a material impact due to leaf fall disease, where it acts as a key influential factor on the strategic phasing off the crop. It is also anticipated that blister blights may create a material impact on tea plantations in upcountry region and low country regions.

Refer Our Estates on page 14

Strategies & Decisions Made for Adaptation

1. Adaptive Intelligence

- Pest and disease risks are monitored across 100% of estates through continuous field-level observations conducted by trained personnel.
- Field staff are regularly trained to identify early signs of infestations, strengthening early detection capability.
- Observations are systematically recorded, and once identified, affected areas are clearly marked and categorised based on severity using a flagging system .
- This enables plot-level demarcation and early-stage risk identification, supporting timely and targeted intervention decisions.

2. Governance for Adaptation

- The Group has implemented an Integrated Pest Management (IPM) approach to address the increasing risk of pest and disease outbreaks.
- This approach combines cultural, biological and chemical control methods, applied based on the level and spread of the infestation..
- Chemical treatments are used only where required and in controlled quantities, in line with recommended agronomic practices, safety standards and technological integration such as precision agriculture.

3. Operational Adaptations
• Preventive interventions include shade management, removal of pest egg masses, and application of traditional deterrent methods, reducing pest breeding conditions at source. • Biological control mechanisms are utilised to maintain natural predator–pest balance, minimising chemical dependency. • Upon detection, targeted treatment is applied only to affected and demarcated plots, supported by precision agriculture techniques for foliar application. • This approach ensures optimised input use, improved treatment efficiency and reduced environmental impact.
4. Asset Handling
• Infested areas are isolated through a structured flagging and zoning system, preventing cross-infestation to healthy cultivation zones. • Targeted interventions protect productive tea lands, reducing potential yield losses and preserving long-term soil and ecosystem health. • The combined IPM approach enhances biological asset resilience, ensuring continuity of operations under increasing pest and disease pressures linked to climate variability.

Refer Strategy section for more information.

Resource planning for adaptation and progress Resource planning for adaptation and progress

Focus	Resources Deployed	Operational Actions	Measured Outcome / Impact
1. Agronomic practices	- Technical resourcing capability enabled through R&D integration - Access to research-based agronomic interventions via 50% operational control of Ceylon Agri Food Technologies Pvt Ltd	- Integration of precision agriculture practices for foliar application of pesticides - Application limited to selected/ demarcated plots based on research inputs	- Improved targeting of pesticide application - Reduced unnecessary chemical usage through plot-level intervention
2. Monitoring & Early Warning Systems	- Regular training of field staff on identification of pests & diseases.	- Identification of selected/ demarcated plots for intervention based on research inputs	- Enhanced ability to identify and prioritise affected areas for treatment
3. Institutional Capacity & Response Systems	- 50% operational control of Ceylon Agri Food Technologies Pvt Ltd providing research and technical capability	- Utilisation of research-based interventions to support decision-making - Strengthening technical capability for precision-based pest management	- Enhanced technical capacity for climate-related pest management - Improved decision-making through R&D-backed interventions

*Refer Intellectual Capital section for more information

Financial Effect

Current year Financial Effects

We have not experienced a material impact due to the pest & disease outbreak throughout this financial year.

Significant risk of material adjustments to carrying value of assets and liabilities

No risk of material adjustments to carry value of assets and liabilities for the next financial reporting period.

Anticipated financial effect.

Refer transitional relief on page 204

Climate resilience

Refer transitional relief on page 204

Significant Judgments & uncertainties

Refer Judgements & uncertainties on page 205

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

03.2. Material Climate related opportunity

03.2.1. Industry Diversification

Time Horizon	S,M,L
Industry Diversification	

The Group is pursuing industry diversification to capitalise on climate-related opportunities arising from its operations across diverse agro-climatic regions in the up-country, mid-country and low-country plantation zones. These climatic conditions support the development of high-value horticulture crops, while also enabling the expansion of value-added agricultural products, renewable energy generation and potential eco-tourism initiatives. By leveraging favourable agro-climatic conditions and investing in agricultural technology and crop diversification, the Group aims to strengthen revenue resilience, reduce dependence on traditional plantation commodities and create climate-aligned income streams across its value chain. These initiatives are expected to support more stable and diversified cash flows, improve long-term earnings resilience and reduce exposure to climate-sensitive commodity revenue fluctuations. In addition, the expansion of renewable energy and climate-resilient business segments may strengthen the Group's sustainability profile and potentially enhance access to finance and long-term funding opportunities linked to sustainability and climate-related investments.

Current Year Effect to Business Model and Value Chain

Impact to business model

The Group has commenced the diversification of its traditionally plantation-based business model through the development of

- high-value horticulture
- value-added product segments
- renewable energy generation.

Horticulture cultivation has been introduced on selected marginal or underutilised plantation lands, broadening the agricultural production base beyond conventional tea and oil palm operations. The expansion into value-added products has extended the group's value chain into downstream product development and branded market segments through third-party processing partnerships. In addition, the establishment of renewable energy projects, including solar and mini-hydro installations with electricity exported to the national grid, has introduced an energy generation component to the operating portfolio.

Impact to value chain

These initiatives represent an early-stage evolution of the group's value chain from a predominantly primary commodity producer to a more diversified agribusiness platform incorporating specialised crop cultivation, product innovation and renewable energy generation, thereby strengthening long-term operational resilience and reducing reliance on climate-sensitive plantation crops.

Anticipated Effect to Business Model & Value Chain

Over the medium term, the Group's diversification strategy is expected to materially reshape its business model from a predominantly plantation-based revenue structure towards a more diversified portfolio of climate-resilient and value-added businesses.

In response to declining yields and increasing climate-related pressures affecting rubber cultivation, the Group plans to progressively rationalise underperforming rubber assets and reallocate land towards more climate-resilient and economically viable crops such as tea and oil palm, subject to regulatory approvals. This transition is expected to optimise land productivity and improve long-term revenue stability, while reducing exposure to climate-sensitive, low-yield segments within the agricultural value chain.

The expansion of controlled-environment berry cultivation through polytunnel agriculture represents a shift from traditional open-field farming to technology-enabled, climate-controlled production systems. Increasing polytunnel capacity up to 100 units by FY 2029/30, alongside the introduction of new berry varieties, is expected to enhance yield consistency, improve product quality and enable higher-margin output, thereby strengthening the Group's upstream agricultural value chain.

In parallel, the development of approximately 49 MW of solar capacity, complemented by existing mini-hydro operations, will expand the Group's presence in the renewable energy sector. This initiative is expected to diversify income streams beyond agriculture, generating stable, contracted revenue from electricity supplied to the national grid and reducing overall earnings volatility associated with climate-sensitive plantation operations.

Downstream, the expansion of value-added berry-based products through third-party processing arrangements and strengthened distribution channels is expected to enhance value capture across the supply chain, transitioning the Group from a primary producer to a branded agri-products participant. Potential regenerative tourism developments in the Dunsinane Valley further extend the value chain into service-based revenue streams, leveraging natural assets to generate additional income.

Collectively, these initiatives are expected to increase diversified revenue streams to approximately LKR 6.3 billion by FY 2029/30, representing around 30% of total Group revenue. The shift towards higher-margin, less climate-sensitive business segments is anticipated to improve earnings resilience, reduce revenue volatility and enhance long-term cash flow stability.

However, the transition will require significant upfront capital investment, particularly in renewable energy infrastructure, polytunnel expansion and land conversion, which may impact short- to medium-term cash flows. Over time, the establishment of stable, contracted and value-added revenue streams is expected to support stronger operating margins and a more balanced risk-return profile, potentially enhancing the Group's access to finance and cost of capital as exposure to climate-related risks is progressively mitigated.

Concentration

The diversification opportunity is primarily concentrated within selected plantation estates where underperforming or climate-sensitive, especially rubber areas are being progressively rationalised and repurposed for alternative uses. High-value horticulture initiatives are currently concentrated in Upcountry and Mid-country estates suitable for controlled-environment berry cultivation, while renewable energy developments are focused on estate locations identified for solar installations and existing mini-hydro sites in the Upcountry region.
The value-added products segment is concentrated within downstream product development and market channels supported through third-party processing partnerships. In addition, selected locations such as Dunsinane Valley are being explored for eco-tourism potential, leveraging the natural landscape and estate environment to support emerging diversification opportunities.

Refer Our Estates on page 14

Strategies & Decisions Made for Adaptation

1. Adaptive Intelligence

- The Group identified declining productivity and long-term viability risks in rubber operations driven by climate variability and economic pressures, triggering the need for diversification.
- Estate-level assessments are used to evaluate crop suitability under changing rainfall patterns, forming the basis for land-use and portfolio decisions.
- Climate-related inputs are integrated into land utilisation planning and investment screening, specifically to identify underperforming rubber areas for rationalisation.
- Based on these assessments, three priority diversification segments were defined: controlled-environment horticulture, renewable energy and value-added consumer products.

2. Opportunity governance

- Diversification is implemented over a defined planning horizon (FY2025/26–FY2029/30) under a structured investment framework.
- A centralised Transformation/Target Management Office (TMO) oversees execution, tracking progress against approved targets, timelines and capital allocation plans.
- Performance is monitored against defined outcomes, including LKR 6.3 billion revenue generation and 30% contribution from diversified segments.
- Investment decisions are directed towards reducing exposure to climate-sensitive crops and reallocating capital into selected diversification segments.

3. Operational Adaptations
• Controlled-environment horticulture is being operationalised through the expansion of strawberry cultivation capacity from 40 to 100 polytunnel units, with additional berry varieties introduced to enhance product range. • Renewable energy operations are being scaled to achieve approximately 49 MW of installed solar capacity, while existing mini-hydro operations continue supplying electricity to the national grid. • The value-added product segment is being developed through branded berry-based products, supported by third-party processing arrangements and strengthened distribution channels. • These operational initiatives collectively support the transition from commodity-based plantation operations to integrated, higher-value business segments.
4. Asset Handling
• Underperforming rubber lands are being progressively rationalised and repurposed for horticulture, renewable energy or other diversification projects, based on estate-level suitability assessments. • Existing land and plantation infrastructure are being reallocated to support new business segments, ensuring improved utilisation of available resources. • Asset deployment decisions are aligned to reduce concentration risk in climate-sensitive crops and increase exposure to diversified income streams. • This structured reallocation of assets supports the transition from a single-commodity plantation model to a diversified agribusiness platform.

Refer ESG Strategy section on page 56

Resource planning for adaptation and progress

Focus	Resources Deployed	Operational Actions	Measured Outcome / Impact
1. Renewable Energy Business Expansion	• Dedicated renewable energy subsidiary • Internally generated funds, external financing, and strategic partnerships • Estate land bank for solar deployment	• Establishment of a wholly owned subsidiary to develop and operate solar & hydro power projects • Initiation of solar project pipeline leveraging plantation land • Engagement with industry partners for project development	• 78Mn LKR revenue earned from RE business Refer Natural capital (Energy management) for more information.
2. High-Value Horticulture & Crop Diversification	• Capital investment in polytunnel infrastructure • Land allocation across estates • R&D support through Ceylon Agro Food Technologies (Pvt) Ltd	• Establishment of 21.38 ha of berry cultivation (Dunsinane & New Peacock) • Installation of 53 poly-tunnels (including 13 new units in FY) • Introduction of 4 new strawberry varieties under R&D • Expansion into locally grown blueberries, blackberries, and raspberries	• 712 Mn LKR revenue earned from berry project

Focus	Resources Deployed	Operational Actions	Measured Outcome / Impact
3. Value-Added Product Development	• Investment in product innovation and processing capabilities • Technical expertise via research partnerships • Organisational capacity for product development	• Introduction of 3 new value-added products during the year • Integration of research-driven innovation for product enhancement – Two berry jam Refer intellectual capital for more information. • Development of processing and market-ready product lines	• 45 Mn LKR revenue earned from value added products.
4. Strategic Partnerships & New Business Ventures (Regenerative-tourism & Innovation)	• Strategic partnerships with industry participants • External expert consultation for feasibility assessments	• Engagement of technical consultants to assess eco-tourism opportunities (concept stage)	• Pipeline development of future revenue streams beyond agriculture • Long-term business model resilience through diversified portfolio

Financial Effects

The following table presents the revenue and profit contributions derived from the Company's industry diversification initiatives. These diversified business segments include high-value horticulture, renewable energy, and value-added products. The revenue and profit figures disclosed below are already incorporated into the audited financial statements included in this Annual Report (refer pages 290 to 346)

Current year impact on income statement (P&L)

These current year impacts are derived from the diversified business segment including high-value horticulture, renewable energy, and value-added products

2025/26 FY	LKR
Total gross turnover	757 Mn
Gross Profit	(338 Mn)
Other income	78 Mn
Profit before tax	285 Mn

Refer Statement of Profit or Loss on page 290

Current year impact on financial position (Balance sheet)

2025/26 FY	LKR
Retained earnings	199 Mn

Refer Statement of Financial Position on page 292

Current year impact on cash flow

No material financial impacts during the financial year

Significant risk of material adjustments to carrying value of assets and liabilities

No risk of material adjustments to carry value of assets and liabilities for the next financial reporting period.

Anticipated financial effect

Refer transitional relief on page 204

Climate resilience

Refer transitional relief on page 204

Significant Judgments & uncertainties

Refer Judgements and uncertainties on page 205

04. RISK MANAGEMENT

This section describes,

- The process to identify, assess, priorities and monitor material climate related risks & opportunities.
- The overall climate risk integration to the overall enterprise risk management framework.

Inlining with the SLFRS S1 & S2 Sustainability disclosure standard requirements.

04.1. Processes and Policies Relating to Climate-related Risks

04.1.1. Identification

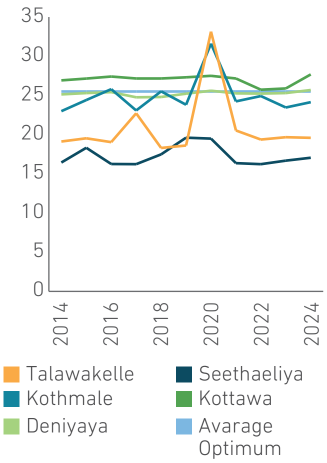
04.1.1.1. Inputs and Parameters

Background Analysis

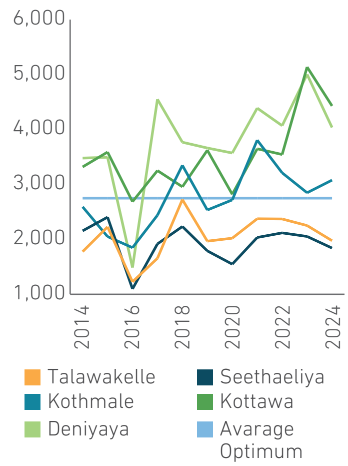
01. Historical climate patterns

Verified historical climate data sourced from the Department of Meteorology, Sri Lanka, including 11 year trends in rainfall variability and, temperature fluctuations.

11 Year Regional Temperature Pattern



11 Year Regional Rainfall Pattern



Refer Uncertainties on page 205

02. Operational and agronomic exposure

- Crop yield deviations against historical averages.
- Pest and disease outbreak frequency (number of cycles per annum)
- Seasonal productivity variations across tea and oil palm estates
- Assets exposure: covering biological assets, estate infrastructure, and field operations across different agro-climatic zones.
- Supply chain exposure: fertiliser availability, price volatility, and lead-time disruptions linked to climate-related global events.

03. Vulnerability assessment

evaluating exposure across:

- Biological assets (crop sensitivity to climatic variability)
- Field operations (harvesting disruptions, input application constraints)
- Supply chain continuity
- Estate infrastructure and machinery
- Workforce and estate communities

Refer Risk assessment on page 221

04. Crop-specific climatic thresholds

crop-specific climatic thresholds are used to identify deviations from optimal growing conditions:

2025/26 FY	Unit	Tea	Rubber	Oil Palm
Rainfall	mm	2,500-3,000	2,000 - 3,000	2,500-3,000
Temperature	^{0}C	18-25	27.8	22-33

Reference: Ceylon Tea, Climatic Requirements: Tea Research Institute, 2020, Climate Change and Its Implications on the Tea Industry in Sri Lanka: IPS Sri Lanka 2018, Handbook of Rubber (Volume 1) - Agronomy- Rubber Research Institute, 2021, Oil Palm Industry in Sri Lanka: An Economic Analysis (Pathiraja et al, 2023) (IPS, Sri Lanka)

Refer sources of guidance on Pg: 202

Deviations beyond these thresholds are treated as early indicators of climate-related risk exposure, particularly for yield and pest/disease sensitivity.

Refer Judgements on page 202

04.1.2. Risk Assessment

Identified Risk	Nature	Vulnerability Level							Likelihood	Severity
		Inventory	Equipment	Building	People	Data	Business Activity	Supply Chain		
Increase Frequency of Extreme Weather Events	Acute physical risk	High	Low	Low	Low	Low	High	High	5	2.86
Pests & Disease Outbreaks	Chronic physical risk	High	Negligible	Negligible	Moderate	Negligible	High	High	5	2.29
Higher material cost due to global climate related supply chain disruptions:	Acute physical risk	Moderate	High	Low	Negligible	Negligible	High	Very High	4	2.86

Refer strategy section on page 209 and refer risk scoring system below.

SLFRS SUSTAINABILITY RELATED FINANCIAL DISCLOSURES

Risk Scoring

Likelihood

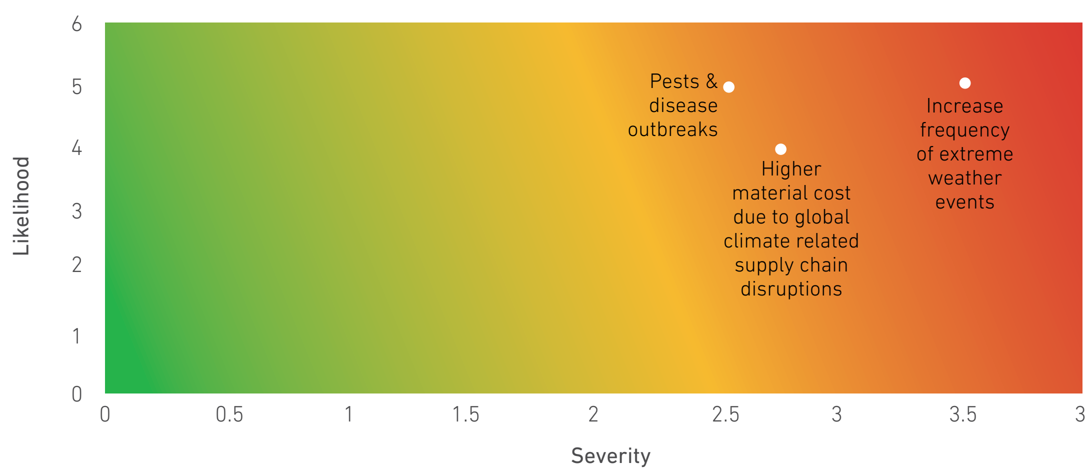
Very High	5	5	10	15	20	25
High	4	4	8	12	16	20
Moderate	3	3	6	9	12t	15
Low	2	2	4	6	8	10
Negligible or N/A	1	1	2	3	4	5
		1	2	3	4	5
		Negligible/ Insignificant or no impact	Low/ Minor impact	Moderate	High/ Major impact	Very High/ extreme impact

Severity

The Group evaluates risk magnitude and exposure through its vulnerability assessment, combining likelihood and severity scores across key operational dimensions.

Risk scores are aggregated and mapped using a heat map, enabling prioritisation based on combined impact and probability.

Climate related risks



04.1.3. Prioritisation

Climate-related risks are prioritised using a risk heat map approach, where:

- Risks with high likelihood and high severity are classified as critical risks
- Risks with moderate scores are monitored and managed through operational controls

Climate-related risks are assessed alongside other enterprise risks, with prioritisation based on:

- Financial impact potential
- Operational disruption
- Strategic relevance to long-term business resilience

High-priority climate risks are escalated to Group-level risk registers and integrated into strategic planning processes.

04.1.4. Monitoring

The Group monitors climate-related and other material risks through its Enterprise Risk Management (ERM) framework, which serves as the primary mechanism for risk tracking, review, and escalation.

At the operational level, estate management and relevant functional heads monitor risk indicators on an ongoing basis. For climate-related risks, this includes:

- Rainfall patterns and deviations from historical norms
- Temperature variations and dry periods
- Incidence of pest and disease outbreaks
- Crop yield performance against expected levels

These indicators are reviewed regularly against internal benchmarks and historical trends, and any significant deviations are reported to the central risk management function.

At the Group level, all identified risks are recorded and maintained in a formal Risk Register under the ERM process. Each risk is:

- Assessed based on likelihood and potential operational/financial impact
- Assigned a risk rating using the Group's standard risk assessment criteria
- Linked to defined mitigation actions and responsible owners

Climate-related risks, including pest and disease outbreaks and weather variability, are explicitly incorporated into this register and monitored alongside other principal risks.

The Risk Management and Sustainability functions jointly review the risk register periodically to ensure:

- Accuracy of risk assessments
- Progress of mitigation actions
- Consistency of risk reporting across estates and business units

At the Board level, material risks are reviewed through the Board Risk Committee / Sustainability Board Review Committee at defined intervals. This includes:

- Review of changes in risk ratings
- Evaluation of the effectiveness of mitigation measures
- Direction on additional actions where risk exposure remains high

Monitoring outcomes are used to support:

- Operational decision-making at estate level
- Resource allocation for risk mitigation (e.g., pest control, agronomic interventions, R&D support)
- Ongoing refinement of risk management actions

This ERM-based monitoring process ensures that climate-related risks are continuously tracked, formally assessed, and escalated through defined governance structures, with clear accountability at both operational and Board levels.

04.1.5. Changes in the Process

During the reporting period, the Group strengthened its climate risk management processes through:

- Establishment of Disaster Risk Reduction (DRR) teams across all operational units.
- Formation of a central DRR Committee, responsible for consolidating risk insights, reviewing exposure, and recommending risk mitigation strategies to management
- Enhanced integration of climate risk assessments into the ERM framework, improving real-time identification and response to emerging risks
- Alignment with group's transformation strategy.

04.2. Processes Relating to Climate-related Opportunities.

The Group identifies and assesses climate-related opportunities through its sustainability governance processes and the transformation strategy. During the year, the Sustainability Committee, together with senior management, evaluated the potential impacts of changing climatic conditions, evolving market dynamics and emerging sustainability-related trends on the Group's business model and long-term growth prospects.

Through this process, Industry Diversification was identified as one of the Group's climate-related opportunities. Aligned with the Group's strategic transition from a traditional regional plantation company towards a more diversified and climate-resilient business model Industry Diversification was identified as the material climate related opportunity. The assessment considered the Group's operational presence across diverse agro-climatic regions, existing land resources, climate suitability for alternative crops and the long-term resilience of different revenue streams under changing climate conditions.

The Group assessed climate-related opportunities based on factors such as potential contribution to long-term revenue diversification, operational resilience, alignment with sustainability objectives, investment feasibility and anticipated financial impacts. As part of this assessment, management considered how changing climatic conditions may influence the long-term viability and profitability of traditional plantation operations and alternative business segments.

Accordingly, the Group prioritised strategic investments in:

- High-value horticulture
- Value-added agricultural products
- Renewable energy generation
- Regenerative tourism initiatives

Refer strategy section on page 209 and Our transformation strategy on page 46

04.3. Integration to Overall Enterprise Risk Management Framework

The climate related risks are identified under the environmental risk in the Enterprise Risk Management Framework. The ERM framework is presented at the Audit and Risk committee ensuring the board oversight on identified environmental risks.

Refer governance section on page 206 and Monitoring on page 208

05. METRICS & TARGETS

This section outlines:

- The Group's performance against the metrics used to assess climate-related risks and opportunities
- Disclosure of Scope 1, Scope 2, and, where applicable, Scope 3 greenhouse gas (GHG) emissions
- The Group's performance against the targets established to manage climate-related risks and opportunities

These disclosures are aligned with the requirements of SLFRS S1 and S2 Sustainability Disclosure Standards.

05.1. Greenhouse Gas Emissions

The Group quantifies its absolute Scope 1 and Scope 2 greenhouse gas GHG emissions in accordance with the GHG protocol and ISO14064-1: 2018 standard, and reports them in line with the disclosure requirements of SLFRS S1 and S2. For Scope 3 emissions, please refer to the transitional relief provided on page 204.

The Organisational boundaries were set with reference to the methodology described in the GHG Protocol and ISO14064-1: 2018 standard. The organisational boundary includes all operations owned or controlled by Elpitiya Plantations PLC. The Group has adopted the operational control approach, where it accounts for all quantified GHG emissions and/or removals from facilities under its operational control, while excluding emissions from operations in which it holds an interest but does not exercise control. For details on operational boundary, please refer to the Scope and Boundary section on page 202.

Summary of GHG Emissions

Scope	2025/26 (tCO_2e)
Scope 1	6,540.12
Scope 2	1472.46
Total	**8,012.58**

	Greenhouse gas emissions		tCO_2e
Scope	**Scope 1**	**Scope 2**	**Total**
Consolidated accounting group - Elpitiya Plantations PLC	6,527.95	1469.40	7997.34
Other investee	12.18	3.06	15.24
Total (Group)	**6,540.12**	**1472.46**	**8,012.58**

04.1.1. Key Assumptions and Sources of GHG Measurement

Scope	Emission Sub-category	Activity	Data Source	Emission Factor	Source of GWP Values
Scope 1	Emissions from Fertiliser	Nitrogenic chemical fertiliser application	Inventory valuation records	IPCC default emission factors	IPCC AR6
Scope 1	Stationary combustion	Fuel combustion in processing factories	Fuel purchase invoices, generator logbooks	IPCC default emission factors	IPCC AR6
Scope 1	Mobile combustion	Diesel & Petrol use in company-owned vehicles, estate machinery and tractors	Fuel issue registers, Inventory valuation records	IPCC default emission factors	IPCC AR6
Scope 1	Process combustion	NA	NA	NA	NA
Scope 1	Fugitive emissions	CO2 emissions from fire extinguishers	Maintenance and service records	IPCC default factors for refrigerants	IPCC AR6
Scope 2	Electricity consumption	Grid electricity used in operations	Utility bills and meter readings	National grid emission factor	NA

05.2. Climate-related transition risks
During the financial year, the Group has not identified any material climate-related transition risks that are expected to have a significant impact on its financial position, financial performance, or cash flows in the short, medium, or long term.

05.3. Climate-related physical risks
The materiality of these risks has been evaluated across the Group's key agribusiness segments, particularly tea and oil palm plantations, which represent 50.21% of total assets. Refer Risk Management on pages 220-223.

05.4. Climate-related opportunities
The Group has identified its climate-related opportunity arising from its long-term strategic transformation agenda. These opportunities are primarily associated with the diversification of its business portfolio, including investments in renewable energy, high-value horticulture, and value-added agricultural products. Diversified business segments accounts for 9% of the Total revenue for the current reporting period (Refer to Metrics & Targets section page 226)

The Group's strategic direction anticipates that diversified business segments will contribute approximately 30% of total revenue in the long term, reflecting its transition towards more climate-resilient and sustainable growth pathways. Refer Risk Management on page 220.

05.5. Capital Deployment
Capital deployment relating to climate-related physical risk adaptation is addressed within the Strategy section, which outlines the Group's current-year capital and resource allocation decisions as well as planned investments supporting long-term business transformation. This includes investment towards diversification into renewable energy, high-value horticulture, and value-added product segments, which are expected to enhance the Group's resilience and support anticipated revenue diversification. Refer Strategy section on page 209. Refer to 'Our Transformational Strategy- "Transformation 2030" on Page 51.

05.6. Internal carbon pricing
The Group is currently reviewing the potential application of an internal carbon pricing mechanism as part of its broader climate-related financial planning and transition considerations. However, no internal carbon pricing system has been implemented to date.

05.7. Remuneration
Elpitiya Plantations PLC is currently reviewing its remuneration policies with the objective of incorporating sustainability- and climate-related performance metrics. The proposed framework aims to ensure that performance against these metrics has a meaningful influence on evaluations and remuneration outcomes for governing bodies, thereby strengthening alignment between individual incentives and the Company's broader sustainability and climate priorities.

05.8. Targets for Climate-Related Risk & Opportunities

In alignment with the Group's Transformation Strategy, quantitative and qualitative adaptation targets have been established to strengthen long-term resilience against climate-related risks, while supporting business continuity, revenue stability, and operational sustainability.

Key adaptation targets include:

Revenue resilience through diversifying the operation	
Key Performance indicators	• Revenue contribution from diversified businesses • Berry production (kg) • Number of berry polytunnels • Installed renewable energy capacity (MW) • Renewable energy generation (MWh) • Number of value added product SKUs
Metrics	• Revenue • Production
Objective	Reduce exposure to climate-sensitive plantation income streams and enhancing portfolio resilience.
Scope	The operations under Diversified Business Segment of the business model of the group which has the operational control.
Period	2025/26 – 2029/30
Base Period	2025/26
Interim targets for 2026/27 FY	• Increase berry production to 191,000 kg annually. • Generate Rs. 100 million in revenue from berries other than strawberries through expanded cultivation. • Restore mini hydro power plants damaged by Cyclone Dithwah to full operational capacity. • Scale up CAFT operations from 7 to 20 drones and expand drone-based tea spraying coverage from 100 ha to 500 ha. • Introduce canned beverage products to international markets to diversify the Company's global product portfolio.
Target type	Absolute
Alignment with jurisdiction Commitment	Since the targets are operational adaptations no specific jurisdictional commitments are set. All operational expansions and developments are following the laws & regulations of the operating country.
Validation	Since the target is an operational adaptation target the group has not considered on validating the target through a third party.
Review Process	Monitor the execution of strategic programmes through the Transformation Management Office (TMO).
Metrics for monitoring progress	Revenue from diversified business segment
Revision	No revisions
Progress achieved during the year and status at year end	Achieved 9% of the Revenue from Diversified Business Renewable Energy – 78 Mn High-value horticulture – 712 Mn Value added products – 45 Mn

Expanding high-value crops for revenue resilience	
Key Performance indicators	• Extent under crop diversification for high value crops • Yield per hectare (YPH) • Extent under crop diversification for high value crops
Metrics	• Extent of land • Revenue • Production
Objective	Prioritising the cultivation and expansion of climate-resilient crop varieties under the Agri Business SBU to improve adaptive capacity against changing rainfall patterns, temperature variability, and other climate-related physical risks
Scope	The operations under Agri Business Segment of the business model of the group which has the operational control.
Period	2025/26 – 2029/30
Base Period	2025/26
Interim targets for 2026/27 FY	• Expand coconut cultivation from 28 ha to approximately 42 ha. • Increase cinnamon cultivation from 115 ha to 118 ha while enhancing value added cinnamon processing capabilities.
Target type	Absolute
Alignment with jurisdiction Commitment	Since the targets are operational adaptations no specific jurisdictional commitments are set. All operational expansions and developments are following the laws & regulations of the operating country.
Validation	Since the target is an operational adaptation target the group has not considered on validating the target through a third party.
Review Process	Monitor the execution of strategic programmes through the Transformation Management Office (TMO).
Metrics for monitoring progress	Revenue from Agri Business segment LKR. 14 Bn Revenue
Revision	No revisions
Progress achieved during the year and status at year end	Achieved 91% of the Revenue from Agri Business Contribution of high value crops are, Cinnamon Cultivation - LKR. 72 Mn Coconut Cultivation – LKR. 7 Mn

For further details, refer to the Transformation strategy on pages 46-53.

05.9. GHG Emissions Reduction Targets

In line with the Group's ESG Strategy and long-term decarbonisation commitments, the Group has established quantitative greenhouse gas (GHG) reduction targets focused on regenerative agricultural practices, ecosystem enhancement, and renewable energy transition. These targets are designed to reduce operational emissions, strengthen climate resilience, and contribute towards the Group's broader sustainability objectives.

Key decarbonisation targets include:

- Achieving a 50% reduction in nitrogen-based chemical fertiliser application by 2030 through regenerative agriculture practices and alternative soil enhancement methods.
- Achieving a 65% reduction in chemical weedicide application by 2030 through integrated land and vegetation management approaches.
- Achieving a 75% reduction in chemical pest control application by 2030 through sustainable pest management practices and biological control measures.
- Increasing green shade cover by 10% by 2030 to enhance carbon sequestration potential, biodiversity conservation, and climate resilience within plantation landscapes.

50% reduction of nitrogenic fertiliser application by 2030	
Key Performance indicators	• Reduction of chemical fertiliser usage
Objective	Reduction of Scope 1 emissions by reducing nitrogen dioxide emissions through chemical fertiliser application.
Scope	All operations under the operational control of the Elpitiya Plantations PLC.
Period	2017/18 – 2029/30
Base Period	2017/18
Interim targets	• 6% YOY reduction
Target type (Gross or Net GHG emission target)	Gross
Target type (absolute or intensity)	Absolute
Alignment with jurisdiction Commitment	By implementation of scope 1 direct emissions targets the group supports the ambitions of the Paris Agreement to limit global warming through science-based corporate climate action.
Validation	Since the target is an operational adaptation target the group has not considered on validating the target through a third party.
Review Process	Monitor the execution of the progress of this goal is monitored by the Chief sustainability officer through the sustainability review committee. Overall oversight is conducted by the Sustainability Committee.
Metrics for monitoring progress	Amount (Kg) of chemical fertiliser applied per cultivated hectare
Revision	No revisions
Progress achieved during the year and status at year end	783.80 Kg/Ha applied during the 2025/26 FY 2.03% YOY reduction 19% increased due to the impact of chemical fertiliser ban

65% reduction of chemical weedecide by 2030	
Key Performance indicators	• Reduction of chemical weedicide usage
Objective	Reduction of Scope 1 emissions by reducing nitrogen dioxide emissions through chemical weedicide application.
Scope	All operations under the operational control of the Elpitiya Plantations PLC.
Period	2017/18 – 2029/30
Base Period	2017/18
Interim targets	• 1.5% YOY reduction
Target type (Gross or Net GHG emission target)	Gross
Target type (absolute or intensity)	Absolute
Alignment with jurisdiction Commitment	By implementation of scope 1 direct emissions targets the group supports the ambitions of the Paris Agreement to limit global warming through science-based corporate climate action.
Validation	Since the target is an operational adaptation target the group has not considered on validating the target through a third party.
Review Process	Monitor the execution of the progress of this goal is monitored by the Chief sustainability officer through the sustainability review committee. Overall oversight is conducted by the Sustainability Committee.
Metrics for monitoring progress	Amount (L) of chemical weedicide applied per cultivated hectare
Revision	No revisions
Progress achieved during the year and status at year end	2.73 L/Ha applied during the 2025/26 FY

75% reduction of chemical pesticide by 2030	
Key Performance indicators	• Reduction of chemical pesticide usage
Objective	Reduction of Scope 1 emissions by reducing nitrogen dioxide emissions through chemical pesticide. application.
Scope	All operations under the operational control of the Elpitiya Plantations PLC.
Period	2017/18 – 2029/30
Base Period	2017/18
Interim targets	• Maintaining 2.5L/Ha annually
Target type (Gross or Net GHG emission target)	Gross
Target type (absolute or intensity)	Absolute
Alignment with jurisdiction Commitment	By implementation of scope 1 direct emissions targets the group supports the ambitions of the Paris Agreement to limit global warming through science-based corporate climate action.
Validation	Since the target is an operational adaptation target the group has not considered on validating the target through a third party.
Review Process	Monitor the execution of the progress of this goal is monitored by the Chief sustainability officer through the sustainability review committee. Overall oversight is conducted by the Sustainability Committee.
Metrics for monitoring progress	Amount (L) of chemical pesticide applied per cultivated hectare
Revision	No revisions
Progress achieved during the year and status at year end	0.27 L/Ha applied during the 2025/26 FY

10% increase of green shade cover by 2030	
Key Performance indicators	• Increasing green shade cover
Objective	Enhance carbon sequestration potential and absorption of atmospheric greenhouse gasses including carbon dioxide, nitrogen dioxide and methene
Scope	All operations under the operational control of the Elpitiya Plantations PLC.
Period	2017/18 – 2029/30
Base Period	2017/18
Interim targets	• Maintaining 11,529 trees by 2026/27
Target type (Gross or Net GHG emission target)	Gross
Target type (absolute or intensity)	Absolute
Alignment with jurisdiction Commitment	By implementation of scope 1 direct emissions targets the group supports the ambitions of the Paris Agreement to limit global warming through science-based corporate climate action.
Validation	Since the target is an operational adaptation target the group has not considered on validating the target through a third party.
Review Process	Monitor the execution of the progress of this goal is monitored by the Chief sustainability officer through the sustainability review committee. Overall oversight is conducted by the Sustainability Committee.
Metrics for monitoring progress	Number of green shade trees planted per year Total number of trees
Revision	No revisions
Progress achieved during the year and status at year end	14,385 new trees planted during the 2025/26 FY

These targets are integrated into the Group's climate-related mitigation strategy and are monitored periodically through internal ESG performance management and reporting mechanisms.

For further details, refer to Progress in our ESG Goals on page 58.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX - AGRICULTURAL PRODUCTS - VERSION: 2023-12

5.10 INDUSTRY BASED METRICS

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 tons tCO2e	FB-AG-110a.1	Total Scope 1 Emissions: 6,540.12 tCO2e
					Carbon Dioxide (CO2)- 2539.27 tCO2e
					Methane (CH4)- 939.89 tCO2e
					Nitrogen dioxide (N2O)- 2267.13 tCO2e
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	N/A	FB-AG-110a.2	Natural Capital (Emissions Management) on page185, Metrics & Targets on page 228-229
	Fleet fuel consumed, Percentage renewable	Quantitative	Gigajoules (GJ)	FB-AG-	3808.73 GJ
			Percentage (%)	110a.3	0%
Energy Management	(1) Operational energy consumed	Quantitative	Gigajoules (GJ)	FB-AG-130a.1	199,761.27 GJ
	(2) Percentage grid electricity	Quantitative	Percentage (%)	FB-AG-130a.1	5.90%
	(3) Percentage renewable	Quantitative	Percentage (%)	FB-AG-130a.1	90.85%
	(1) Total water withdrawn	Quantitative	Thousand cubic metres (m^3)	FB-AG-140a.1	77.35 thousand m^3
	(2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%)	FB-AG-140a.1	19.30 thousand m3 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	Natural Capital (Water and Effluent Management) Page 186-188
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Quantitative	Number	FB-AG-140a.3	0

Topic	Metric	Category	Unit of Measure	Code	Disclosure/Page Reference
Food Safety	Global Food Safety Initiative (GFSI) audit (1) Non-Conformance (NC) rates and (2) associated corrective action rates for (a) major and (b) minor non-conformances	Quantitative	Rate	FB-AG-250a.1	RA Certification-0.83 FSC Certification -1.29 ISO 22000:2005 -No NCs HACCP- No NCs All non-conformances are eliminated, the corrective action rate is 100%.
	Percentage of agricultural products sourced from suppliers certified to a Global Food Safety Initiative (GFSI) recognised food safety certification programme		Percentage (%) by cost	FB-AG-250a.2	No agricultural products sourced from suppliers certified to GFSI recognised food safety certification program.
	(1) Number of recalls issued and (2) total amount of food product recalled		Number, Metric tonnes (t)	FB-AG-250a.3	0 no recalls and no food products recalled
Workforce Health & Safety	(1) Total recordable incident rate (TRIR)	Quantitative	Rate	FB-AG- 320a.1	1.58
	(2) Fatality rate				0
	(3) Near miss frequency rate (NMFR) for - (a) direct employees				0.23
	(3) Near miss frequency rate (NMFR) for - (b) contract employees				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) percentages by standard	Quantitative	Percentage (%) by cost	FB-AG-430a.1	No agricultural products purchased externally are certified to a third party. All bought green leaf are classified as Non RA tea
	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 0 No non-conformances
	Discussion of strategy to manage environmental and social risks arising from contract growing and commodity sourcing	Discussion and Analysis	N/A	FB-AG-430a.3	Refer Social & Relationship Capital from pages 160-165

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX - AGRICULTURAL PRODUCTS - VERSION: 2023-12

Topic	Metric	Category	Unit of Measure	Code	Disclosure/Page Reference
GMO Management	Discussion of strategies to manage the use of genetically modified organisms (GMOs)	Discussion and Analysis	N/A	FB-AG-430b.1	The group does not utilise GMO for its production
Ingredient Sourcing	Identification of principal crops and description of risks and opportunities presented by climate change	Discussion and Analysis	N/A	FB-AG-440a.1	Refer to the Strategy on pages 209-210
	Percentage of agricultural products sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by cost	FB-AG-440a.2	0%

				Activity Metrics
	Category	Unit of Measure	Code	Disclosure/Page Reference
Production by principal crop - Tea	Quantitative	MT	FB-AG-000.A	4,277
Production by principal crop - Rubber		MT	FB-AG-000.A	259
Production by principal crop - Palm oil		MT	FB-AG-000.A	26,958
Number of processing facilities		Number	FB-AG-000.B	19 (16 factories are under direct operation, 3 factories are leased out)
Total land area under active production		Hectare	FB-AG-000.C	1772.2 (Tea)
				508.94 (Rubber)
				1709.25 (Oil Palm)
				1528.55 (Other)
Cost of agricultural products sourced externally		Rs. Mn	FB-AG-000.D	1,194

GOVERNANCE & RISK

BEYOND WHAT WE UPHOLD

At Elpitiya Plantations, our governance and risk frameworks move with precision where structured processes and clear accountability guide our decisions, creating a controlled flow that balances stability with responsiveness. We monitor currents, anticipate shifts, and adjust with intent; ensuring risks are managed before they gather force. Through this measured and disciplined rhythm, we safeguard integrity, strengthen resilience, and maintain a steady course toward long-term stability.

Tides are governed by precise gravitational forces, creating predictable cycles that regulate ocean levels and sustain equilibrium within coastal systems. Driven by the gravitational interplay between the moon and the sun, these rhythmic rises and falls redistribute water with consistency and control. This stabilises shorelines, balances ecosystems, and absorbs external variability through recurring cycles that adapt to change.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

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

Highlights 2025/26

Category	External Assurance
Shareholders	• Annual General Meeting held on 27 June 2025 • First and final dividend of Rs. 5.50 per share declared for FY ended 31 March 2025 (total amount: Rs. 401 Mn.)
New Appointments to the Board	• Mr. A. G. Geeth Kumara Dayananda appointed as Executive Director (from 1 October 2025) • Ms. D. S. T. Jayawardena appointed as Non-Executive Director (from 1 April 2026)
Resignations from the Board	• Dr. M. P. Dissanayake resigned (effective 31 March 2026)
Board Leadership Changes	• Dr. R. M. Fernando appointed Chairman (from 1 April 2026) • Mr. M. J. S. Rajakariar appointed Senior Independent Director (from 1 April 2026)
Board Sub-Committees Reconstitution (effective 17 June 2025)	**Audit & Risk Committee:** Mr. M. J. S. Rajakariar (Chairman), Ms. M. D. A. Perera, Dr. R. A. Fernando **Related Party Transactions Review Committee:** Dr. R. A. Fernando (Chairman), Mr. M. J. S. Rajakariar, Ms. M. D. A. Perera **Nominations and Governance Committee:** Prof. A. S. Dharmasiri (Chairman), Mr. M. J. S. Rajakariar, Dr. R. A. Fernando, Ms. M. D. A. Perera **Remuneration Committee:** Prof. A. S. Dharmasiri (Chairman), Mr. Malik J. Fernando, Dr. R. A. Fernando, Mr. M. J. S. Rajakariar **Sustainability Committee**: Dr. R. A. Fernando (Chairman), Prof. A. S. Dharmasiri, Mr. A. T. S. Sosa **Management Committee:** Ms. M. D. A. Perera (Chairperson), Prof. A. S. Dharmasiri, Mr. A. T. S. Sosa

Governance Framework

- Compliance with the Revised Listing Rules on Corporate Governance, issued under Section 9 of the Listing Rule of the Colombo Stock Exchange (CSE).
- Adherence to the Revised Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka.
- Early adoption of SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures of the Sri Lanka Sustainability Disclosure Standards.

GOVERNANCE AND REGULATORY COMPLIANCE

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

Key changes in the regulatory framework during the year under review are outlined below:

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

Category	Mandatory Compliances	Voluntary Compliances
Voluntary Compliances	• Companies Act No. 7 of 2007 and the amendments thereto • Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 (SLFRs/ LKASs) • Listing Rules of the Colombo Stock Exchange ("CSE") • Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021 and the amendments thereto • Inland Revenue Act No. 24 of 2017 and the amendments thereto • Foreign Exchange Act No. 12 of 2017 and the amendments thereto • Finance Business Act No. 42 of 2011 and amendments thereto • The Anti-Money Laundering Laws and Regulations and Financial Transaction Reporting Act No. 6 of 2006 and the amendments thereto • Personal Data Protection Act No. 9 of 2022 • Anti-Corruption Act No. 9 of 2023 • Employees Provident Fund Act • Employees Trust Fund Act • Payment of Gratuity Act • Plantation Staff / Workers Collective Agreements between the RPCs and Trade Unions • Maternity Benefit Ordinance • Wages Board ordinance • Industrial Disputes Act • Shop and Office Employees Act • Online Safety Act No. 9 of 2024 • Factories Ordinance No. 45 of 1942	• Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka – 2023 • Codes of regulatory authorities, professional institutions and Trade Associations • United Nations Global Compact (UNGC) • Global Reporting Initiative's (GRI) Universal Standards 2021 • Integrated Reporting Framework • Women's Empowerment Principles • Social and Environmental Certification Requirements • UN Guiding Principles on Business and Human Rights • Management Systems (Environment & Social)
Internal Standards and Principles	• Articles of Association • Group Code of Ethics and Professional Conduct • Group internal policy frameworks. • Board and Board sub-committee terms of reference. • Human Resources Policies • Health and Safety Policies • Environmental Policies • Integrated Sustainability Policy and Implementation of Framework	

CORPORATE GOVERNANCE

GRI 2-23, 2-24, 2-25

GOVERNANCE POLICIES OF THE GROUP

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

General Polices

The Group has adopted a suite of policies covering the following topics:

- Diversity and Inclusion
- Grievance Handling
- Sexual Harassment Prevention

For further details, please refer to the Human Capital section on pages 128 to 149 of this Annual Report.

Sustainability Policy

The Board has established a comprehensive Integrated Sustainability Policy, aimed at fostering a deep understanding and effective management of the organisation's environmental, social and governance impacts.

For further details, please refer to the Our Commitment to ESG and Sustainability section on pages 56 to 59 of this Annual Report.

IT Governance

A comprehensive IT Governance Policy is in place as described on page 119.

For further details, please refer to the Intellectual Capital section on pages 110 to 127 of this Annual Report.

Code of Ethics and Professional Conduct

A Code is in place to ensure that all employees understand the standards of conduct expected by the Group.

For more details, please refer the HR Governance Framework on page 131 of this Annual Report.

Group Anti-Bribery and Anti-Corruption Policy

Introduced in 2022/23, the Group's Anti-Bribery and Anti-Corruption Policy articulate key principles aimed at eradicating bribery and corruption. With an unwavering commitment, the Company stands firm against all forms of bribery and corruption, recognising them as significant threats to its integrity and reputation.

Group Whistleblowing Policy

The Group has put in place a Whistleblowing Policy to report, investigate and address any concerns in employee behaviour that are illegal in the workplace. This policy encourages employees to promptly report any suspected illegal activities, assuring confidentiality and investigation by an independent custodian appointed by management. It ensures that whistleblowers are treated with utmost confidentiality and fosters two-way communication for necessary follow-up on raised concerns.

GRI 2-9

GOVERNANCE STRUCTURE

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

Key responsibilities of the Board

i. Providing directions and guidance to the Group in formulating and implementing the corporate strategy for value creation in short, medium and long terms and monitoring the implemented strategies.

ii. Making decisions on Board appointments, evaluating Board performance, ensuring succession planning, and the uninterrupted operations of the Company.

iii. Overseeing the Company's financial performance and adopting appropriate accounting policies.

iv. Ensuring that the Company adheres to the best practices in corporate governance, including ethical business practices and compliance with rules, regulations and internal policies of the Group, including concerns on ethics, bribery and corruption.

v. Establishing and overseeing systems of internal control and risk management to ensure that the Company has effective risk management systems in place to identify, assess and mitigate risks.

vi. Ensuring that business operations are conducted with adherence to environmental, social and governance (ESG) considerations.

vii. Building and improving stakeholder relationships.

viii. Reviewing and approving major investments, acquisitions, disposals and capital expenditure whilst considering their impact on society and the environment.

Segregation of Key Roles

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

However, the appointment of an Executive Director as the Chairman with effect from 1st April 2026 has also necessitated the appointment of a Senior Independent Director who shall appraise the performance of the Chairman and ensure independent and objective judgment in Board proceedings, contributing to balanced and well-informed decision-making which is crucial for upholding the principles of good governance and guaranteeing transparency in the governance framework. Furthermore, the role of the Managing Director shall be taken on by the CEO while the roles of Chairman and CEO continue to be segregated.

Role of the Chairman

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

Role of the Chief Executive Officer

- Implementing strategy and driving performance.
- Ensuring succession planning of the corporate management team and assessing their performance.
- Developing the Company/Group strategy for consideration and approval by the Board in line with guidance provided by the Board.
- Developing and recommending to the Board, budgets supporting the Company/Group long-term strategy.
- Setting the Board agenda in consultation with the Chairman and assisted by the Company Secretaries.
- Monitoring and reporting to the Board on the performance of the Company and its compliance with applicable laws and Corporate Governance principles.
- Establishing an organisational structure for the Company which is appropriate for the execution of the strategy.
- Ensuring a culture that is based on the Company's values.
- Ensuring that the Company operates within the approved risk appetite.

Role of the Company Secretaries

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

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

CORPORATE GOVERNANCE

GRI 2-9

BOARD COMPOSITION

The Board consists of two (02) Executive Directors and eight (08) Non-Executive Directors, of whom three (03) are engaged as independent directors. The ten (10) Directors are diverse in demographic profile, skills and qualifications and industry experience, thereby enriching board discussions and decision making through greater diversity.

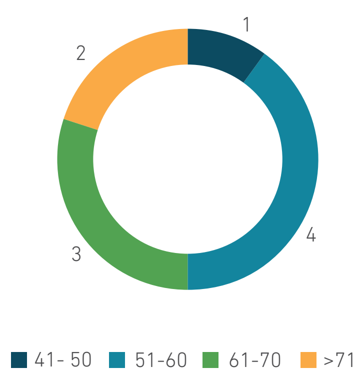
MALE

7

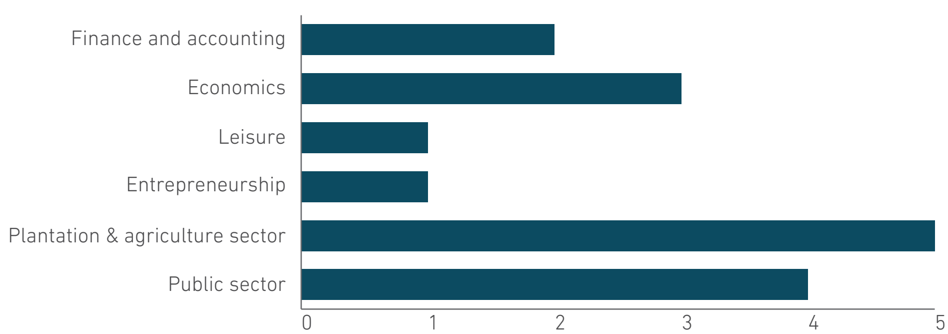
FEMALE

3

Age Diversity



Industry Experience



Director Disclosures in terms of Rule 9.10.4(e) of the Listing Rules on Corporate Governance Issued by the CSE

DR. M. P. DISSANAYAKE
(Resigned w.e.f. 31st March 2026)

Chairman
- Aitken Spence Plantation Managements Limited (formerly known as Aitken Spence Plantation Managements PLC – Status changed w.e.f. 02.11.2025)
- Sri Lanka Ports Authority (assumed office w.e.f. 17.02.2026)

Managing Director
- Aitken Spence Hotel Holdings PLC

Deputy Chairman
- Aitken Spence PLC

Executive Director
- Browns Beach Hotels PLC

Member
- Colombo Ports City Economic Commission

DR. R. M. FERNANDO

Executive Director
- Aitken Spence PLC

Chairman
- Aitken Spence Plantation Managements Limited

MR. D. A. DE S. WICKREMANAYAKE

Executive Director
- Master Divers (Pvt) Ltd
- W A Tucker and Company (Private) Limited
- Pelwatte Dairy Industries Ltd
- Pelwatte Coconut Industries Ltd

Non-Executive Director
- Aitken Spence Plantation Management Limited
- E P P Hyrdo Power (Private) Limited
- Elpitiya Lifestyle Solutions (Private) Limited
- Tea Country Homes (Private) Limited
- The Dunsinane Valley Company (Private) Limited
- Water Villas (Private) Limited
- Harrow House (Private) Limited

MR. MALIK J. FERNANDO

Executive Chairman
- Cape Weligama (Pvt) Ltd
- CoCo Palm Beach (Pvt) Ltd
- Ereula Hotels (Pvt) Ltd
- MJF Leisure (Pvt) Ltd
- Red Rock Beach (Pvt) Ltd
- Tea Trails (Pvt) Ltd
- Resplendent Ceylon (Pvt) Ltd
- Wild Coast Lodge (Pvt) Ltd

Co-Chair - Executive
- MJF Holdings (Pvt) Ltd

Non-Executive Chairman
- Forbes and Walker (Pvt) Ltd

Executive Director
- Dilmah Ceylon Tea Company PLC
- Brown Hills Development (Pvt) Ltd
- Ceylon Tea Farmers (Private) Limited
- City Properties (Private) Limited
- Dilmah Property Development (Pvt) Ltd
- Dilmah Ceylon Cinnamon Company (Pvt) Ltd
- Dilmah Properties (Private) Limited
- Epoch Investments Lanka (Pvt) Ltd
- Forbes Plantations (Pvt) Ltd
- Kahawatte Cinnamon (Pvt) Ltd
- Leopard Research Association
- Manel Dream House (Private) Limited
- Merrill J Fernando & Sons (Private) Limited
- Merrill J Fernando Company Limited
- MJF Beverages (Private) Limited
- MJF Charitable Foundation
- MJFCF-CPLF Centre for Children with Cerebral Palsy and Other Developmental Disorders
- MJF Management Trust (Guarantee) Limited
- MJF Exports (Private) Limited
- MJF Foundation Investments (Private) Limited
- MJF Holdings (Private) Limited
- MJF Media (Private) Limited
- MJF Properties (Private) Limited
- MJF Tea Gardens (Private) Limited
- MJF Teas (Private) Limited
- PCL Solutions (Private) Limited
- Patiagama Estates (Private) Limited
- Tea Time Rocks (Private) Limited
- Timber Concepts (Private) Limited
- Tourism Alliance (Guarantee) Limited

Non-Executive Director
- Aitken Spence Plantation Managements Limited
- Kahawatte Plantations PLC
- Printcare PLC
- Renuka Hotels PLC
- Royal Palm Beach Hotels PLC
- The Fortress Resorts PLC
- Talawakelle Tea Estates PLC
- Durdans Medical & Surgical Hospitals (Pvt) Ltd
- Eastern Resources Holdings (Pvt) Ltd
- Forbes & Walker (Pvt) Ltd
- Hayleys Plantations Services (Pvt) Ltd
- Packages Lanka (Private) Limited
- Printcare Universal (Private) Limited
- Printcare Secure Ltd
- TTEL Hydro Power Company (Private) Limited
- TTEL Somerset Hydro Power Company (Private) Limited
- La Forteresse (Private) Limited
- Water Villas (Pvt) Ltd

MS. D. S. T. JAYAWARDENA

Chairman/ Chairperson
- Aitken Spence PLC
- Aitken Spence Hotel Holdings PLC
- Browns Beach Hotels PLC

Deputy Chairperson
- Lanka Milk Foods (CWE) PLC
- Lanka Diaries Limited
- Ambewela Products (Pvt) Ltd
- Ambewela Livestock Company Ltd
- Pattipola Livestock Company Ltd
- United Dairies Lanka (Pvt) Ltd

Non-Executive Director
- Melstacorp PLC
- Distilleries Company of Sri Lanka PLC

CORPORATE GOVERNANCE

Director
- CBD Exports (Pvt) Ltd
- Ceylon Garden Coir (Pvt) Ltd
- Crest Star (B.V.I) Ltd
- DCSL Breweries Lanka Limited
- DCSL Group Marketing (Private) Limited
- Mels Automobiles (Private) Limited
- Stassen Exports (Pvt) Ltd
- Stassen Foods (Pvt) Ltd
- Stassen Natural Foods (Pvt) Ltd

MS. M. D. A. PERERA
Non-Executive Director
- Dilmah Ceylon Tea Company PLC
- Dilmah Ceylon Cinnamon Company (Pvt) Ltd
- First Capital Treasuries PLC
- Forbes & Walkers (Pvt) Ltd
- Kahawatte Plantations PLC
- MJF Corporate Service (Pvt) Ltd

Independent Non-Executive Director
- Janashakthi Limited

Alternate Director
- Tea Trails (Pvt) Ltd – to Mr. D. C. Fernando

MS. M. K. D. N. MADAMPE
Director
- Paddy Marketing Board

Member
- National Human Resources Development Council of Sri Lanka

MR. M. J. S. RAJAKARIAR
Independent Non-Executive Director
- Alumex PLC
- Hayleys Fibre PLC
- Digital Mobility Solutions Lanka PLC
- Access Engineering PLC
- Assetline Finance PLC.

DR. R. A. FERNANDO
Independent Non-Executive Director
- Aitken Spence PLC
- Aitken Spence Hotel Holdings PLC
- Browns Beach Hotels PLC
- Melstacorp PLC
- Distilleries Company of Sri Lanka
- Balangoda Plantations PLC
- Madulsima Plantations PLC » Dilmah Ceylon Tea Company PLC

PROF. A. S. DHARMASIRI
None.

MR. A. G. GEETH KUMARA DAYANANDA
Director
- The Pekoe Trail Organisation

Independence of the Directors

There were three (03) Independent Directors at the closure of the financial year 2025/2026. Independence of Directors is determined by the Board, based on annual declarations submitted by the Directors in compliance with the Listing Rules of the CSE and in line with Schedule C of the Code of Best Practice on Corporate Governance, 2023 issued by The Institute of Chartered Accountants of Sri Lanka. Accordingly, the Board determined the following Directors as independent Directors.

- Mr. M. J. S. Rajakariar
- Dr. R. A. Fernando
- Prof. A. S. Dharmasiri

Board Subcommittees

The Board has delegated certain responsibilities requiring greater attention to five (05) Board Subcommittees with oversight responsibility for the same. This arrangement enables the Board to allocate sufficient time to matters reserved for its decision-making, particularly the execution of strategy and forward-looking agenda items, while ensuring that delegated matters receive in-depth focus. Committee Chairmen are accountable for the effective functioning of their committees and report regularly to the Board on Committee activities.

Board Committee	Composition	Areas of Oversight
Nominations and Governance Committee The report on the Nominations and Governance Committee is given on page 263	Three (03) Independent Directors and one (01) Non-Executive Director. The Chairman of the Committee is an Independent Director.	• Evaluate the appointment of Directors to the Board and Board Committees. • Recommend the re-appointment/re-election of current Directors. • Establish and maintain a formal & transparent procedure to evaluate, select and appoint / re-appoint Directors. • Establish and maintain a set of criteria for the selection of Directors, taking into consideration the nature of the business of the Entity and industry-specific requirements • Establish and maintain a suitable process for the periodic evaluation of the performance of the Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged. • Develop a succession plan for the Board of Directors and Key Management Personnel of the Company. • Review and recommend the overall corporate governance framework of the Listed Entity, considering the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices. • Periodically review and update the corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to the same, as a best practice. • Receive reports from the Management on compliance with the corporate governance framework of the Entity, including the Entity's compliance in terms of applicable laws.
Remuneration Committee The report on the Remuneration Committee is given on page 262	Four (04) Non-Executive Directors, of whom three (03) are Independent. The Chairman of the Committee is an Independent Director.	• Recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board for final decision. • The Remuneration Committee may engage any external consultant or expert to ascertain or assess the relevance of the remuneration levels applicable to Directors and the CEO, if required. • Determine the remuneration policy of the Company and determine the individual remuneration packages, which include the compensation on termination of employment. • Evaluate the performance of the individual executives, including the senior management of the Company.

CORPORATE GOVERNANCE

Board Committee	Composition	Areas of Oversight
Audit & Risk Committee The report of the Audit Committee is given on page 259 to 261	Three (03) Non-Executive Directors, out of whom two (02) are Independent. The Chairman of the Committee is an Independent Director	• Risk management and internal control • Financial reporting and financial control • Internal audit • External audit, including assessing the independence of the External Auditor • Compliance with legal and regulatory requirements
Related Party Transactions Review Committee The report on the Related Party Transactions Review Committee is given on page 264 to 265	Three (03) Non-Executive Directors, out of whom two (02) are Independent. The Chairman of the Committee is an Independent Director.	• Review all proposed Related Party Transactions and the post quarter confirmations in accordance with the requirements of the Listing Rules. • Recommend appropriate action for compliance in respect of proposed Related Party Transactions or post quarter confirmations as applicable. • Annual Review of thresholds of transactions falling under the ambit of Section 9.14.5 of the Listing Rules based on the available Audited Financial Statements. • Review ESG strategy alignment with global sustainability frameworks, ensuring a structured approach to sustainability across all business functions.
Sustainability Committee The report on the Sustainability Review Committee is given on page 266	Two (02) Independent Non-Executive Directors and one Managing Partner. The Chairman of the Committee is Independent.	• Establish, periodically review, and update policies on environment, social and governance, ensuring compliance with regulatory and voluntary sustainability standards. • Advocacy on defining measurable ESG goals and action plans that drive continuous improvement, integrating risk mitigation, opportunity identification, and corporate sustainability commitments into decision-making processes. • Ensure compliance with local and international ESG regulations, industry certifications, and voluntary sustainability standards, ensuring transparency and accountability in operations. • Reviewing key ESG performance indicators, regular internal audits, and third-party assessments to evaluate environmental, social, and governance impacts and drive corrective actions where necessary. • Advocacy on implementing due diligence mechanisms to ensure responsible sourcing, labour rights protection, and traceability of raw materials, preventing environmental degradation and human rights violations within the value chain. • Assess physical risks and transition risks while leveraging opportunities in climate-related aspects to drive financial resilience. • Monitor regulatory changes, resource scarcity, and supply chain disruptions while capitalising on circular economy models, ESG-driven investments, and sustainable product innovations for competitive advantage and sustainability-related risk & opportunity management. • Review the quantification of financial risks and opportunities related to climate change and sustainability, integrate scenario analysis, and align capital allocation with ESG priorities to enhance long-term profitability and investor confidence. • Ensure the company's alignment with globally prominent reporting frameworks (such as GRI and SASB), emphasising accuracy, materiality-based disclosures, and independent external assurance where required. • Ensure ESG transparency through regular engagement with investors, regulatory bodies, and sustainability rating agencies, ensuring alignment with emerging non-financial reporting regulations and trends.

GRI 2-10

Board Appointments, Re-Appointments, Re-Elections and Resignations in Financial Year 2025/26

The Company obtained annual declarations from the Directors confirming that they have continuously satisfied the specified Fit and Proper Assessment Criteria. None of the Directors were identified as a person who has failed to fulfil the required assessment criteria during the year under review.

As required by the Listing Rules, new appointments to the Board are promptly communicated to the CSE through announcements. The announcements typically include a brief detail of expertise, key appointments, shareholdings, the names of companies where the Director holds directorships or memberships in Board Committees and status of independence.

The resignations of directors are required to be informed in writing by the relevant Director and are communicated to the CSE immediately upon acceptance by the Board together with details of any shareholding in the Group.

The Nominations and Governance Committee and the Board have recommended that Mr. D. A. de S. Wickremanayake and Dr. R. M. Fernando who are over 70 years of age and vacate office in terms of Section 210(2)(b) of the Companies Act No. 07 of 2007 be re-appointed as Directors of the Company in terms of Section 211 of the Companies Act No. 07 of 2007 specially declaring that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Directors.

Ms. M. D. A. Perera who retires by rotation in terms of Article 92 and 93 of the Articles of Association of the Company, offers herself for re-election at the forthcoming Annual General Meeting. The Nominations and Governance Committee and the Board have recommended her re-election.

Ms. D. S. T. Jayawardena and Mr. A. G. Geeth Kumara Dayananda who retire in terms of Article 98 of the Articles of Association of the Company, offer themselves for election at the forthcoming Annual General Meeting. The Nominations and Governance Committee and the Board have recommended their election.

- Dr. M. P. Dissanayake resigned from the Board with effect from 31 March 2026.
- Mr. A. G. Geeth Kumara Dayananda was appointed as an Executive Director with effect from 1 October 2025.
- Ms. D. S. T. Jayawardena was appointed as a Non-Executive Director with effect from 1 April 2026.

GRI 2-17

Induction & Director Learning

For the year under review, upon appointment Directors were taken through a formal and tailored induction programme coordinated by the Chairman and CEO, during which they are familiarised with the Group's values and culture, operating model, policies, governance framework and processes, Code of Ethics and Professional Conduct, and overall business and operational strategies. Directors are provided with the opportunity to visit sites/ factories where appropriate.

Presentations are made to the Board on new developments in corporate governance and the operating environment. In addition, Board members are encouraged to participate in seminars and webinars conducted by professional institutions to enhance their knowledge and support the more effective and efficient discharge of their duties. Directors also undertake training and professional development initiatives as they deem necessary in their personal capacity. Continuous professional development activities include participation in seminars, workshops, and conferences, as well as keeping abreast of regulatory updates and emerging industry developments.

Effective Board Meetings

The Chief Executive Officer suggest the agenda for the Board Meeting with the assistance of the Company Secretaries, which is reviewed and approved by the Chairman, who presides over the meetings. Board papers are made available to the Directors one week prior to the meetings to facilitate review and clarification of matters to be discussed at the meetings. The Chairman ensures that all members of the Board are sufficiently briefed on matters and Senior Management is available for clarification as and when needed.

Director	Board Meetings	Audit & Risk Committee Meetings	RPTR Committee Meetings	Remuneration Committee Meetings	Nominations & Governance Committee Meetings
Dr. M. P. Dissanayake (Former Chairman – resigned w.e.f. 31.03.2026)	6/6	N/A	N/A	N/A	N/A
Dr. R. M. Fernando (Chairman and Former Managing Director)	6/6	N/A	N/A	N/A	N/A

Director	Board Meetings	Audit & Risk Committee Meetings	RPTR Committee Meetings	Remuneration Committee Meetings	Nominations & Governance Committee Meetings
Ms. D. S. T. Jayawardena (Appointed w.e.f. 01.04.2026)	N/A	N/A	N/A	N/A	N/A
Mr. D. A. de S. Wickremanayake	6/6	N/A	N/A	N/A	N/A
Mr. Malik J. Fernando	6/6	N/A	N/A	0/1	N/A
Ms. M. D. A. Perera (Appointed to Nominations & Governance Committee w.e.f. 17.06.2025)	6/6	7/7	4/4	N/A	1/1
Mrs. M. K. D. N. Madampe	5/6	N/A	N/A	N/A	N/A
Prof. A. S. Dharmasiri	6/6	N/A	N/A	N/A	2/2
Mr. M. J. S. Rajakariar (Appointed to Remuneration Committee w.e.f. 17.06.2025)	6/6	7/7	4/4	N/A	N/A
Dr. R. A. Fernando	6/6	6/7	4/4	1/1	2/2
Mr. A. G. Geeth Kumara Dayananda	3/3	N/A	N/A	N/A	N/A

GRI 2-15

Identifying and Managing Conflicts

The Company has processes in place to identify and manage conflicts of interest, which are listed below:

Directors' interest in transactions –
All the Directors of the Company and its subsidiaries are required to make the general disclosures annually as provided for in section 192(2) of the Companies Act. Note 33 to the Financial Statements deals with related party disclosures, including details of their interests in transactions.

Directors' interests in shares –
Directors of the Company and its subsidiaries who have relevant interests in the shares of the respective companies have disclosed their shareholding and any acquisitions/disposals to their Boards, in compliance with Section 200 of the Companies Act. Further, the relevant interests of each Director in the securities of the Company and any acquisition/disposals of the same have been notified to the CSE in accordance with Rule 7.8 of the Listing Rules and, accordingly, the relevant entries have been made in the Company's Interests Register, which has been maintained as required by the Companies Act.

Annual declarations on Independence –
In compliance with the principles of corporate governance stipulated by the Listing Rules of the CSE and in line with Schedule C of the Code of Best Practice on Corporate Governance, 2023, Independent Directors submit signed declarations annually confirming their independence or non-independence against the specified criteria given under Rule 9.8.3 of the Listing Rules of the CSE.

Related Party Transactions Review Committee –
The Board has appointed a Related Party Transactions Review Committee comprising three (03) Non-Executive Directors, out of whom two (02) are Independent Directors, who meet quarterly to review Related Party Transactions during each quarter in line with the Listing Rules of the CSE. The Related Party Transactions Review Committee Report is given on page 264 of this Annual Report.

Annual Disclosure on Material Business Relationships with other Directors of the Company –
In keeping with Rule 9.10.4(c) of the Listing Rules of CSE, Declarations were obtained from the Directors of the Company for the purpose of identifying material business relationships, if any, which they or their close family members have with the other Directors of the Company.

Risk Management

The Board is responsible for setting in place a system to identify, measure, monitor and manage the principal risks of the Group and determining the level of risk it is willing to accept in relation to its strategic goals.

For more details, please refer to the Risk Management Report from pages 269 to 278 of this Annual Report.

Internal Controls, Accountability and Audit

Standard Operating Procedures (SOPs) are prepared by subsidiary companies and are reviewed by Internal Audit. All employees are required to follow these SOPs, and any deviations are reported with corrective action agreed upon by the management. Serious deviations trigger deeper investigations and root cause analysis, potentially leading to disciplinary action. Internal Audit Reports, which include audit findings, risk assessments and management responses, are reviewed by the Audit and Risk Committee which may recommend additional measures to strengthen controls if deemed necessary.

The Audit and the Risk Committee assist the Board in fulfilling its responsibilities regarding financial reporting, audit oversight and risk management. The Committee reviews performance, internal audit reports and risk management reports regularly. Additionally, it assesses the adequacy of internal controls.

Further details are provided in the Audit Committee Report on page 259

Legal & Regulatory Compliance

The Chief Financial Officer has to sign off on adherence to compliance with the SLFRS and tax regulations on a quarterly basis. Operational compliance is monitored by the Management Committee, which keeps the Board informed regarding matters of concern identified. Additionally, the Internal Audit also reviews compliance with regulatory and legal requirements and submits reports to the Audit Committee, which convenes on a regular basis to discuss these reports. Any significant issues are further escalated to the Board of Directors. The Audit Committee signs off on an Internal Audit Plan for the year and may request additional reviews as and when required.

GRI 2-18

Evaluation of Performance of the Board

The performance of the Executive Directors and Senior Executives are assessed at the end of each financial year against financial and non-financial objectives set out in consultation with the Board at the commencement of every financial year. The evaluation is carried out by the Chairman, against the backdrop of the operating environment. Remuneration is revised based on performance. The areas identified for improvement are communicated to the respective Director, including training needs and skills and knowledge gaps. Appraisal and assessment of the Chairman shall be carried out by the Senior Independent Director in consultation with other Independent Directors where required.

Shareholder Communications

Shareholder Communications are managed by the Company Secretarial division. The Annual General Meeting (AGM) of the Company is the main platform. Shareholders also have the opportunity to ask questions, comment or make suggestions to the Board through the Company Secretaries. All significant issues and concerns of shareholders are referred to the Board with the views of the Management. Shareholder queries are responded to by the Company Secretaries for and on behalf of the Management. Opportunity is also provided to address the Board directly at AGMs.

The Board approves the Quarterly Financial Statements for dissemination to shareholders through the CSE in a timely manner. All other price-sensitive information, such as major acquisitions or disposals and share transaction dealings are also notified promptly to the CSE.

Engagement Mechanism	Frequency of Engagement					
	Annually	Quarterly	Periodically	Regularly	24 Hours 7 days	As and when required
General meetings	✓					
Annual Report	✓					
Interim Financial Statements		✓				
Disclosures and announcements to the CSE			✓			✓
Corporate website					✓	
General correspondence				✓		
CSR projects				✓		

The Compliance levels with the Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka, are available on the website of the Company www.elpitiya.com and form a part of this Corporate Governance Report.

REGULATORY COMPLIANCE BACKBONE (MANDATORY)

Section 168 of the Companies Act No. 07 of 2007

Section	Requirement	Disclosure Reference for Compliance	Compliance Status
168 (1)(a)	Any change during the accounting period in the nature of business of the Company or any of its subsidiaries, and the classes of business in which the Company has an interest	Refer to the Annual Report of the Board of Directors of this Annual Report	✓
168 (1) (b)	Financial Statements of the Company and the Group for the accounting period completed and signed	Refer to the Financial Statements and Annual Report of the Board of Directors of this Annual Report	✓
168 (1) (c)	Auditors' Report on Financial Statements of the Company and the Group	Refer to the Financial Statements of this Annual Report	✓
168 (1) (d)	Change of accounting policies during the accounting period	Refer to the Annual Report of the Board of Directors of this Annual Report	✓
168 (1) (e)	Particulars of entries in the interest register made during the accounting period	Refer to the Annual Report of the Board of Directors of this Annual Report	✓
168 (1) (f)	Remuneration and other benefits paid to the Directors during the accounting period	Refer to the Annual Report of the Board of Directors of this Annual Report	✓
168 (1) (g)	Total amount of donations made by the Company and the Group during the accounting period	Refer to the Annual Report of the Board of Directors of this Annual Report	✓
168 (1) (h)	Directorate of the Company and the Group as at the end of the accounting period, along with the changes that occurred during the accounting period	Refer to the Annual Report of the Board of Directors of this Annual Report	✓
168 (1) (i)	Amounts payable to the Auditors as audit fees and fees payable for other related services provided by them	Refer to the Annual Report of the Board of Directors of this Annual Report	✓
168 (1) (j)	Relationship or interest of the Auditors with the Company or any of its subsidiaries	Refer to the Annual Report of the Board of Directors of this Annual Report	✓
168 (1) (k)	Annual Report of the Board of Directors signed on behalf of the Board	Refer to the Annual Report of the Board of Directors of this Annual Report	✓

Compliance with the Continuing Listing Requirements - Section 7.6 on the Content of Annual Report Issued by the Colombo Stock Exchange

Section	Requirement	Disclosure Reference for Compliance	Compliance Status
7.6 i)	Names of Directors of the entity	Refer to the Corporate Information of this Annual Report	✓
7.6 ii)	Principal activities of the entity and its subsidiaries during the year under review	Refer to the Annual Report of the Board of Directors and the Group Directorate of this Annual Report	✓
7.6 iii)	The 20 largest holders of voting and non-voting shares and the percentage of shares	Refer to the Investor Information of this Annual Report	✓
7.6 iv)	The float-adjusted market capitalisation, Public Holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement	Refer to the Investor Information of this Annual Report	✓
7.6 v)	Directors and CEO's holding shares of the entity at the beginning and end of the reporting year	Refer to the Investor Information of this Annual Report	✓
7.6 vi)	Information pertaining to material foreseeable risk factors	Refer to the Risk Management of this Annual Report	✓

Section	Requirement	Disclosure Reference for Compliance	Compliance Status
7.6 vii)	Details of material issues pertaining to employees and industrial relations	Refer to the Human Capital of this Annual Report	✓
7.6 viii)	Extents, locations, valuations and the number of buildings of the entity's land holdings and investment properties	Refer to the Information on Estates section on pages 354 to 355 of this Annual Report.	✓
7.6 ix)	Number of shares representing the stated capital	Refer to the Investor Information of this Annual Report	✓
7.6 x)	Distribution schedule of the number of holders and the percentage of their total holding	Refer to the Investor Information of this Annual Report	✓
7.6 xi)	Ratios and market price information	Refer to the Investor Information of this Annual Report	✓
7.6 xii)	Significant changes in the entity's or its subsidiaries' fixed assets and the market value of land	Refer to Notes 15 and 16 to the Financial Statements of this Annual Report	✓
7.6 xiii)	Funds (if any) raised either through a public issue, rights issue, or private placement	The Company had no public issue, rights issue or private placement during the year under review	N/A
7.6 xiv)	Employee share option/purchase schemes	As of the date, the Company has no share option/ purchase schemes made available to its Directors or employees	N/A
7.6 xv)	Corporate Governance Disclosures	Refer to the Corporate Governance Report of this Annual Report	✓
7.6 xvi)	Related Party Transactions	Refer Note 33 to the Financial Statements and the declaration of the Board of Directors embodied in the Annual Report of the Board of Directors of this Annual Report	✓

Section 9 – Corporate Governance Rules of the Listing Rules of the Colombo Stock Exchange

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
9.1	**Corporate Governance Rules**		
9.1.1 9.1.3	Statement confirming the extent of compliance with the Corporate Governance Rules	✓	The extent of compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange on Corporate Governance Rules is tabulated in the table given below. Also refer to 'Chairman's Statement on Governance' in the Corporate Governance Report of this Annual Report.
9.2	**Policies**		
9.2.	Listed Company shall establish and maintain the following policies and disclose the existence of such policies together with the details relating to the implementation of such policies by the Company on its website; a) Policy on matters relating to the Board of Directors b) Policy on Board Committees c) Policy on Corporate Governance, Nominations and Re-election d) Policy on Remuneration e) Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities	✓	The Company has formulated the policies referred to in a, b, c, d, e, f, g, h, i, j, k and l, and the said policies are periodically reviewed by the Board.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
	f) Policy on Risk management and Internal controls g) Policy on Relations with Shareholders and Investors h) Policy on Environmental, Social and Governance Sustainability i) Policy on Control and Management of Company Assets and Shareholder Investments j) Policy on Corporate Disclosures k) Policy on Whistleblowing l) Policy on Anti-Bribery and Corruption	✓	
9.2.2	Any waivers from compliance with the Internal Code of Business Conduct and Ethics or exemptions granted	N/A	N/A
9.2.3	i List of policies in place as per Rule 9.2.1, with reference to the website ii Any changes to policies adopted	✓	Refer to 'How We Comply' under Rule 9.2.1 above.
9.2.4	Listed Company shall make available all such policies to shareholders upon a written request being made for any such Policy	✓	Refer to 'How We Comply' under Rule 9.2.1 above.
9.3	**Board Committees**		
9.3.1	Listed Company shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at a minimum shall include: (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee	✓	The Company has in place a Nominations and Governance Committee, Remuneration Committee, Audit and Risk Committee and a Related Party Transactions Review Committee.
9.3.2	Listed Company shall comply with the composition, responsibilities and disclosures required in respect of the above Board committees as set out in these Rules	✓	Refer to 'How We Comply' under Rules 9.11, 9.12, 9.13 and 9.14 below.
9.3.3	The Chairperson of the Board of Directors of the Company shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above	✓	The Chairman of the Board does not serve as the Chairman of any Board Subcommittees.
9.4	**Principles of democracy in shareholder dealings**		
9.4.1	Listed Company shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Company. The Company shall provide copies of the same at the request of the Exchange and/or the Securities and Exchange Commission (SEC). a) The number of shares in respect of which proxy appointments have been validly made; b) The number of votes in favour of the resolution; c) The number of votes against the resolution; and d) The number of shares in respect of which the vote was directed to be abstained	✓	The Company Secretaries maintain records of all resolutions of General Meetings and information related thereto.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
9.4.2	a) Listed Company should have a policy on effective communication and relations with shareholders and investors b) Listed Company should disclose the contact person for such communication c) The policy on relations with shareholders and investors on the process to make all Directors aware of major issues and concerns of shareholders	✓	Refer to "How We Comply" under Rule 9.2.1 above.
9.5.1	Listed Company shall establish and maintain a formal policy governing matters relating to the Board of Directors, and such policy shall include the matters listed under this Rule	✓	Refer to "How We Comply" under Rule 9.2.1 above.
9.5.2	Confirmation on compliance with the requirements of the Policy on matters relating to the Board of Directors. If non-Compliant reasons for the same with proposed remedial action	✓	Refer to "How We Comply" under Rule 9.2.1 above.
9.6	**Chairperson and CEO (GRI 2-11)**		
9.6.1	The Chairperson of every listed company shall be a Non-Executive Director, and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below	✓	Since the Chairman is an Executive Director, a Senior Independent Director has been appointed w.e.f. 01st April 2026, in compliance with Rule 9.6.3.
9.6.2	Where the Chairperson of a listed company is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such entity shall make a market announcement within a period of one (1) month from the date of implementation of these Rules or an immediate market announcement if such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules	✓	An immediate market announcement was made to the CSE on 31st March 2026 informing the appointment of Dr. R. M. Fernando as Chairman consequent to the resignation of Dr. M. P. Dissanayake on the 31st of March 2026.
9.6.3	Senior Independent Director	✓	Mr. M. J. S. Rajakariar was appointed as the Senior Independent Director of the Board w.e.f. 01st April 2026 since the Chairman is an Executive Director.
9.6.4	Rationale for appointing Senior Independent Director	✓	Refer to the Report of the Senior Independent Director.
9.7	**Fitness of Directors and CEOs**		
9.7.1	Listed Company shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of the Listing Rules	✓	The Company Secretaries obtain annual declarations from the Directors of the Company to ensure that they are at all times fit and proper persons as specified in the criteria given in Rule 9.7.3 of the Listing Rules of the CSE.
9.7.2	Listed Company shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made	✓	Declarations obtained from the Directors in terms of Rule 9.7.4 are presented to the Nominations and Governance Committee for determination prior to recommending the Director for appointment/ re-election.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
9.7.3	A Director or the CEO of a Listed Company shall not be considered as 'fit and proper' if he or she does not meet the fit and proper assessment criteria specified under "Honesty, Integrity and Reputation," "Competence and Capability" and "Financial Soundness" as set out in Rule 9.7.3 (a), (b) and (c) respectively	✓	Refer to 'How We Comply' under Rule 9.7.1 above.
9.7.4	Listed Company shall obtain declarations from its Directors and CEO on an annual basis confirming that each of them has continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	✓	Annual declarations from Directors confirming that each of them has continuously satisfied the fit and proper assessment criteria set out in the CSE revised Listing Rules were obtained as at 31st March 2026.
9.7.5	(a) Statement on Directors and CEO satisfying Fit and Proper Assessment Criteria (b) Any non-compliance/s and remedial action taken	✓	Refer to the 'Annual Report of the Board of Directors' of this Annual Report. N/A
9.8	**Board Composition**		
9.8.1	The Board of Directors of a Listed Company shall, at a minimum, consist of five (05) Directors	✓	As of the date of the publication of this Annual Report, the Company consists of 10 Directors, thereby complying with the requirement stipulated under Rule 9.8.1 of the Listing Rules of the CSE.
9.8.2	Minimum Number of Independent Directors: (a) The Board of Directors of a Listed Company shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Company at any given time, whichever is higher (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change	✓	The Board consists of 3 Independent Directors as of the date of publication of this Annual Report.
9.8.3	A Director shall not be considered independent if he/she does not meet the criteria for determining independence as set out in Rule 9.8.3 of the Listing Rules	✓	As at 31 March 2026, all the Independent Directors of the Company fulfil the criteria for determining independence under Rule 9.8.3 of the Listing Rules.
9.8.5	(a) Each Independent Director to submit a signed and dated declaration annually of his or her "independence" or "non-independence" against the criteria specified herein and in the format in Appendix 9A, containing at a minimum the content prescribed therein (b) Make an annual determination as to the "independence" or "non-independence" of each Independent Director based on the Directors' declaration and other information available to it and shall set out the names of Directors determined to be 'independent' in the Annual Report (c) If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof	✓	The Independent Directors submit signed declarations annually with regard to their independence/non-independence against the specified criteria stipulated under Rule 9.8.3 of the Listing Rules of the CSE. Refer to 'Independence of the Directors' in the Corporate Governance Report of this Annual Report.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
9.9	**Alternate Directors**		
9.9	If a Listed Company provides for the appointment of Alternate Directors, it shall be required to comply with the requirements set out in Rule 9.9 of the Listing Rules, and such requirements shall also be incorporated into the Articles of Association of the Company	N/A	N/A However, the Articles of Association of the Company were amended to incorporate the requirements set out under Rule 9.9 of the Listing Rules.
9.10	**Disclosures Relating to Directors**		
9.10.1	Listed Company shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such a number is exceeded by a Director(s), the Company shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 of the Listing Rules	✓	Refer to "How We Comply" under Rule 9.2.1 above.
9.10.2	Listed Company shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following: i. A brief resume of such Director; ii. His/her capacity of directorship; and, iii. Statement by the Company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Company	✓	Refer to 'Appointment, Re-election and Resignation of Directors' in the Corporate Governance Report of this Annual Report.
9.10.3	Listed Company shall make an immediate Market Announcement regarding any changes to the composition of the Board of Directors and Board Committees referred to in Rule 9.3 of the Listing Rules, containing, at a minimum, the details of changes including the capacity of directorship with the effective date thereof	✓	Changes to the Board and Board Subcommittees are promptly notified to the CSE.
9.10.4	Directors details a) name, qualifications and brief profile b) nature of his/her expertise in relevant functional areas c) whether either the Director or Close Family Members have any material business relationships with other Directors d) whether Executive, Non-Executive and/or independent Director e) total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or KMP, stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group, names need not be disclosed) f) number of Board meetings attended g) names of Board Committees in which the Director serves as Chairperson or a member h) Attendance of board committee meetings i) Terms of Reference and powers of Senior Independent Directors	✓	a) name, qualifications and brief profile b) nature of his/her expertise in relevant functional areas d) whether Executive, Non-Executive and/or independent Director — Refer to 'Board profiles' of this Annual Report.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply	
		✓	c) whether either the Director or Close Family Members have any material business relationships with other Directors	Based on the individual declarations obtained from the Directors, it was evident that neither of the Directors nor their close family members have material business relationships with other Directors of the Company. A Statement to this effect will be included in the 'Annual Report of the Board of Directors' of this Annual Report.
			f) number of Board meetings attended g) names of Board Committees in which the Director serves as Chairperson or a member h) Attendance of board committee meetings	Refer to the Corporate Governance Report of this Annual Report.
			i) Terms of Reference and powers of Senior Independent Directors	Refer to the report of the Senior Independent Director.
			e) total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/ or KMP, stating whether listed or unlisted, whether functions as executive or non-executive (If the directorships are within the Group names need not be disclosed)	Refer to the Corporate Governance Report.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
9.11	**Nominations and Governance Committee**		
9.11.1	Listed Company shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of the Listing Rules	✓	The Company has a Nominations and Governance Committee that conforms with the requirements set out in Rule 9.11.
9.11.2	Listed Company shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee	✓	Refer to "How We Comply" under Rule 9.2.1 above.
9.11.3	The Nominations and Governance Committee shall have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	✓	Refer to "How We Comply" under Rule 9.2.1 above.
9.11.4	(1) The members of the Nominations and Governance Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company (b) not comprise of Executive Directors of the Listed Company. (2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors (3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Company	✓	Refer to 'Composition of the Committee' in the Nominations and Governance Committee Report.
9.11.5	The functions of the Nominations and Governance Committee	✓	Refer to the 'Nomination and Governance Committee Report' of this Annual Report.
9.11.6	The Annual Report of a Listed Company shall contain a report of the Nominations and Governance Committee signed by its Chairperson The Nominations and Governance Committee Report shall include the following: (a) Names of chairperson and members with nature of directorship (b) Date of appointment to the committee (c) Availability of documented policy and processes when nominating Directors (d) Requirement of re-election at regular intervals at least once every 3 years (e) Board diversity (f) Effective implementation of policies and processes relating to the appointment and reappointment of Directors	✓	Refer to the 'Nomination and Governance Committee Report' of this Annual Report.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
	(g) Details of directors re-appointed - Board Committees served - Date of first appointment - Date of last re-appointment - Directorships or Chairpersonships and other principal commitments, present and held over the preceding three years - Any relationships – close family member, more 10% shareholding (h) Performance of periodic evaluation of the board (i) Process adopted to inform independent directors of major issues. (j) Induction/orientation programs for new directors on corporate governance, Listing Rules, securities market regulations or negative statements (k) Annual update for all directors on corporate governance, Listing Rules, securities market regulations or negative statement (l) Compliance with independence criteria (m) Statement on compliance with corporate governance rules if non- compliant reasons and remedial actions	✓	
9.12	**Remuneration Committee**		
9.12.2	Listed Company shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of the Listing Rules	✓	The Company has a Remuneration Committee that conforms with the requirements set out in Rule 9.12.
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration	✓	Refer to 'Director Remuneration' in the Corporate Governance Report and the 'Remuneration Committee Report' of this Annual Report.
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired	✓	Refer to 'How We Comply' under Rule 9.2.1 above.
9.12.5	The Remuneration Committee shall have written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings	✓	Refer to the 'Remuneration Committee Report' of this Annual Report.
9.12.6	(1) The members of the Remuneration Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Company, out of which a minimum of two (02) members shall be Independent Directors of the Company (b) not comprise the Executive Directors of the Listed Company (2) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	✓	Refer to 'Composition of the Committee' in the Remuneration Committee Report of this Annual Report.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
9.12.7	The functions of the Remuneration Committee	✓	Refer to the 'Remuneration Committee Report' of this Annual Report.
9.12.8	The Remuneration Committee Report shall contain the following: (a) Names of chairperson and members with nature of directorship (b) Remuneration Policy (c) The aggregate remuneration of the Executive and Non-Executive Directors	✓	Refer to the 'Remuneration Committee Report' of this Annual Report. Refer to Note 09 to the Financial Statements of this Annual Report.
9.13	**Audit Committee**		
9.13.1	Where a Listed Company does not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Company shall additionally perform the Risk Functions set out in Rule 9.13 of the Listing Rules	✓	The Audit Committee of the Company also perform the risk functions and accordingly was renamed the Audit and Risk Committee.
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	✓	The Audit and Risk Committee have written terms of reference clearly defining its scope, authority and duties.
9.13.3	(1) The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Listed Company, out of which a minimum of two (02) or a majority of the members, whichever is higher, shall be Independent Directors. (b) not comprise the Executive Directors of the Listed Company. (2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors. (3) The Audit Committee may meet as often as required, provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market. (4) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. (5) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of a Listed Company shall attend the Audit Committee meetings by invitation. (6) The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body	✓	Refer to the 'Audit and Risk Committee Report' of this Annual Report.
9.13.4	The functions of the Audit Committee	✓	Refer to the 'Audit and Risk Committee Report' of this Annual Report.
9.13.5	Disclosures in the Annual Report (1) Listed Company shall prepare an Audit Committee Report, which shall be included in the Annual Report (2) The Audit Committee Report shall contain disclosures set out in Rule 9.13.5 (2)	✓	Refer to the 'Audit and Risk Committee Report' of this Annual Report.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
9.14	**Related Party Transactions Review Committee**		
9.14.1	Listed Company shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of the Listing Rules.	✓	The Company has a Related Party Transactions Review Committee that conforms with the requirements set out in Rule 9.14.1.
9.14.2	(1) The Related Party Transactions Review Committee shall comprise a minimum of three (03) Directors of a Listed Company, out of which two (02) members shall be Independent Directors of the Company. It may also include executive directors, at the option of the Company. An Independent Director shall be appointed as the Chairperson of the Committee	✓	Refer to the 'Related Part Transactions Review Committee Report' of this Annual Report.
9.14.3	The functions of the Related Party Transactions Review Committee	✓	Refer to the 'Related Part Transactions Review Committee Report' of this Annual Report.
9.14.4	1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. 2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions and, where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person. 3) Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction. 4) If a Director of a Listed Company has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not: (a) be present while the matter is being considered at the meeting; and, (b) vote on the matter	✓	Refer to the 'Related Part Transactions Review Committee Report' of this Annual Report.
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	✓	Refer to the 'Related Part Transactions Review Committee Report' of this Annual Report.
9.14.6	Listed Company shall obtain Shareholder approval for the Related Party Transactions set out in Rule 9.14.6 of the Listing Rules	N/A	There were no Related Party Transactions during the year which required shareholder approval. The Company would comply with this Rule should a need arise.
9.14.7	Listed Company shall make an immediate Market Announcement to the Exchange for the Related Party Transactions as set out in Rule 9.14.7 (a) and (b)	N/A	There were no Related Party Transactions during the year, which required an immediate Market Announcement. The Company would comply with this Rule should a need arise.

Rule Ref.	Disclosure Requirement	Compliance Status	How We Comply
9.14.8 (1)	Related Party Disclosures Non-recurrent RPT exceeding 10% of the Equity or 5% of the Total Assets, whichever is lower (in the specified format)	✓	Refer to the 'Related Party Transactions Review Committee Report' and the 'Annual Report of the Board of Directors' of this Annual Report.
9.14.8 (2)	Recurrent RPT exceeding 10% of the gross revenue/income (in the specified format)	✓	Refer to the 'Related Party Transactions Review Committee Report' and the 'Annual Report of the Board of Directors' of this Annual Report.
9.14.8 (3)	Related Party Transactions Review Committee Report - Names of the Directors comprising the Committee - Statement that the committee has reviewed RPTs and communicated comments/observations to the Board - Policies and procedures adopted by the Committee	✓	Refer to the 'Related Part Transactions Review Committee Report' of this Annual Report.
9.14.8 (4)	Affirmative declaration by the Board of Directors on compliance with RPT Rules or a negative statement to that effect	✓	Refer to 'Annual Report of the Board of Directors' of this Annual Report.
9.14.9	Acquisition and disposal of assets from/to Related Parties Except for transactions set out in Rule 9.14.10, Listed Company shall ensure that neither the Company nor any of its subsidiaries acquires a substantial asset from, or disposes of a substantial asset to, any Related Party of the Company without obtaining the approval of the shareholders of the Company by way of a Special Resolution	N/A	The Company has not acquired or disposed of any assets from/to Related Parties. The Company would comply with this Rule should a need arise.
9.16	**Additional Disclosures**		
	Additional disclosures by the Board of Directors Declaration on the following - All material interests in contracts and have been refrained from voting on matters in which they were materially interested - Reviewed the internal controls covering financial, operational and compliance controls and risk management and obtained reasonable assurance of their effectiveness and successful adherence and, if unable to make any of these declarations, an explanation on why it is unable to do so; - Made themselves aware of applicable laws, rules and regulations and are aware of changes, particularly to Listing Rules and applicable capital market provisions; - Disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations	✓	Refer to 'Annual Report of the Board of Directors' of this Annual Report.

REPORT OF THE SENIOR INDEPENDENT DIRECTOR

APPOINTMENT

Following the resignation of Dr. M. P. Dissanayake as Non-Executive Director and Chairman of the Company on 31st March 2026, and the subsequent appointment of Executive Director, Dr. R. M. Fernando as the Chairman of the Company with effect from 1st April 2026, I was appointed as the Senior Independent Director (SID) with effect from 1st April 2026 in terms of Rule 9.6.3 of the Listing Rules of the Colombo Stock Exchange.

Rule 9.6.3 of the Listing Rules and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka provide that in situations where the chairman is not an independent director, a Senior Independent Director (SID) shall be appointed.

ROLE OF THE SENIOR INDEPENDENT DIRECTOR

As SID, I provide independent counsel to the Chairman on matters relating to Board governance and effectiveness. My mandate is to uphold the highest standards of transparency and to facilitate an objective assessment of Board performance.

To discharge this responsibility effectively, I convene regular meetings with the Non-Executive and Independent Directors to encourage open dialogue on governance matters. I also remain available to any Director or employee for confidential discussions on Company affairs, ensuring that concerns can be raised independently and without reservation.

THE WAY FORWARD

Although I did not serve as Senior Independent Director during the 2025/2026 financial year, I am committed to fulfilling the duties of the role with diligence and impartiality in the years ahead, in support of the Chairman, the Board, and the shareholders of Elpitiya Plantations PLC, and in full alignment with the applicable Corporate Governance Rules.

Mr. M. J. S. Rajakariar
Senior Independent Director

Colombo
04th June 2026

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee represents and assists the Board in fulfilling its responsibility relating to the integrity of the Company's Financial Statements and the financial reporting process, the systems of internal control, compliance with legal and regulatory requirements, risk management practices and the adequacy of external and internal audit. These endeavours aim to safeguard the interests of shareholders and all other stakeholders.

The Committee operates under a formal Charter approved by the Board and is in full compliance with the requirements set out by the Listing Rules of the Colombo Stock Exchange (CSE), the Companies Act No.7 of 2007, and the principles of good governance set out in the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

COMPOSITION

Mr. M. J. S. Rajakariar - Chairman
Independent Non-Executive Director

Dr. R. A. Fernando -Member
Independent Non-Executive Director

Ms. M. D. A. Perera - Member
Non-Executive Director

The Committee's composition is in compliance with Listing Rule 9.13.3 of the CSE.

The Committee comprises of two Independent Directors and a Non-Executive Director, and is chaired by Mr. M. J. S. Rajakariar, an Independent Director who holds prestigious qualifications from The Institute of Chartered Accountants (CA) Sri Lanka, Chartered Institute of Management Accountants UK and the Institute of Certified Management Accountants of Sri Lanka and is a Fellow member of all three institutions.

Furthermore, all members of the Committee possess the required financial and relevant business expertise. Therefore, the Board is satisfied that the Committee has an adequate combination of skills and commercial experience to facilitate a satisfactory level of discharge of their responsibilities.

The profiles of the Committee Members are given on pages 28 to 37 of this Annual Report.

SECRETARY TO THE COMMITTEE:

Mr. D. D. M. A. Saparamadu – Chief Internal Auditor, Aitken Spence PLC.

COMMITTEE MEETINGS

The Audit and Risk Committee functioned throughout the financial year and met seven (07) times during the Financial Year to assess the effectiveness of the internal control system and provide reasonable assurance that assets are safeguarded, and the financial reporting system can be relied upon.

Other matters, including Interim Financial Statements, were approved by way of Circular Resolutions where necessary.

Dr. R. M. Fernando (Former Managing Director and current Chairman), Mr. A. G. Geeth Kumara Dayananda (Chief Executive Officer), and Mr. J. A. R. Nissanka (Chief Operating Officer - Finance & IT Developments) attended the meetings by invitation. In addition, Mr. A. M. Ranathunga (General Manager, Internal Audit – Plantations) attended all the meetings.

In addition to the above, the Estate General Managers and Managers, whose audit reports were tabled and discussed were also present at the respective meetings. Further, the partner of Messrs. Ernst & Young, Chartered Accountants who are responsible for the Group's external audit attended the meetings by invitation as and when required.

The attendance at the Audit and Risk Committee meetings held during the year under review were as follows:

Director	26.05.2025	11.08.2025	18.09.2025	29.10.2025	05.02.2026	11.03.2026	24.03.2026
Mr. M. J. S. Rajakariar (Chairman)	✓	✓	✓	✓	✓	✓	✓
Ms. M. D. A. Perera	✓	✓	✓	✓	✓	✓	✓
Dr. R. A. Fernando	✓	✓	✓	✓	✓	✓	Excused

KEY RESPONSIBILITIES

- Assisting the Board in carrying out its overall independent oversight functions in relation to the accuracy and integrity of the Financial Statements, internal control systems and compliance with Group policies, legal and regulatory requirements with a view to safeguard the interests of shareholders and other stakeholders. The scope of functions and responsibilities are adequately outlined in the Terms of Reference of the Committee, which have been approved by the Board and are regularly reviewed.
- Ensuring the effectiveness of the internal control systems, financial reporting, risk management, compliance with laws and regulations, as well as the adequacy and effectiveness of the governance processes of the Group.
- Exercising its independent oversight on internal and external assurance functions and ensure both internal and external auditor's independence, objectivity and the effectiveness of the audit process.
- Reviewing the internal audit reports and maintaining healthy relationships with the sector senior management to ensure that precautionary measures are taken to mitigate the risk that

could arise due to reported control weaknesses, procedure violations, frauds and errors.

- Examining all matters relating to the Group's adopted accounting principles and practices and reviewing all material financial, operational, and compliance controls; the Committee is provided with sufficient resources to perform its duties, including support as necessary, from the internal audit department, the external auditor, and senior management.

ACTIVITIES DURING THE FINANCIAL YEAR 2025/2026

Risk Management and Internal Control

- The Audit and Risk Committee monitored the Group's risk management and internal control processes through detailed discussions with the Management and Executive Directors. The Committee also assisted the Board in evaluating the adequacy, robustness and effectiveness of the Group's management of risk, in terms of identifying, managing and mitigating principal risks and emerging risks. Further, the Committee ensured that the Group adheres to and complies with all relevant laws, rules and regulations of the country, international laws and codes of ethics, and standards of conduct required by regulatory authorities, professional bodies, and trade associations.

Financial Reporting and Financial Control

- During the year under review, the Audit and Risk Committee reviewed the Group's quarterly and annual Financial Statements, focusing on the following aspects:
    - Adequacy of disclosures.
    - Uniformity and appropriateness of the accounting policies adopted.
    - Compliance with the Companies Act No. 7 of 2007.
    - Adherence to applicable Sri Lanka Accounting Standards and other Accounting Standards of jurisdictions in which each subsidiary operates.
    - Compliance with the Listing Rules of the CSE.
    - Compliance with the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka.
    - Meeting requirements of other regulatory bodies applicable to the Group.
- Further, the Committee and the Management discussed any future accounting developments likely to affect the Financial Statements. The Committee also reviewed the budgets and strategic plans of the Group to ensure that all forward-looking statements in the Annual Report accurately reflect the Group's position, and monitored the integrity of the Group's published financial information and reviewed all significant financial judgements and estimates made by the management.

External Audit

- The Audit and Risk Committee reviewed and monitored the relationship with the External Auditors including overseeing their appointment, independence, remuneration, tenure, rotation of the engagement partner and engagement for non-audit services. Further, it assessed the effectiveness and the progress of the External Auditors and the audit process. The Committee discussed the Audited Financial Statements with External Auditors and ensured that they were in conformity with the Sri Lanka Accounting Standards and other regulatory requirements and reviewed and discussed the Management Letter and instructed the management to take appropriate actions on matters highlighted therein.

Internal Audit

- The Audit and Risk Committee reviewed and approved the Annual Audit Plan after considering its depth and coverage and reviewed the operation and effectiveness of the Group Internal Audit function in terms of its independence, effectiveness and competency and resource adequacy. The Committee also continued to ensure the coordination between Group Internal Audit and External Auditors and reviewed and discussed the audit reports submitted by the Internal Audit Department with the management responses on financial and operational audits, information security and risk assessments carried out in line with approved Annual Audit Plan.

Reporting

- The Chairman of the Audit and Risk Committee reports to the Board at each meeting on the activities of the Committee and tables the minutes of the Committee Meetings at the Board Meetings.
- Annual Report incorporates the Audit and Risk Committee Report.
- The Chairman of the Audit and Risk Committee attends the Annual General Meeting.
- The Committee has obtained assurances from the Chief Executive Officer, Chief Operating Officer – Finance & IT Development and other Senior Management personnel that the financial records have been properly maintained, and the financial statements give a true and fair view of the Group's operations and finances.

CONDUCT, ETHICS AND GOOD GOVERNANCE

The Committee remains steadfast in its commitment to ensuring that the Group adheres to the highest ethical standards in business dealings. In this regard, the Group has a Code of Ethics & Professional Conduct, and robust policies such as the Whistleblowing Policy and an Anti-Bribery & Anti-Corruption Policy which mandates all staff members to be ethical, transparent and accountable and resort to whistleblowing if they suspect any wrongdoings or other improprieties. Highest standards of corporate governance and adherence to the Group's Code of Ethics & Professional Conduct were ensured. All appropriate procedures are in place to conduct independent investigations into incidents reported through whistleblowing or identified through other means.

RE-APPOINTMENT OF EXTERNAL AUDITORS – MESSRS. ERNST & YOUNG, CHARTERED ACCOUNTANTS

The Committee having considered that there were no material transactions between the External Auditors and the Group companies, and having considered the confirmations stating that there were no shares held by the External Auditors, and the periodic rotation of the Audit Partner, noted that Messrs. Ernst & Young, Chartered Accountants are independent and are eligible for re-appointment as the External Auditors of the Group.

Having noted the above, the Committee recommend to the Board that Messrs. Ernst & Young, Chartered Accountants be re-appointed as the External Auditors of the Company for the current financial year, subject to the approval of the Shareholders at the forthcoming Annual General Meeting.

THE YEAR AHEAD

Looking ahead to the financial year 2026/2027, the Committee's key priorities will include overseeing the Group's risk management and internal control processes, sustaining a strong culture of risk management across the Group, continuing to monitor the impacts of climate change and taking a proactive approach in anticipating and preparing for any legislative or regulatory changes.

Mr. M. J. S. Rajakariar
Chairman
Audit and Risk Committee

Colombo
04th June 2026

REMUNERATION COMMITTEE REPORT

GRI 2-19, 2-20

COMPOSITION

Prof. A. S. Dharmasiri - Chairman
Independent Non-Executive Director

Dr. R. A. Fernando - Member
Independent Non-Executive Director

Mr. Malik J. Fernando - Member
Non-Executive Director

Mr. M. J. S. Rajakariar – Member
Independent Non-Executive Director

The composition of the Committee complies with the requirements of Section 9.12.6 of the Listing Rules of the Colombo Stock Exchange the Code of Best Practice on Corporate Governance issued by CA Sri Lanka. The profiles of the Committee members are given on pages 28 to 37 of this Report.

INDEPENDENCE OF THE COMMITTEE MEMBERS

The Committee comprises of four (04) Non-Executive Directors of whom three (03) are Independent and is chaired by an Independent Non-Executive Director. The members are independent of management and are able to exercise independent judgment when making decisions of the Committee. Mr. Malik J. Fernando is a Non-Executive Director of Aitken Spence Plantation Management Limited, which is the holding company as well as the Managing Agent of the Company. However, Mr. Fernando does not get involved in the day-to-day operations of either the Company or its parent company. The Members of the Committee refrain from taking part in determining their own remuneration.

COMMITTEE MEETINGS

The Committee met two (02) times during the year under review.

Director	30.05.2025	12.06.2025
Prof. A. S. Dharmasiri - Chairman	✓	✓
Mr. Malik J. Fernando	×	Excused
Dr. R. A. Fernando	✓	✓
Mr. M. J. S. Rajakariar - appointed w.e.f. 17.06.2025	N/A	N/A

Dr. R. M. Fernando, former Managing Director and current Chairman of the Company attended the meetings by invitation.

REMUNERATION POLICY

The Group remuneration policy which was reviewed by the Committee remained unchanged during the year under review.

The remuneration policy is formulated based on competitive remuneration structures of other plantation companies and also with the objective of retaining the best professional and managerial talent and encouraging and motivating good performers to perform at a higher level. The Company has a formal performance appraisal system and regular evaluations are carried out to evaluate each employee's performance.

The remuneration policy adopted also takes into consideration the cost of living, inflation and the basic needs of the employees particularly in the lower income groups. The performance of the Company and affordability together with economic conditions which prevail were also considered in recommending increases in remuneration.

KEY RESPONSIBILITIES OF THE COMMITTEE

- Determine remuneration policy for Directors, Key Management Personnel and Executives.
- Decide individual remuneration packages, including termination compensation.
- Evaluate performance of Managing Directors, Executive Directors and Executives.
- Review the Committee's Terms of Reference regularly to ensure industry best practices.

ACTIVITIES OF THE COMMITTEE

The Committee's decisions were determined based on the following principles and policies:

Remuneration Policy

- Evaluated the Group Remuneration Policy against the current market trends and industrial norms.
- Reviewed and ensured the implementation of the Group Remuneration Policy.
- Reviewed the policy of the remuneration package of both Executive and Non-Executive Directors.
- Reviewed the specific application of the Group Remuneration Policy to the Managing Director, Joint Managing Director/CEO and Executive Directors and general application of the Group Remuneration Policy to the Senior Management of the Company.

Performance Based Remuneration

- Evaluated the performance of the Managing Director, CEO, Executive Directors as well as the individual and collective performance of Directors and Senior Management of the Group.
- Reviewed, monitored and evaluated performance of Key Management Personnel as well as their management development and succession planning.

Performance Incentives

- Evaluated the achievements as well as unaccomplished targets and results which are considered to determine performance-based incentives.

Remuneration of Managing Director and Joint Managing Director/CEO

- Evaluated the performance of the Managing Director and CEO.

No Director was involved in deciding his/her own remuneration package.

AGGREGATE REMUNERATION OF THE EXECUTIVE AND NON-EXECUTIVE DIRECTORS

Aggregate remuneration paid to the Executive Directors and Non-Executive Directors for the financial year 2025/2026 has been disclosed under Note 09 on page 312 of the Annual Report.

Prof. A. S. Dharmasiri
Chairman
Remuneration Committee

Colombo
04th June 2026

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

GRI 2-10

COMPOSITION

The Nomination and Governance Committee consists of the following members as at the date of reporting:

- Prof. A. S. Dharmasiri – Chairman Independent Non-Executive Director
- Mr. M. J. S. Rajakariar – Member Independent Non-Executive Director
- Dr. R. A. Fernando - Member Independent Non-Executive Director
- Ms. M. D. A. Perera - Member (Appointed w.e.f. 17.05.2025) Non-Executive Director

The Committee's composition complies with the requirements of Rule 9.11.4 of the Listing Rules of the Colombo Stock Exchange.

COMMITTEE MEETINGS

Director	30.05.2025	04.03.2026
Prof. A. S. Dharmasiri - Chairman	✓	✓
Mr. M. J. S. Rajakariar	✓	✓
Dr. R. A. Fernando	✓	✓
Ms. M. D. A. Perera - appointed w.e.f. 17.06.2025	N/A	✓

The Committee had two (02) meetings for the year under review. All other matters that required the attention of the Committee were transacted by way of circular resolution of the Committee.

RESPONSIBILITIES OF THE COMMITTEE

- Evaluation of the quality and composition of the Board of Elpitiya Plantations PLC. The Committee is responsible for ensuring that the Board is well balanced and diversified in terms of effectiveness and composition. Suitable candidates are identified as Directors whilst ensuring that the Board consists of Directors with vast knowledge, experience, competence and entrepreneurial skills to advance the effectiveness of the Boards. The Committee periodically reviews the structure, size and composition of the Board.
- Evaluation of the performance of the Board, its committees, and individual Directors to ensure that their responsibilities are satisfactorily discharged.
- Reviewing the Charter for the appointment, re-appointment, re-election, and election of Directors to the Board, as well as their succession planning, and suggesting amendments where necessary.

KEY FUNCTIONS OF THE COMMITTEE

The Committee reviews and makes recommendations that are fair, free from any bias, and not influenced by personal or business relationships, thereby enabling the Company to make sound and measured judgments to attract the best talent for the Company. During the financial year 2025/2026 the Committee performed the following functions:

- Ensured the diversity and effectiveness of the Board as well as the Key Management Personnel (KMPs).
- Reviewed and recommended necessary appointments to the Board whenever necessary.
- Evaluated and recommended suitable internal and external candidates for higher levels of management.
- Evaluated the eligibility of the Directors who have offered themselves re-appointment and re-election to the Board considering the performance and contribution made by the Director concerned, towards the overall discharge of the Board's responsibilities and made necessary recommendations to the Board.
- Evaluated the combination of varied skills, knowledge and experience of the Directors of the Company.
- Ascertained that the competencies of Directors are adequate to meet the required strategic demands of the Company.
- Reviewed the formal procedure to evaluate, select and appoint/re-appoint Directors of the Listed Entity.

RE-APPOINTMENTS AND RE-ELECTIONS

Mr. D. A. de S. Wickremanayake and Dr. R. M. Fernando, who retire from the Board at the conclusion of the forthcoming Annual General Meeting in terms of Section 210 and 211 of the Companies Act No. 7 of 2007, have offered themselves for re-appointment.

In terms of Article 92 and 93 of the Articles of Association, Ms. M. D. A. Perera retires by rotation and has offered herself for re-election at the forthcoming Annual General Meeting.

In terms of Article 98 of the Articles of Association, Ms. D. S. T. Jayawardena, and Mr. A. G. Geeth Kumara Dayananda retire and have offered themselves for election at the forthcoming Annual General Meeting.

Having given due consideration to each Director's performance, the Committee recommends that the said Directors are eligible for re-appointment, re-election and election as the case may be.

The members of the Nominations and Governance Committee did not participate in the decisions relating to their own re-appointments.

Prof. A. S. Dharmasiri
Chairman
Nominations and Governance Committee

Colombo
04th June 2026

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

ROLE

The role of the Related Party Transactions Review Committee is to advise the Board in relation to transactions with related parties as defined by Sri Lanka Accounting Standard - LKAS 24 and Listing Rules of the Colombo Stock Exchange. The Committee adheres to Rule 9.14 of the updated Listing Rules of the Colombo Stock Exchange, ensuring that the Company considers the interests of shareholders collectively when entering Related Party Transactions.

COMPOSITION

- Dr. R. A. Fernando - Chairman
  Independent Non-Executive Director
- Mr. M. J. S. Rajakariar - Member
  Independent Non-Executive Director
- Ms. M. D. A. Perera - Member
  Non-Executive Director

The Committee's composition complies with the requirements of Section 9.14.2 of the Listing Rules of the Colombo Stock Exchange.

The Related Party Transactions Review Committee is composed of three (03) Non-Executive Directors, of whom two (02) are Independent Directors. The Committee is chaired by Dr. R. A. Fernando, who is an Independent Director. Members' profiles are given on pages 28 to 37 of this Report.

COMMITTEE MEETINGS

The Committee met every quarter during the year under review.

Director	26.05.2025	11.08.2025	29.10.2025	05.02.2026
Dr. R. A. Fernando- Chairman	✓	✓	✓	✓
Ms. M. D. A. Perera	✓	✓	✓	✓
Mr. M. J. S. Rajakariar	✓	✓	✓	✓

HIGHLIGHTS DURING THE FINANCIAL YEAR 2025/2026

- Obtained quarterly disclosures from the Key Management Personnel and the Group related companies in relation to proposed related party transactions and post quarter confirmations and the Committee reviewed all such disclosures at its quarterly meetings.
- Communicated Committee's activities to the Board by tabling the minutes of the Committee meetings, at the Board meetings.
- Fixed the thresholds at the first meeting of the Financial Year for Related Party Transactions which require either shareholders' approval or immediate market disclosures for the Financial Year 2025/2026 based on the Audited Financial Statements of the previous Financial Year.

KEY RESPONSIBILITIES OF THE COMMITTEE

The Committee's key focus is to review all proposed Related Party Transactions prior to entering into or completion of the transaction according to the procedures laid down by Section 9.14 of the Listing Rules of the Colombo Stock Exchange. The responsibilities of the Committee are as follows:

- Evaluate any proposed Related Party Transactions on a quarterly basis and recommend to the management and the Board, the appropriate course of action be taken in order to be compliant with the regulations of the Listing Rules of the Colombo Stock Exchange,
- Review any post quarter confirmations on Related Party Transactions,
- Review the threshold for Related Party Transactions which require either shareholders' approval or immediate market disclosures, as the case may be,
- Regularly report to the Board on the Committee's activities.

KEY MANAGEMENT PERSONNEL

The Key Management Personnel (KMP) of the Company are the Board of Directors of the Company, Chief Executive Officer, and Chief Operating Officers. Declarations were obtained from each KMP of the Company and subsidiaries for the purpose of identifying related parties and for the purpose of annual disclosure.

KEY FUNCTIONS PERFORMED DURING THE YEAR UNDER REVIEW

- Policies and Procedures:
  - Quarterly disclosures were obtained from the Key Management Personnel of any proposed Related Party Transactions and confirmations of any post-quarter transactions. All such disclosures are tabled at each Related Party Transactions Review Committee meeting,
  - Quarterly disclosures were obtained from all Group companies of any proposed related party transactions and confirmations of any post-quarter transactions and all disclosures are tabled at each related party transactions Review Committee Meeting,
  - Non-recurrent related party transactions which in aggregate value exceeding lower of 10% of the equity or 5% of the total assets of the Group as per the Audited Financial Statements of the previous year, if any, were communicated to the Committee through the Company Secretaries,
  - Recurrent related party transactions exceeding 10% of the gross revenue of the Group as per the Audited Financial Statements of the previous year, if any, were communicated to the Committee through the Company Secretaries.

- Review of Related Party Transactions:
    - Reviewed all proposed Related Party Transactions as well as post quarter confirmations,
    - Activities of the Committee were communicated to the Board by tabling the minutes of the Related Party Transactions Review Committee Meetings,

- Reviewed thresholds for Related Party Transactions which require either shareholders' approval or immediate market disclosure based on the Financial Statements for the year ended 31st March 2025.
- Confirmed that there were no occurrence of events to be disclosed in terms of Section 9.14.7(1) and 9.14.8(1) of the Listing Rules of the Colombo Stock Exchange.

DECLARATION BY THE BOARD

The Annual Report of the Board of Directors embodies a declaration confirming compliance with the requirements stipulated in Section 9.14.8(4) of the Listing Rules of the Colombo Stock Exchange.

Dr. R. A. Fernando
Chairman
Related Party Transactions Review Committee

Colombo
04th June 2026

SUSTAINABILITY COMMITTEE REPORT

GRI 2-12, 2-13

FORMATION OF THE COMMITTEE

The Board Sustainability Committee of Elpitiya Plantations PLC was established as a reflection of the Company's commitment to integrating Environmental, Social, Governance (ESG) and Economic principles into its core business strategy. The formation of this Committee signifies a key milestone in reinforcing the Company's position as a responsible and forward-thinking agribusiness entity, aligned with both national priorities and global sustainability expectations whilst building upon the work initiated by the Elpitiya Sustainability Committee in 2016, which accelerated its commitment to Renewable Energy by investing in solar power for all its factories.

ROLE

The Committee is responsible for establishing, reviewing, and evaluating the Company's sustainability performance while monitoring progress toward its Environmental, Social, Governance (ESG) and Economic objectives. The Committee also oversees the implementation of sustainability initiatives across the economic, environmental, and social pillars, ensuring alignment with the Company's strategic commitments, applicable regulatory requirements, and global best practices.

The key focus is to reduce the carbon footprint of the Company and in order to do so, the Committee has identified the key business operations to monitor regularly:

1. Agribusiness (traditional crops such as tea, palm, cinnamon, rubber etc.)
2. Diversified operations (berries, renewable energy etc.)

The fact sheets capturing the carbon footprint of each of the two key business operations was reviewed and are monitored at the bi-monthly sustainability meeting. A summarised version of the results are presented at each Board Meeting.

COMPOSITION

Dr. R. A. Fernando - Chairman
Independent Non-Executive Director

Prof. A. S. Dharmasiri
Independent Non-Executive Director

Mr. A. T. S. Sosa
Appointed by the Managing Partner

In addition, the key members of the Operations Team overseeing the plantation and non-plantation businesses are part of the Committee.

KEY RESPONSIBILITIES OF THE COMMITTEE

- Monitoring the carbon footprint annually and initiating actions which reduce the footprint.
- Provide executive-level guidance on corporate climate action strategies, ensuring their effective implementation, and conducting periodic progress evaluations.
- Provide executive-level direction on the socio-economic development of communities, overseeing their alignment with corporate sustainability objectives and reviewing progress periodically.
- Assess the company's adherence to global ESG standards, ensuring compliance and driving continuous enhancements to align with evolving regulatory and industry benchmarks.
- Evaluate the organisation's capacity to navigate sustainability-related risks and opportunities, and climate-related risks & opportunities, while ensuring long-term resilience.
- Advocate for the integration of global ESG trends and best practices, fostering continuous improvement and strengthening the company's sustainability leadership.

KEY ACTIVITIES DURING THE YEAR

- Review of the Terms of Reference (ToR) for both the Board Sustainability Committee and the Management-level ESG Committee.
- Review of two comprehensive fact sheets on sustainability issues covering both Agri and Diversified operations.
- Provision of strategic guidance for implementing sustainability reporting frameworks aligned with SLFRS S1 and S2.
- Review of the gap analysis in collaboration with an external consultancy to identify areas for improvement in existing reporting practices, to achieve full compliance with SLFRS S1 and S2 standards.
- Preparation of the sustainability-related financial disclosure report in accordance with SLFRS Disclosure Standards.

SECRETARY

The Chief Sustainability Officer shall act as the Secretary of the Committee.

REPORTING TO THE BOARD

The deliberations and decisions of the Committee are documented in formal minutes, which are tabled at the Board meetings to ensure transparency and informed governance. This enables the full Board to remain abreast of the Company's sustainability agenda and progress.

On behalf of the Board Sustainability Committee,

Dr. R. A. Fernando
Chairman
Sustainability Committee

Colombo
04th June 2026

THE BOARD OF DIRECTORS' STATEMENT ON INTERNAL CONTROLS

The Board of Directors present this statement on Internal Control in accordance with principle D.1.5. of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

RESPONSIBILITY

The Board of Directors of Elpitiya Plantations PLC acknowledge its responsibility for the adequacy and effectiveness of the company's internal control systems, which is designed to provide assurance on the maintenance of proper accounting records and the reliability of financial information generated and safeguarding of the assets of the Company.

The Board has established an ongoing process of identifying, evaluating and managing significant risks faced by the Company. This process includes enhancing the internal control systems as and when there are changes to the business environment or regulatory guidelines. This process is regularly reviewed by the Board.

The Board has the view that the internal control systems over financial reporting in place are sound and adequate to provide reasonable assurance regarding the reliability of financial reporting and that the preparation of financial statements for external purposes is in accordance with relevant accounting principles and regulatory requirements.

The Board has delegated specific responsibilities to the following sub committees ensuring the effectiveness of Group's daily operations and to ensure that these daily operations are within the corporate objectives, strategies and annual budget ratified by the Board:

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

INTERNAL AUDIT

The Internal Audit Department of Aitken Spence Group verifies compliance of operations with policies and procedures and the effectiveness of the internal control systems and highlights significant findings in respect of any non-compliance.

The Group's Internal Audit function is an independent function that reports directly to the Audit Committee. It undertakes regular reviews of the Company's operations and system of internal controls based on annual audit plans approved by the Audit Committee. The internal audit function carries out the reviews with impartiality, proficiency and due professional care. The Internal Audit findings are discussed at estate management level and actions are agreed in response to the internal audit function's recommendations. The progress of implementation of the agreed actions are reviewed and verified by the Internal Audit function through its follow-up reviews. The Audit Committee reviews all internal audit findings, estate management responses and the adequacy and effectiveness of internal controls.

POLICIES, PROCEDURES AND BUDGETS

Policies and procedures to ensure compliance with internal controls and relevant laws and regulations are set out in operations manuals, which are updated from time to time.

Annual budgets are approved by the Board of the Company and the respective Boards of the companies within the Group, and the performance of the companies is assessed against the budgets with explanations provided for significant variances periodically to the respective Boards.

WHISTLEBLOWING POLICY

The Company encourages a whistleblowing policy which enables employees to bring irregularities in financial reporting, internal controls or other matters within the Company/Group to the notice of the higher management.

GRI 2-26

Proper arrangements are in place to facilitate fair and independent investigation for such matters, if any. The prevalence and effectiveness of this policy is monitored and reviewed regularly by the Audit Committee.

THE CODE OF ETHICS AND PROFESSIONAL CONDUCT

The Aitken Spence Group Code of Ethics and Professional Conduct which includes a strong set of corporate values and conduct, is circulated to directors and all employees. The Board ensures that directors and all employees strictly comply with the Group Code of Ethics in exercising their duties, communications, role modelling and in any other circumstance, to uphold the Company's integrity and image. Strict disciplinary actions are initiated for any violation of the Group Code of Ethics and Professional conduct.

CYBER SECURITY

The Board has taken necessary precautions to minimise the risk of a security breach. During the year under review, necessary steps have been rolled out to curtail the exposure to cyber-attacks by reducing the threat surface and any potentially exploitable vulnerabilities.

GOING CONCERN

The Statement of Going Concern is set out in the 'Annual Report of The Board of Directors' on page 283.

RISK MANAGEMENT

The Board has set up an ongoing process for identifying, monitoring and managing the principal and emerging risks faced by the Company.

An overview of the Company's framework for identifying and managing risk, both at an operational and strategic level, is set out on pages 269 to 278.

ANNUAL REPORT

The Board is responsible for the preparation of the Annual Report and confirm that the quarterly reports, annual financial statements, and the annual review of operations of the Company and its equity accounted investees that are incorporated

THE BOARD OF DIRECTORS' STATEMENT ON INTERNAL CONTROLS

in this Annual Report, have been prepared and presented in a reliable manner based on a balanced and comprehensive assessment of the financial performance of the Group.

CONFIRMATION

Based on the above processes, the Board of Elpitiya Plantations PLC confirms that the financial reporting system of the Company has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes and has been done in accordance with Sri Lanka Accounting Standards and all relevant regulatory requirements.

Moreover, the Board has conducted an evaluation of Company's internal controls encompassing financial, operational and compliance controls, risk management and have obtained a reasonable assurance of their effectiveness and proper adherence.

Dr. R. M. Fernando
Chairman

Mr. A. G. Geeth Kumara Dayananda
Chief Executive Officer

Mr. M. J. S. Rajakariar
Chairman - Audit and Risk Committee

Colombo
04th June 2026

RISK MANAGEMENT REPORT

The business environment continued to evolve rapidly during the year under review, shaped by economic uncertainty, geopolitical developments, climate-related disruptions, technological transformation, and changing stakeholder expectations. These developments continued to influence commodity markets, labour availability, export demand, input costs, operational continuity, and investment decisions across the plantation and diversified business sectors.

In this increasingly complex operating landscape, effective risk management remains fundamental to Elpitiya Plantations PLC's (the Group) ability to preserve value, sustain operational resilience, and achieve its long-term strategic objectives. The Group's approach to risk management is therefore embedded into strategic planning, operational decision-making, sustainability initiatives, and governance processes to ensure that risks and opportunities are proactively identified and managed, while emerging opportunities are proactively evaluated and capitalised upon

The Group maintains an Enterprise Risk Management (ERM) framework aligned with the broader risk governance framework of the Aitken Spence Group. This framework supports a structured and disciplined approach to identifying, assessing, mitigating, monitoring, and reporting risks, while also enabling the Group to respond with agility to emerging business challenges and opportunities.

The Group continues to strengthen its Enterprise Risk Management capabilities through enhanced coordination, improved risk oversight, and the integration of risk management into strategic and operational decision-making processes.

RISK GOVERNANCE FRAMEWORK

The Board of Directors bears ultimate responsibility for overseeing the Group's risk management framework, and ensuring that material risks are appropriately identified, assessed, managed and monitored.

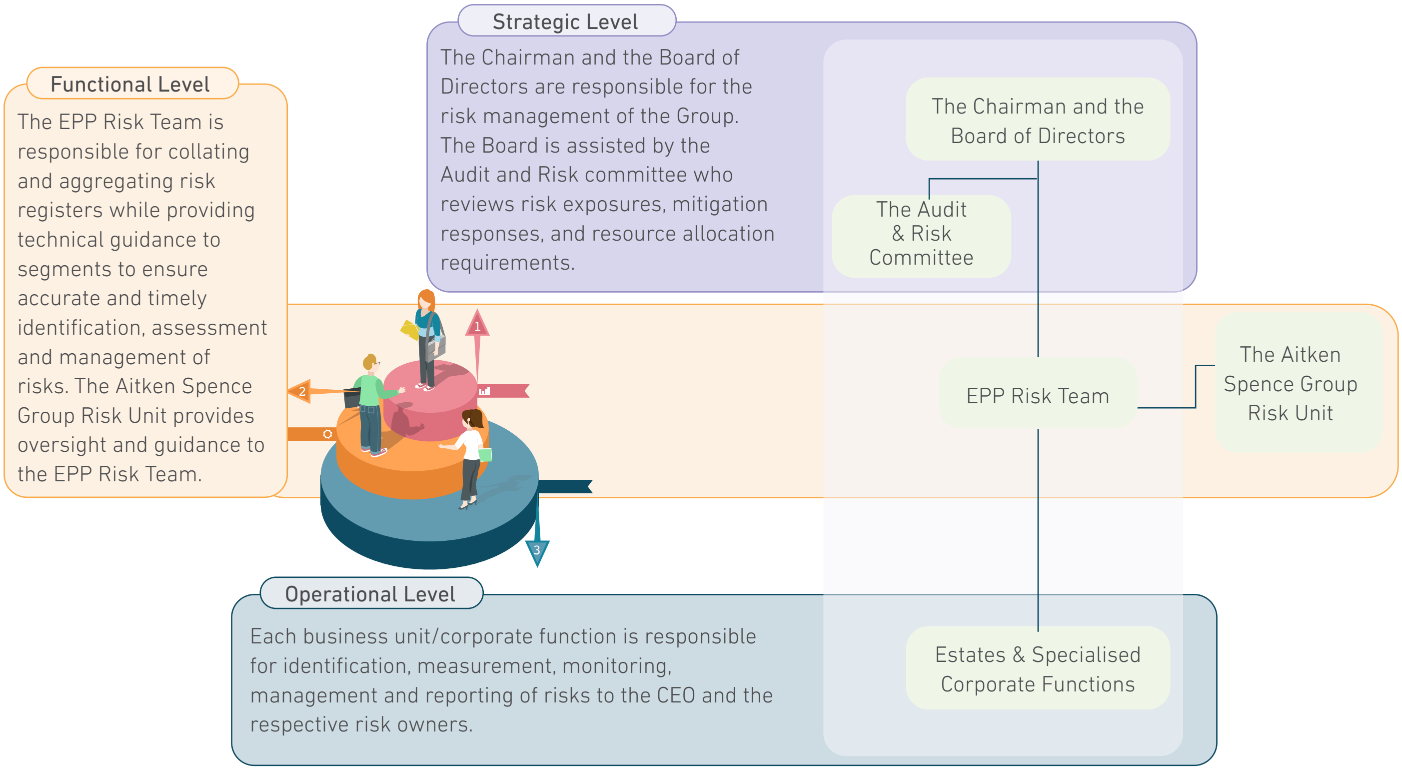
The Audit and Risk Committee support the Board in fulfilling its oversight responsibilities by reviewing the effectiveness of the Group's risk management and internal control processes and providing assurance on the adequacy of mitigation measures and governance practices.

The Group's risk management framework is aligned with the broader governance framework of the Aitken Spence Group and is supported through oversight from the Aitken Spence Group Risk Unit, which provides guidance on risk governance practices, enterprise-wide risk reporting methodologies, and risk management standards.

Risk management responsibilities are embedded across the organisation. The Chief Executive Officer (CEO), Risk Officer, and appointed risk owners collectively form the EPP Risk Team, which meets quarterly, or more frequently where required, to review risk exposures, mitigation responses, and resource allocation requirements. The operational management, including Estate management and the specialised corporate functions, is responsible for identifying, assessing, monitoring, and managing risks within their respective functional areas.

During the year under review, the Group further strengthened its risk governance framework through the appointment of a dedicated Risk Officer to improve coordination, consistency, and oversight of enterprise-wide risk management activities.

RISK MANAGEMENT REPORT



OUR APPROACH TO RISK MANAGEMENT

The Group's approach to risk management is designed to support the achievement of its strategic priorities while strengthening operational resilience, sustainability, and long-term value creation across its plantation and diversified business operations. Risk management is integrated into key business processes to ensure emerging risks and opportunities are identified, assessed, and managed in a timely and consistent manner across the organisation. Risks are evaluated in the context of an evolving business environment, stakeholder expectations, regulatory developments, strategic priorities, and operational exposures.

The Group manages risks through an Enterprise Risk Management ("ERM") framework that considers strategic, operational, financial, environmental, technological, geopolitical, and sustainability-related exposures that may impact business performance and continuity. This approach enables the maintenance of a balanced view of both financial and non-financial risks while supporting informed decision-making across all levels of the organisation.

The Group's Risk Management Framework and Risk Management Policy establish the principles and processes for identifying, assessing, mitigating, monitoring, and reporting risks.

Risk management activities are embedded into strategic planning, operational reviews, investment evaluations, sustainability initiatives, and performance monitoring processes. In addition, the framework supports compliance with evolving governance, regulatory, and sustainability-related disclosure expectations, including requirements under SLFRS S1 and SLFRS S2.

Risks identified across estates, business units, and functional departments are evaluated based on their likelihood and potential impact on the Group's operations, financial performance, stakeholder relationships, sustainability objectives, and strategic ambitions. These risks are periodically reviewed through the Group's governance and oversight structures to assess the effectiveness of mitigation measures, emerging risk trends, and alignment with the Group's strategic direction.

The Group continues to strengthen its risk management capabilities through improved risk coordination, enhanced reporting mechanisms, and cross-functional collaboration across operational and corporate functions.

RISK APPETITE

The Group's risk tolerance defines the level of risk it is willing to accept in pursuing its strategic objectives and performance targets. It provides a structured basis for evaluating risks and determining appropriate risk responses across the organisation.

The Group evaluates risk exposures in relation to its strategic objectives, operational resilience, financial performance, and stakeholder expectations. The Group maintains a relatively low tolerance for risks relating to health and safety, regulatory non-compliance, environmental breaches, cybersecurity failures, unethical conduct, and reputational damage, while maintaining a measured and controlled approach towards strategic investments, innovation, technology adoption, diversification initiatives, and long-term transformation projects.

Risks identified within acceptable tolerance levels are managed through established operational controls and monitoring procedures. Risks requiring heightened management attention are subject to enhanced monitoring, mitigation planning, and oversight mechanisms.

INTEGRATION OF SUSTAINABILITY INTO ENTERPRISE RISK MANAGEMENT

Sustainability considerations are integrated into the Group's Enterprise Risk Management framework to ensure that environmental, social, governance, and climate-related risks and opportunities are systematically identified and managed.

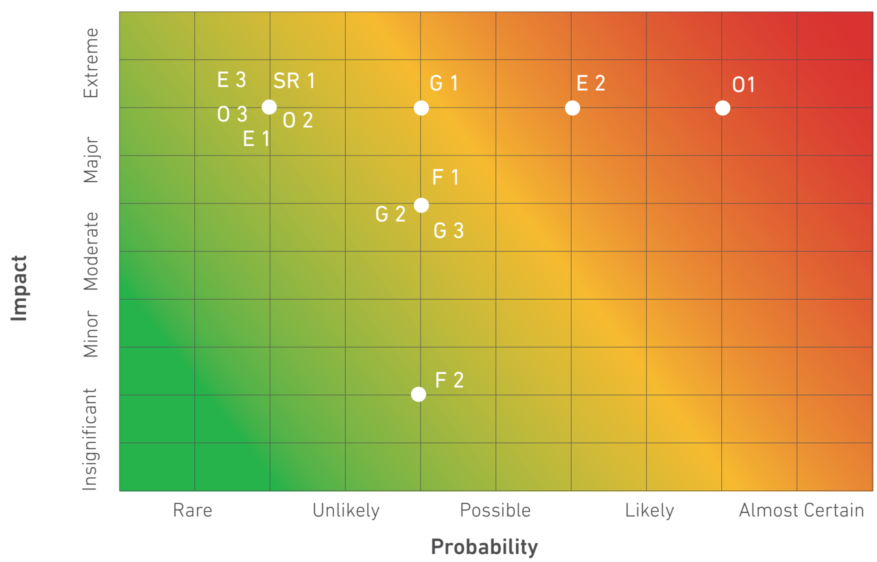
Climate-related risks, biodiversity conservation, resource efficiency, environmental compliance, employee well-being, community development, and sustainable agricultural practices are embedded into strategic and operational decision-making processes.

The Group continues to strengthen the integration of sustainability and climate-related considerations into enterprise-wide risk assessments in line with evolving regulatory expectations, including SLFRS S1 and SLFRS S2 disclosure requirements.

The Board Sustainability oversight mechanisms and sustainability governance processes support the integration of sustainability-related risks into the broader ERM framework.

RISK HEAT MAP

The table below summarises the key risk exposures identified for FY 2025/26, together with the corresponding mitigation measures and their alignment with the Group's strategic objectives.



Geopolitical Risk
G1 - Political Instability & Government Intervention
G2 - Tax Policy & Regulatory Risk
G3 - Global & Regional Conflict

Financial
G1 - Political Instability & Government Intervention
G2 - Tax Policy & Regulatory Risk
G3 - Global & Regional Conflict

Operational
O1 - Labour Shortage & Migration
O2 - Trade Union Risk
O3 - Cybersecurity Risk

Environmental
E1 - Biodiversity & Pest Risk
E2 - Risk of Increasing Frequency of Extreme Weather Events
E3 - Environmental Compliance

Strategic
SR1 - Reputational Risk

RISK MANAGEMENT REPORT

PRINCIPAL RISKS AND MITIGATION MEASURES

Risk Category		Principal Risk	Risk Description	Key Mitigation Strategies	Risk Rating 2025/2026	Risk Rating 2024/2025
Geopolitical	G1	Political Instability & Government Intervention	Government policy changes, labour regulations, taxation reforms, and regulatory interventions may adversely affect operational stability, cost structures, profitability, and long-term strategic planning.	• Diversifying revenue streams through expansion into renewable energy, high-value horticulture, tourism, value-added products, and overseas business opportunities to reduce dependency on traditional plantation operations. • Enhancing operational resilience through mechanisation, digitalisation, and productivity improvement initiatives aimed at mitigating the impact of labour and policy-related disruptions. • Engaging continuously with industry chambers, policymakers, and regulatory authorities to monitor policy developments and proactively address emerging regulatory concerns. • Strengthening financial resilience through disciplined cost management, operational efficiency improvements, and strategic business diversification initiatives. • Evaluating long-term strategic investment opportunities capable of supporting sustainable growth amidst evolving economic and political conditions.	Moderate	Moderate
	G2	Tax Policy & Regulatory Risk	Frequent changes in taxation policies, regulatory, and industry-specific requirements may increase operational costs, create uncertainty, and impact profitability and investment decisions.	• Monitoring taxation policies, industry regulations, and evolving compliance requirements continuously to ensure timely identification and assessment of regulatory changes. • Maintaining proactive engagement with industry chambers, tax advisors, and relevant regulatory authorities to improve regulatory preparedness and advocacy efforts. • Implementing tax-efficient structuring, governance, and compliance management practices to minimise exposure to regulatory non-compliance risks. • Diversifying business operations and revenue streams to reduce dependency on sectors exposed to concentrated regulatory or taxation risks. • Strengthening internal governance, reporting, and documentation practices to support compliance with evolving financial, environmental, and sustainability-related disclosure requirements.	Moderate	High

Risk Category		Principal Risk	Risk Description	Key Mitigation Strategies	Risk Rating 2025/2026	Risk Rating 2024/2025
	G3	Global & Regional Conflict	Geopolitical conflicts may disrupt supply chains, increase fuel and freight costs, affect export markets, and create volatility in commodity prices and global trade.	• Diversifying export markets and strengthening direct international market presence to reduce dependency on individual regions and customer segments. • Expanding value-added product offerings and downstream business operations to improve revenue resilience and reduce exposure to commodity price volatility. • Implementing alternative sourcing, logistics, and procurement strategies to minimise supply chain disruptions arising from geopolitical instability. • Monitoring global trade developments, freight movements, fuel price fluctuations, and export market trends continuously to support timely decision-making. • Strengthening foreign customer relationships and exploring new international growth opportunities to improve long-term market resilience.	Moderate	High
Financial	F1	Exchange Rate Volatility	Currency fluctuations continue to affect export earnings, import costs, profitability, and cash flow stability.	• Diversifying revenue streams across export-oriented and domestic business segments to reduce sensitivity to currency fluctuations. • Optimising operational costs and increasing local sourcing initiatives to minimise exposure to imported input cost volatility. • Monitoring and managing foreign currency exposures arising from exports, imports, and overseas business operations through continuous treasury oversight. • Entering into forward pricing arrangements and strategic procurement agreements where feasible to manage commodity and raw material price volatility. • Maintaining disciplined cash flow management and working capital optimisation practices to strengthen financial resilience during periods of exchange rate volatility.	Moderate	Moderate

Risk Category		Principal Risk	Risk Description	Key Mitigation Strategies	Risk Rating 2025/2026	Risk Rating 2024/2025
	F2	Interest Rate Risk	Changes in interest rates may adversely affect borrowing costs, investment returns, and capital allocation decisions.	• Maintaining a balanced investment and funding portfolio to reduce exposure to fluctuations in market interest rates. • Monitoring interest rate trends, refinancing opportunities, and market conditions continuously to support informed funding and capital allocation decisions. • Optimising capital structures and funding strategies through prudent debt management and disciplined treasury practices. • Evaluating long-term strategic investment opportunities with sustainable return potential and manageable financing exposure. • Maintaining strong liquidity and cash flow management practices to reduce dependency on short-term borrowings during periods of interest rate volatility.	Low	Moderate
Operational	O1	Labour Shortage & Migration	The plantation sector continues to face labour shortages and workforce migration challenges, affecting productivity and operational continuity.	• Implementing comprehensive employee retention, engagement, and welfare initiatives aimed at improving workforce stability and reducing attrition levels. • Strengthening employer branding and employee value proposition initiatives to improve the organisation's attractiveness to existing and prospective employees. • Enhancing mechanisation, automation, and digitalisation initiatives to reduce dependency on manual labour and improve operational productivity. Investing in employee housing, healthcare, nutrition, education, and community development initiatives to improve long-term workforce sustainability. Expanding training, multi-skilling, and workforce capability development programmes to improve labour productivity and operational flexibility.	Ultra-high	Ultra-high

Risk Category		Principal Risk	Risk Description	Key Mitigation Strategies	Risk Rating 2025/2026	Risk Rating 2024/2025
	O2	Trade Union Risk	Industrial disputes, labour actions, and wage-related pressures may disrupt operations and affect operational stability.	• Managing industrial relations proactively through continuous employee engagement, structured dialogue, and collaborative stakeholder communication. • Strengthening employee welfare, community development, and workplace well-being initiatives to improve workforce relations and employee satisfaction. • Maintaining regular engagement with trade unions and labour representatives to address operational and wage-related concerns constructively. • Enhancing internal communication mechanisms and grievance management processes to support early identification and resolution of employee concerns. • Strengthening stakeholder relationships and trust through transparent engagement and responsible business practices.	Moderate	Moderate
	O3	Cybersecurity Risk	Increasing reliance on ERP systems, digital banking integrations, cloud-based platforms, automation initiatives, and technology-enabled operational processes exposes the Group to cybersecurity risks that may result in operational disruptions, data breaches, financial losses, reputational damage, and business continuity challenges	• Implementing a company wide cybersecurity policy and disaster recovery plan. • Conducting regular IT audits, vulnerability assessments, and penetration testing. • Investing in secure cloud based backup solutions to ensure data protection and business continuity.	Moderate	High
	E1	Pest & disease outbreaks	The emergence of pests and diseases may adversely affect crop yields, productivity, and profitability.	• Developing a conducive infrastructure system to enable and support effective crop diversification • Adopting and implementing good agronomical practices to enhance soil health, yields, and sustainability	Moderate	High

Risk Category		Principal Risk	Risk Description	Key Mitigation Strategies	Risk Rating 2025/2026	Risk Rating 2024/2025
Environmental	E2	Risk of Increasing frequency of extreme weather events	Changing weather patterns, prolonged rainfall, floods, droughts, landslides, and extreme weather events continue to impact crop yields, infrastructure, operational continuity, and renewable energy generation.	• Implementing climate-resilient agricultural practices and adaptive crop management initiatives across plantation operations. • Expanding rainwater harvesting, water conservation, and irrigation management initiatives to improve resource resilience during periods of climate variability. • Strengthening soil conservation, biodiversity management, slope stabilisation, and land protection measures to minimise environmental degradation risks. • Enhancing disaster preparedness, infrastructure resilience, and emergency response capabilities across estates and renewable energy operations. • Diversifying crop cultivation and revenue streams to reduce dependency on climate-sensitive commodities and operational segments.-	High	High
	E3	Environmental Compliance	Environmental non-compliance or unsustainable agricultural practices may result in reputational, operational, and financial impacts.	• Reducing agrochemical usage through sustainable agricultural practices, responsible input management, and environmentally conscious cultivation methods. • Strengthening recycling, waste management, and circular economy initiatives across plantation and diversified operations. • Expanding organic composting, resource recovery, and environmental sustainability programmes to improve operational environmental performance. • Maintaining compliance with environmental management standards, regulatory requirements, and sustainability-related governance expectations. • Conducting periodic environmental monitoring, internal audits, and awareness programmes to strengthen environmental stewardship and compliance culture.	Moderate	Moderate

Risk Category		Principal Risk	Risk Description	Key Mitigation Strategies	Risk Rating 2025/2026	Risk Rating 2024/2025
Strategy	SR1	Reputational Risk	Risk of significant damage to brand image, stakeholder confidence, and public perception arising from adverse publicity.	• Embedding new values and ethical principles into the organisational culture. • Reducing risk through regular internal and external audits covering ethical, environmental, and labour practices. • Establishing a robust crisis communication framework and media protocols to mitigate the impact of adverse publicity. • Ensuring transparent and timely disclosure of sustainability and operational performance through integrated reporting.	Moderate	Not Assessed

OPPORTUNITIES ARISING FROM RISKS

While the Group continuously evaluates and mitigates potential risk exposures, it also recognises that evolving risks and market disruptions often create opportunities for innovation, transformation, and long-term value creation. Accordingly, the Group adopts a forward-looking approach to risk management by identifying strategic opportunities arising from changing economic, environmental, technological, and social conditions.

- Labour shortages and workforce migration within the plantation sector continue to accelerate the Group's mechanisation, automation, and digital transformation initiatives. The adoption of precision agriculture, drone technology, digital monitoring systems, and process automation is expected to improve productivity, optimise resource utilisation, reduce dependency on manual labour, and strengthen long-term operational resilience.
- Climate-related risks and changing weather patterns have further reinforced the Group's focus on climate-resilient agriculture, regenerative practices, and sustainable land management. The Group continues to strengthen biodiversity conservation initiatives, improve soil health, enhance water management practices, and explore resilient crop varieties and diversified agricultural models capable of supporting long-term sustainability and productivity.
- Geopolitical disruptions, changing export market dynamics, and volatility in commodity markets continue to encourage the Group to diversify its revenue streams, strengthen value-added product offerings, and expand into new international markets. During the year, the Group further strengthened its direct export presence, including exports to markets such as the Maldives and Fiji, while continuing to explore opportunities for international business expansion aligned with its long-term growth strategy.
- The evolving global focus on sustainability, renewable energy, and low-carbon development continues to create opportunities for the Group to expand its renewable energy portfolio and sustainable business ventures. The Group remains committed to exploring opportunities within and outside Sri Lanka to support its renewable energy growth ambitions in line with its Transformation 2030 strategy.
- The Group also continues to explore growth opportunities within high-value horticulture and diversified agriculture. In addition to expanding strawberry cultivation, the Group is actively evaluating opportunities relating to blueberries, blackberries, raspberries, and other high-value berry varieties with potential for commercial scalability and market differentiation.
- Technological transformation and innovation continue to create opportunities for the Group to strengthen operational efficiency, improve decision-making capabilities, enhance customer engagement, and develop new business models. Through investments in research, development, digitalisation, and strategic partnerships, the Group continues to position itself for long-term competitiveness within an evolving business environment.
- The increasing importance placed on environmental stewardship and experiential tourism has also strengthened opportunities relating to regenerative tourism and sustainability-linked business models. During the year, the Board conceptually approved the Group's regenerative tourism initiative, and the Group continues to work closely with relevant regulatory authorities to obtain the necessary approvals and preliminary clearances required for project implementation.

The Group is confident that its ability to proactively respond to emerging risks while capitalising on strategic opportunities will continue to strengthen resilience, support sustainable growth, and enhance long-term stakeholder value creation.

RISK MANAGEMENT REPORT

OUTLOOK

The operating environment is expected to remain dynamic and uncertain in the year ahead, driven by continued geopolitical volatility, climate-related disruptions, evolving regulatory expectations, technological transformation, and changing global market conditions. Commodity price fluctuations, labour shortages, exchange rate movements, rising stakeholder expectations, and increasing sustainability requirements are expected to continue influencing the plantation and diversified business sectors.

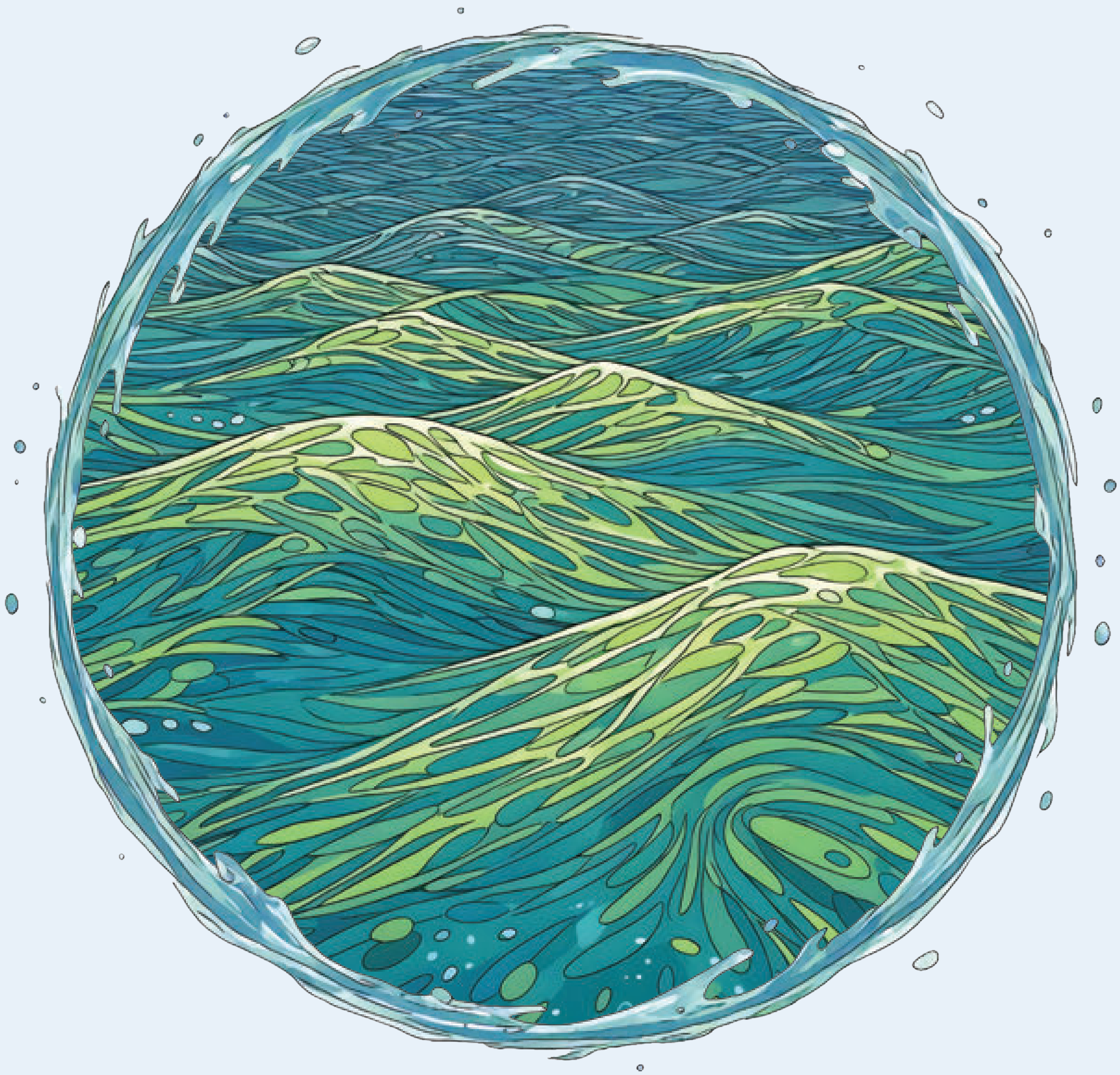
Despite these challenges, the Group remains confident in its ability to navigate the evolving risk landscape through its strengthened governance framework, diversified business portfolio, disciplined operational management, and long-term strategic focus under Transformation 2030.

The Group will continue to prioritise operational resilience, business diversification, technological advancement, and sustainability integration across its operations. Key focus areas will include mechanisation and automation initiatives, digital transformation, climate-resilient agriculture, renewable energy expansion, value-added product development, and the strengthening of international market presence.

The Group also expects sustainability and climate-related considerations to play an increasingly significant role in strategic decision-making, stakeholder expectations, and regulatory compliance requirements. Accordingly, the Group will continue enhancing its environmental stewardship, climate resilience initiatives, biodiversity conservation efforts, and sustainability-related governance practices while further strengthening alignment with evolving disclosure requirements under SLFRS S1 and SLFRS S2.

The continued expansion into diversified and high-value sectors, including renewable energy, horticulture, regenerative tourism, and technology-driven agriculture, is expected to support long-term growth and reduce dependency on traditional commodity-driven revenue streams. The Group will also continue exploring opportunities both within and outside Sri Lanka to strengthen revenue resilience and support sustainable value creation.

The Group remains committed to continuously strengthening its Enterprise Risk Management framework, enhancing risk monitoring capabilities, improving organisational agility, and embedding a proactive risk culture across all levels of the organisation. Through this approach, the Group aims to remain resilient amidst uncertainty while positioning itself to capitalise on emerging opportunities and create sustainable long-term value for all stakeholders.



BEYOND WHAT WE MEASURE

At Elpitiya Plantations, our financial performance reflects clarity and responsiveness. Every detail is captured with accuracy, allowing even the smallest movements to be measured and analysed with discipline. Through structured insight and transparent reporting, we create a clear and reliable flow of information; enabling informed decisions and supporting long-term value creation with confidence.

Capillary waves are the smallest waves on the ocean surface, formed by light wind and governed by surface tension. Though subtle, they are highly responsive and precise, reflecting even the slightest changes in environmental conditions. These fine patterns reveal how minor variations can be detected, measured, and understood through careful observation.

FINANCIAL CALENDAR 2025/26

INTERIM FINANCIAL STATEMENTS		
Interim Financial Statement for the 3 months ended 30th June 2025	-	Approved on 11th August 2025
Interim Financial Statement for the 6 months ended 30th September 2025	-	Approved on 31st October 2025
Interim Financial Statement for the 9 months ended 31st December 2025	-	Approved on 12th February 2026
Interim Financial Statement for the 12 months ended 31st March 2026	-	Approved on 29th May 2026

AUDITED FINANCIAL STATEMENTS	
Audited Financial Statements for the year ended 31st March 2025	Approved on 30th May 2025
Audited Financial Statements for the year ended 31st March 2026	Approved on 2nd June 2026

DIVIDENDS	
First & Final Dividend for the year ended 31st March 2025	Approved by the Shareholders on 27th June 2025 and paid on 18th July 2025
First & Final Dividend for the year ended 31st March 2026	Recommended by the Board on 02nd June 2026.

ANNUAL GENERAL MEETING	
33rd Annual General Meeting	27th June 2025
34th Annual General Meeting	26th June 2026

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Elpitiya Plantations PLC has pleasure in presenting to the Shareholders the Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2026. The details set out herein provide the pertinent information required under Section 168 of the Companies Act No. 7 of 2007, the Listing Rules of the Colombo Stock Exchange, the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka and the best accounting practices.

1. PRINCIPAL ACTIVITIES OF THE COMPANY

The principal activities of the Company are the cultivation, manufacture, and sale of black tea, rubber, palm oil and other crops. During the year under review, there were no significant changes in the principal activities of the Company and the Group.

2. GROUP STRUCTURE

The Group Structure is given on page 374.

3. REVIEW OF PERFORMANCE

The Chairman's and the Chief Executive Officer's reviews contain detailed accounts of the year's operations and developments within the Group.

4. BUSINESS REVIEW/FUTURE DEVELOPMENT

A review of the financial and operational performance and future business developments of the Group are contained in the Chairman's Message on pages 20 to 23 the Chief Executive Officer's Report on pages 24 to 27 and 'About Us' on pages 08 to 13.

5. AUDITOR'S REPORT

The Company's Auditors Messrs. Ernst & Young, Chartered Accountants carried out an audit on the Financial Statements of the Company and the Group as at 31st March 2026, and their Report is given on pages 286 to 289.

6. ACCOUNTING POLICIES AND CHANGES DURING THE YEAR

The Company and the Group prepared the Financial Statements in accordance with the Sri Lanka Accounting Standards (SLFRSs/LKASs). The significant accounting policies adopted in the preparation of the Financial Statements of the Company and the Group are given on pages 295 to 310 The Board of Directors wish to confirm that there were no changes to the accounting policies used by the Company and the Group during the year. Accounting policies adopted in the preparation of the Financial Statements of the Company and the Group are given on pages 290 to 294 and under the respective notes to the Financial Statements given on pages 295 and 310 of this Report.

7. REVENUE AND PROFITS

A. Revenue for the Year

The revenue of the Group for the year ended 31st March 2026 was Rs. 9,078 million (2024/25 - Rs. 7,692 million) while the Company's revenue was Rs. 9,066 million (2024/25 - Rs. 7,682 million). An analysis of the income is given in Note 06 to the Financial Statements.

B. Financial Results

The profit earned by the Group for the year ended 31st March 2026 amounted to Rs. 1,688 million (2024/25 – Rs. 1,329 million), whilst the Company recorded a profit amounting to Rs. 1,625 million (2024/25 – Rs. 1,280 million).

The Group's total comprehensive income for the year is Rs. 1,643 million (2024/25 – Rs. 1,331 million) while the Company recorded a total comprehensive income of Rs. 1,580 million (2024/25 – Rs. 1,281 million).

The Consolidated Income Statement along with the Company's Income Statement for the year are given on page 290 Details of transfers to/from reserves in respect of the Group and the Company are shown in the Statement of Changes in Equity on page 293.

C. Donations

During the year under review, donations amounting to Rs. 21,923,263 (2024/25 - Rs. 2,794,617/- were made by the Company, while no donations were made by the other Group entities during the year under review (2024/25 – Nil).

D. Taxation

A detailed statement of the income tax rates applicable is set out in Note 10 to the Financial Statements.

E. Dividend

The Directors recommended a first and final dividend payment of Rs. 7.00 per share for the year ended 31st March 2026. The dividend is paid out of profits by the Company. The Directors are satisfied that the Company would meet the solvency test requirement under Section 56(2) of the Companies Act No. 7 of 2007, immediately after the payment of the first and final dividend.

8. SYNOPSIS OF THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY AND THE GROUP

A. Stated Capital and Reserves

As of 31st March 2026, the Company had issued 72,866,430 ordinary shares and the stated capital of the Company was Rs. 694 million (2024/25 - Rs. 694 million).

The Company's retained earnings as at 31st March 2026 were Rs. 8,047 million (2024/25 - Rs. 6,976 million) whereas the total Group's retained earnings as at 31st March 2026 were Rs. 8,500 million (2024/25 - Rs. 7,366 million). The Timber reserve of the Company as at 31st March 2026 was at Rs. 1,553 million (2024/25 - Rs. 1,445 million). The movement in these reserves is shown in the statement of changes in equity on page 293.

B. Property, Plant and Equipment

Details of the Property, Plant and Equipment are given in Note 16 to the Financial Statements on pages 321 to 323 of the Annual Report.

C. Contingent Liabilities

Details of the contingent liabilities are disclosed in Note 36 to the Financial Statements on page 342 of the Annual Report.

9. EVENTS OCCURRING AFTER THE REPORTING DATE

The events occurred after the reporting date have been disclosed in Note 37 to the Financial Statements on page 342 of the Annual Report.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

10. HUMAN RESOURCE
The number of persons employed by the Company at year end was 4,556 (31.03.2025 – 4,403) of which 4,480 (31.03.2025 – 4,341) are engaged in employment outside the District of Colombo.

11. SHAREHOLDER INFORMATION
There were 11,580 shareholders as at 31st March 2026. The distribution schedule of the number of shareholders and their shareholdings are detailed on pages 349 to 351 of this Annual Report. The names of the twenty largest shareholders, together with their shareholdings as at 31st March 2026 are given on page 351 of this Annual Report.

The percentage of the shares held by the public as at 31st March 2026 was 16.93% which was in the hands of 11,577 public shareholders.

Information relating to earnings, net assets, market price per share are given in the Performance Scorecard on page 16 and the shareholders and the investor information on pages 349 to 351 of the Annual Report.

12. THE BOARD
12.1 Board of Directors
The Board of Directors of the Company as at the date of the Report are as follows. The brief profiles of the Board of Directors are given on the pages 28 to 37 of this Annual Report.

Director	Executive	Non-Executive	Independent	Non-Independent
Dr. M. P. Dissanayake - Chairman (resigned w.e.f. 31.03.2026)		✓		✓
Dr. R. M. Fernando – Chairman/ former Managing Director (Appointed as Chairman w.e.f. 01.04.2026)	✓			
Mr. Malik J. Fernando		✓		✓
Mr. D. A. de S. Wickremanayake		✓		✓
Ms. D. S. T. Jayawardena (Appointed w.e.f. 01.04.2026)		✓		✓
Ms. M. D. A.Perera		✓		✓
Mrs. M. K. D. N. Madampe		✓		✓
Prof. A. S. Dharmasiri		✓	✓	
Mr. M. J. S. Rajakariar		✓	✓	
Dr. R. A. Fernando		✓	✓	
Mr. A. G. Geeth Kumara Dayananda – CEO (Appointed w.e.f. 01.10.2025)	✓			

12.2 Board Sub-Committees
Audit and Risk Committee

Mr. M. J. S. Rajakariar- Chairman
Independent Non-Executive Director

Dr. R. A. Fernando-Member
Independent Non-Executive Director

Ms. M. D. A.Perera – Member
Non-Executive Director

Remuneration Committee

Prof. A. S. Dharmasiri - Chairman
Independent Non-Executive Director

Dr. R. A. Fernando - Member
Independent Non-Executive Director

Mr. Malik J. Fernando - Member
Non-Executive Director

Mr. M. J. S. Rajakariar - Member
(Appointed w.e.f. 17.06.2025)
Independent Non-Executive Director

Related Party Transactions Review Committee

Dr. R. A. Fernando - Chairman
Independent Non-Executive Director

Mr. M. J. S. Rajakariar - Member
Independent Non-Executive Director

Ms. M. D. A. Perera – Member
Non-Executive Director

Nominations and Governance Committee

Prof. A. S. Dharmasiri – Chairman
Independent Non-Executive Director

Mr. M. J. S. Rajakariar – Member
Independent Non-Executive Director

Dr. R. A. Fernando - Member
Independent Non-Executive Director

Ms. M. D. A. Perera – Member
(Appointed w.e.f. 17.06.2025)
Non-Executive Director

12.3 GOVERNANCE
The Directors declare that:

- the Group has not intentionally engaged in any activity which contravenes national and international laws. The Group rigidly adheres to relevant national and international rules, regulations and codes of Professional Institutes and Associations, Industrial Associations, Chambers of Commerce and other regulatory bodies.
- the Company complies with the Corporate Governance Rules contained in Section 9 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance 2023, issued by the Institute of Chartered Accountants of Sri Lanka. The measures taken and the extent to which the Company has complied with the said Section and the Code are given on pages 246 to 257 of the Corporate Governance Report of this Annual Report.

- the Group applies high standards to protect and nurture the environment in which it operates and ensures strict adherence to all environmental laws and practices. The Group's efforts to conserve non-renewable resources, as well as its environmental objectives and key initiatives are described in the Natural Capital Report on pages 174 to 198.
- the Company has no restrictions with regard to shareholders carrying out appropriate analysis or obtaining independent advice regarding their investment in the Company and has made all endeavors to ensure the equitable treatment of shareholders.
- they have declared all material interests in contracts involving the Company and the Group and refrained from voting on matters in which they were materially interested.
- they have conducted an evaluation of Group's Internal Controls encompassing financial, operational and compliance controls, risk management and have obtained reasonable assurance of their effectiveness and proper adherence.
- none of the Directors or Close Family Members of the Directors have any material business relationships with other Directors of the Company.
- they have made themselves aware of applicable laws, rules and regulations and are aware of changes particularly in Listing Rules and applicable capital market provisions.

13. RECOMMENDATION FOR RE-APPOINTMENT, RE-ELECTION, AND ELECTION

Nominations and Governance Committee and the Board have recommended that Mr. D. A. de S. Wickremanayake and Dr. R. M. Fernando who are over 70 years of age and vacate office in terms of Section 210(2)(b) of the Companies Act No. 07 of 2007 be re-appointed as Directors of the Company in terms of Section 211 of the Companies Act No. 07 of 2007 specially declaring that the age limit stipulated in Section 210 of the Companies Act No. 07 of 2007 shall not apply to the said Directors.

Ms. M. D. A. Perera who retires by rotation in terms of Article 92 and 93 of the Articles of Association of the Company, offers herself re-election at the forthcoming Annual General Meeting. The Nominations and Governance Committee and the Board have recommended her re-election.

Ms. D. S. T. Jayawardena, and Mr. A. G. Geeth Kumara Dayananda, who retire in terms of Article 98 of the Articles of Association of the Company, offer themselves for election at the forthcoming Annual General Meeting. The Nominations and Governance Committee and the Board have recommended their election.

14. DIRECTORS' INTEREST IN TRANSACTIONS

The Directors have disclosed to the Board their interest in transactions with the Company during the year under review, the details of which are set out in the notes to the Financial Statements on page 341. The disclosures so made were duly recorded in the Interest Register.

15. INTEREST REGISTER

The Interest Register is maintained as per the requirements of the Companies Act No. 7 of 2007 and is available for inspection.

16. DIRECTORS' REMUNERATION

A sum of Rs. 161 million (2024/25 – Rs. 185 million) was paid as Directors' fees during the Financial Year 31st March 2026.

17. DIRECTORS' SHAREHOLDINGS

Mr. A. G. Geeth Kumara Dayananda (Executive Director/CEO) holds 190 shares in the Company.

18. RELATED PARTY TRANSACTIONS

Related Party Transactions (RPT) of the Group are disclosed in Note 33 to the Financial Statements. These interests have been duly declared by the Directors.

Related Party Transactions (RPT) of the Group are disclosed in Note 33 to the Financial Statements. These are Recurrent and Non-Recurrent Related Party Transactions, which required to be disclosures in the Annual Report in accordance with the Sri Lanka Accounting Standard No. 24 - Related Party Disclosures. However, there were no Recurrent Related Party Transactions, which in aggregate value exceeded 10% of the consolidated revenue of the Group as per the Audited Financial Statements as at 31st March 2025.

There were no Non-Recurrent Related Party Transactions which are in aggregate value exceeding lower of 10% of the equity or 5% of the total assets of the Group as per the Audited Financial Statements as at 31st March 2025, which required additional disclosures in the Annual Report under Section 9.14.8(1) of the Listing Rules of the Colombo Stock Exchange.

The Group companies and their Key Management Personnel have disclosed on a quarterly basis, the proposed Related Party Transactions (if any) falling under the ambit of Rule 9.14.8(1) and (2) of the Listing Rules of the Colombo Stock Exchange. The disclosures so made were tabled at the quarterly meetings of the Related Party Transactions Review Committee, in compliance with the requirements of the above-mentioned rule.

The Directors declare that the Company is compliant with Rule 9.14 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the Financial Year ended 31st March 2026.

19. GOING CONCERN

The Directors are satisfied that the Company, its subsidiaries and joint ventures have adequate resources to continue in operational existence for the foreseeable future, to justify adopting the going concern basis in preparing these Financial Statements. The Directors, after considering the financial position, operating conditions, regulatory and other factors including matters addressed in the Corporate Governance Code, have reasonable expectations that the Company and the Group have adequate resources to continue in operation for the foreseeable future. Therefore, the going concern has been adopted in the preparation of the

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Financial Statements. Basis of conclusion on the going concern for the Company and the Group is further described in Note 2 under basis of preparation.

20. RATIOS AND MARKET PRICE INFORMATION

The ratios relating to equity and debt as required by the Listing Rules of the Colombo Stock Exchange are given under the Performance scorecard on pages 16 to 17 and Shareholders and Investor Information on pages 349 to 351 of this Report.

21. RISK MANAGEMENT

The Board confirms that there is an ongoing process of identifying, evaluating and managing any significant risks faced by the Group. Risks faced by the Group are identified, the significance they pose are evaluated and mitigatory strategies are adopted by the Group. The Board reviews the risk management process through the Audit Committee. The Risk Management Report of the Group is on pages 269 to 278 of this Report.

22. ANNUAL GENERAL MEETING

The Thirty Fourth (34th) Annual General Meeting of your Company will be held on Friday, 26th June 2026 at 02.30 p.m.

23. INTERNAL CONTROLS

The Board of Directors ensures that the Group has an effective internal control system which ensures that the assets of the Company and the Group are safeguarded, and appropriate systems are in place to minimise and detect fraud, errors and other irregularities. The system ensures that the Group adopts procedures which result in financial and operational effectiveness and efficiency.

The Board of Directors' Statement on Internal Control, the Statement of Directors' Responsibilities and the Audit Committee Report set out in this Annual Report provide further information in respect of the above.

24. STATUTORY PAYMENTS

The Directors to the best of their knowledge and belief are satisfied that all statutory financial obligations to the Government and to the employees have been either duly paid or adequately provided in the financial statements. Confirmation of same is included in the Statement of Directors' Responsibilities of this Annual Report.

25. AUDITORS

The Financial Statements for the year ended 31st March 2026 have been audited by Messrs. Ernst & Young, Chartered Accountants. The retiring Auditors, Messrs. Ernst & Young, Chartered Accountants, have expressed their willingness to continue in office and a resolution to re-appoint them as Auditors and to authorise the Board to determine their remuneration will be proposed at the Annual General Meeting of the Company. The Independent Auditors' Report on the Financial Statements is given on pages 286 to 289 of the Annual Report.

The audit fee payable by the Company to the Auditors, Messrs. Ernst & Young, Chartered Accountants was Rs. 4 million (2024/25 - Rs. 3.7 million). In addition to the above, Rs. 2.3 million was payable by the Company for the permitted audit related and non-audit related services including tax advisory services in respect of the year under review.

Messrs. Ernst & Young, Chartered Accountants, the Auditors are also the Auditors of subsidiaries and joint ventures of the group. The amount payable by the Group to Messrs. Ernst & Young, Chartered Accountants as audit fees for the year ended 31st March 2026 was Rs. 4.4 million (2024/25 – Rs. 3.9 million) while a further sum of Rs. 2.4 million is payable for permitted audit and non-audit related services including tax advisory services in respect of the year under review.

By Order of the Board

Dr. R. M. Fernando
Chairman

Mr. A. G. Geeth Kumara Dayananda
Director/ Chief Executive Officer

Aitken Spence Corporate Services (Private) Limited
Secretaries

Colombo
04th June 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act No. 07 of 2007 requires the Directors of the Company to be responsible for the preparation and presentation of the Financial Statements and other statutory reports. The responsibilities of the Directors, in relation to the Financial Statements of Elpitiya Plantations PLC and the Consolidated Financial Statements of the Group are set out in this Report.

The Directors confirm that the Financial Statements and other statutory reports of the Company and the Group for the year ended 31st March 2026 incorporated in this Report have been prepared in accordance with the Companies Act No. 07 of 2007, the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Listing Rules of the Colombo Stock Exchange.

The Directors have taken appropriate steps to ensure that the companies within the Group maintain adequate and accurate records which reflect the true financial position of each such company and hence the Group.

The Directors have taken appropriate and reasonable steps to safeguard the assets of the Company and the Group. The Directors have instituted appropriate systems of internal control in order to minimise and detect fraud, errors and other irregularities. The Directors, in maintaining a sound system of internal control and in protecting the assets of the Company, have further adopted risk management strategies to identify and evaluate the risks which the Company could be exposed to and its impact to the Company. The Directors, having considered the Group's business plans, and a review of its current and future operations, are of the view that the Company and the Group have adequate resources to continue in operation. The Directors have adopted the going concern basis in preparing the Financial Statements.

The Financial Statements presented in this Annual Report for the year ended 31st March 2026, have been prepared based on the Sri Lanka Accounting Standards (SLFRS/LKASs). The Directors have selected the appropriate accounting policies and such policies adopted by the Group are disclosed and explained in the Financial Statements.

The Board of Directors confirm that the Company and the Group's Consolidated Statements of Financial Position as at 31st March 2026 and the Comprehensive Income Statements for the Company and the Group for the financial year ended 31st March 2026 reflect a true and fair view of the Company and the Group.

The Directors have provided the Auditors with every opportunity to carry out any reviews and tests that they consider appropriate and necessary for the performance of their duties. The responsibility of the Independent Auditors in relation to the Financial Statements is set out in the Independent Auditors Report.

The Directors confirm that to the best of their knowledge all payments to employees, regulatory and statutory authorities due and payable by the Company and its subsidiaries have been either duly paid or adequately provided for in the Financial Statements. The Directors further confirm that they promote the highest ethical, environmental and safety standards within the Group. The Directors also ensure that the relevant national laws, international laws and codes of regulatory authorities, professional institutes and trade associations have been complied with by the Group.

By order of the Board,

ELPITIYA PLANTATIONS PLC

Aitken Spence Corporate Services (Private) Limited
Company Secretaries

Colombo
04th June 2026

INDEPENDENT AUDITOR'S REPORT

Building a better working world

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

CAY/PT/DRM

TO THE SHAREHOLDERS OF ELPITIYA PLANTATIONS PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Elpitiya Plantations PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at, 31 March 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How our audit responded to the key audit matter
1. Measurement of Bearer Biological Assets	
As of 31 March 2026, the Group's bearer biological assets amounted to Rs. 4,266 Mn and represented 27% of the Group's total assets. Bearer Biological Assets comprised of Rs. 976 Mn Immature Plantations and Rs. 3,290 Mn of Mature plantations, as disclosed in Note 18.1. to the financial statements. Measurement of Bearer Biological assets in the financial statements was a key audit matter due to following	Our audit procedures included the following key procedures: • 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 authorizations and other corroborative evidence.

Key Audit Matter	How our audit responded to the key audit matter
The materiality of the reported 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 18.1 to the financial statements.	• 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 notes 18.1 to the financial statements.

Key Audit Matter	How our audit responded to the key audit matter
2. Retirement Benefit Obligation	
As disclosed in Note 30 to the financial statements, the Group's retirement benefit obligation amounted to Rs. 1,015 Mn and represented 20% of the Group'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 Group. This was a key audit matter due to: • the materiality of the reported retirement benefit obligation balance; and • Changes in key assumptions could result material movements in the recognized liability. Key areas of assumptions, judgements and estimates used in assessing the value of the retirement benefit obligation included judgements involved in ascertaining the discount rate and future salary / wage growth rate as disclosed in 30 to the financial statements.	Our audit procedures included the following key procedures: • assessed the competence, capability and objectivity of the external actuary engaged by the Group • Tested the data used in the valuation of retirement benefit obligations by agreeing key information to source documents and accounting records. • read the external actuary's report and identified the key estimates made and the approach taken by the actuary in determining the value of the retirement benefit obligation. • assessed the reasonableness of the judgements, assumptions and estimates made by the external actuary such as discount rate and future salary / wage growth rate in measuring the value of the retirement benefit obligation. We also assessed the adequacy of the disclosures made in note 30 to the financial statements.

Key Audit Matter	How our audit addressed the key audit matter
3. Valuation of Consumable Biological Assets	
Assessment of consumable biological assets are carried at fair value. The fair value of such assets was determined by an external valuer engaged by the Group.	Our audit procedures included the following key procedures: • assessed the competence, capability and objectivity of the external valuer engaged by the Group. • read the external valuer's report and identified the key estimates made and the valuation approaches taken by the valuer in determining the fair value of consumable biological assets.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter	How our audit responded to the key audit matter
This was a key audit matter due to: • the materiality of the reported fair value of consumer biological assets which amounted to Rs.1,975 Mn representing 13% of the Group's total assets as of the reporting date; and • the degree of assumptions, judgements and estimation uncertainties associated with fair valuation of consumer biological assets and the complexity of the valuation process. • Key areas of significant judgments, estimates and assumptions used in assessing the fair value of consumer biological assets, as disclosed in Notes 18.2, and 18.3 and to the financial statements, included judgements involved in ascertaining the appropriate valuation technique and estimates such as: • Discount Rate • Expected timber volume • Price per cubic foot	• agreed the key data used by the external valuer to the underlying books and records maintained by the Group. This also included assessing the appropriateness & consistency of the application of the formula used for deriving the expected timber volume. • assessed the reasonableness of significant assumptions, judgements and estimates made by the valuer such as discount rate, expected timber volume, price per cubic foot and valuation technique in assessing the fair value of consumer biological assets. Our procedures included comparing with the industry practices that are generally used in determining fair value of consumable biological assets. We also assessed the adequacy of the disclosures made in Notes 18.2, and 18.3 to the financial statements.

Other Information included in the 2025/26 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an

opinion on the effectiveness of the internal controls of the Company and the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- "Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion."

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 7752.

Ernst & Young

02 June 2026
Colombo

STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2026	Notes	Group 2026 Rs. '000	Group 2025 Rs. '000	Company 2026 Rs. '000	Company 2025 Rs. '000
Revenue	6	9,078,381	7,692,249	9,065,570	7,682,543
Cost of sales		(5,875,940)	(5,308,571)	(5,862,207)	(5,294,015)
Gross profit		3,202,441	2,383,678	3,203,363	2,388,528
Gains on change in fair value of biological assets	22.2	115,099	400,966	115,099	400,966
Other income and gains	7	139,084	153,401	267,425	189,496
Administrative expenses		(1,314,432)	(1,131,943)	(1,303,536)	(1,126,948)
Management overheads and employee incentives		(159,126)	(127,913)	(159,126)	(127,913)
Finance expenses	8.1	(82,782)	(83,916)	(82,782)	(83,916)
Finance income	8.2	253,268	233,761	253,121	233,644
Share of profit from joint ventures	21.2.1	223,479	106,966	-	-
Profit before taxation	9	2,377,031	1,935,000	2,293,564	1,873,857
Tax expense	10	(688,959)	(605,930)	(668,629)	(594,068)
Profit for the year		1,688,072	1,329,070	1,624,935	1,279,789
Attributable to:					
Equity holders of the parent		1,688,245	1,329,268	1,624,935	1,279,789
Non-controlling interest		(173)	(198)	-	-
Profit for the year		1,688,072	1,329,070	1,624,935	1,279,789
Earnings per share (Rs.)	12.1	23.17	18.24	22.30	17.56

Figures in brackets indicate deductions.

Notes to the Financial Statements from pages 295 to 346 form an integral part of these Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2026	Notes	Group 2026 Rs. '000	Group 2025 Rs. '000	Company 2026 Rs. '000	Company 2025 Rs. '000
Profit for the year		1,688,072	1,329,070	1,624,935	1,279,789
Other comprehensive income					
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods (net of tax)					
Actuarial gain/(loss) on retirement benefit obligations	30	(64,809)	2,461	(64,809)	2,461
Tax effect	10.4.2	19,443	(738)	19,443	(738)
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods (net of tax)		(45,366)	1,723	(45,366)	1,723
Total other comprehensive income for the year, (net of tax)		(45,366)	1,723	(45,366)	1,723
Total comprehensive income for the year (net of tax)		1,642,706	1,330,793	1,579,569	1,281,512
Attributable to:					
Equity holders of the parent		1,642,879	1,330,991	1,579,569	1,281,512
Non-controlling interest		(173)	(198)	-	-
Total comprehensive income for the year (net of tax)		1,642,706	1,330,793	1,579,569	1,281,512

Figures in brackets indicate deductions.

Notes to the Financial Statements from pages 295 to 346 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2026	Note	Group 2026 Rs.'000	Group 2025 Rs.'000	Company 2026 Rs.'000	Company 2025 Rs.'000
ASSETS					
Non-current assets					
Right-of-use asset	15	**529,508**	535,059	**529,508**	535,059
Freehold property, plant and equipment	16	**2,480,736**	2,054,611	**2,333,730**	1,898,416
Intangible assets	17	**42,139**	44,311	**39,535**	41,707
Bearer biological assets	18.1	**4,266,434**	4,184,401	**4,266,434**	4,184,401
Consumable biological assets	18.2	**1,975,438**	1,837,819	**1,975,438**	1,837,819
Other non current assets	19	**51,193**	49,666	**51,193**	49,666
Other financial assets	20	**31,960**	12,046	**31,960**	12,046
Investments	21	**729,107**	581,617	**389,490**	314,490
Total non-current assets		**10,106,515**	9,299,530	**9,617,288**	8,873,604
Current assets					
Produce on bearer biological assets	22	**28,372**	28,720	**28,372**	28,720
Inventories	23	**632,696**	664,121	**632,640**	664,065
Trade and other receivables	24	**861,487**	630,357	**860,441**	629,134
Amounts due from related parties	33.4	**177,979**	182,952	**225,346**	215,160
Short term investment	25	**3,471,712**	2,998,747	**3,471,712**	2,998,747
Cash and cash equivalents	26	**463,865**	258,425	**447,769**	255,360
Total current assets		**5,636,111**	4,763,322	**5,666,280**	4,791,186
Total assets		**15,742,626**	14,062,852	**15,283,568**	13,664,790
EQUITY AND LIABILITIES					
Equity					
Stated capital	27	**694,236**	694,236	**694,236**	694,236
Timber reserve		**1,552,884**	1,444,855	**1,552,884**	1,444,855
Retained earnings		**8,500,344**	7,366,259	**8,046,669**	6,975,894
Total equity attributable to equity holders of the parent		**10,747,464**	9,505,350	**10,293,789**	9,114,985
Non-controlling interest		**(5,567)**	(5,394)	**-**	-
Total equity		**10,741,897**	9,499,956	**10,293,789**	9,114,985
Non-current liabilities and deferred income					
Lease liabilities	29	**617,071**	603,004	**617,071**	603,004
Retirement benefit obligations	30	**1,015,254**	914,582	**1,014,852**	914,154
Deferred income	31	**122,959**	129,320	**122,959**	129,320
Deferred tax liability	11	**1,850,587**	1,755,930	**1,841,926**	1,746,956
Total non-current liabilities		**3,605,871**	3,402,836	**3,596,808**	3,393,434
Current liabilities					
Lease liabilities	29	**8,847**	7,543	**8,847**	7,543
Trade and other payables	32	**1,081,421**	892,295	**1,080,253**	890,637
Amounts due to related parties	33.5	**5,124**	44,237	**4,434**	44,237
Income tax liabilities		**299,466**	215,985	**299,437**	213,954
Total current liabilities		**1,394,858**	1,160,060	**1,392,971**	1,156,371
Total liabilities		**5,000,729**	4,562,896	**4,989,779**	4,549,805
Total equity and liabilities		**15,742,626**	14,062,852	**15,283,568**	13,664,790
Net Assets Per Share (Rs.)		**147.42**	130.39	**141.27**	125.09

These Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007.

Chief Operating Officer - Finance

The Board of Directors is responsible for these Financial Statements. Signed for and on behalf of the Board by.

Director **Director** **Managing Agent** **Managing Agent**

Notes to the Financial Statements from pages 295 to 346 form an integral part of these Financial Statements.

02 June 2026
Colombo

STATEMENT OF CHANGES IN EQUITY

Group	Attributable to equity holders of the parent					
	Stated capital Rs. '000	Timber reserve Rs. '000	Retained earnings Rs. '000	Total Rs. '000	Non controlling interest Rs. '000	Total equity Rs. '000
Balance as at 01 April 2024	694,236	1,054,282	6,790,173	8,538,691	(5,196)	8,533,495
Profit for the year	-	-	1,329,268	1,329,268	(198)	1,329,070
Other comprehensive income for the year	-	-	1,723	1,723	-	1,723
Total comprehensive income for the year	-	-	1,330,991	1,330,991	(198)	1,330,793
Gains/(loss) on change in fair value of consumable biological assets transferred to the timber reserve	-	401,299	(401,299)	-	-	-
Realised gain on harvested timber trees	-	(10,726)	10,726	-	-	-
First & final dividend	-	-	(364,332)	(364,332)	-	(364,332)
Balance as at 31 March 2025	694,236	1,444,855	7,366,259	9,505,350	(5,394)	9,499,956
Profit for the year	-	-	1,688,245	1,688,245	(173)	1,688,072
Other comprehensive income for the year	-	-	(45,366)	(45,366)	-	(45,366)
Total comprehensive income for the year	-	-	1,642,879	1,642,879	(173)	1,642,706
Gains/(loss) on change in fair value of consumable biological assets transferred to the timber reserve	-	115,447	(115,447)	-	-	-
Realised gain on harvested timber trees	-	(7,418)	7,418	-	-	-
First & final dividend	-	-	(400,765)	(400,765)	-	(400,765)
Balance as at 31 March 2026	694,236	1,552,884	8,500,344	10,747,464	(5,567)	10,741,897

Company	Stated capital Rs. '000	Timber reserve Rs. '000	Retained earnings Rs. '000	Total equity Rs. '000
Balance as at 01 April 2024	694,236	1,054,282	6,449,287	8,197,805
Profit for the year	-	-	1,279,789	1,279,789
Other comprehensive income for the year	-	-	1,723	1,723
Total comprehensive income for the year	-	-	1,281,512	1,281,512
Gains/(loss) on change in fair value of consumable biological assets transferred to the timber reserve	-	401,299	(401,299)	-
Realised gain on harvested timber trees	-	(10,726)	10,726	-
First & final dividend	-	-	(364,332)	(364,332)
Balance as at 31 March 2025	694,236	1,444,855	6,975,894	9,114,985
Profit for the year	-	-	1,624,935	1,624,935
Other comprehensive income for the year	-	-	(45,366)	(45,366)
Total comprehensive income for the year	-	-	1,579,569	1,579,569
Gains/(loss) on change in fair value of consumable biological assets transferred to the timber reserve	-	115,447	(115,447)	-
Realised gain on harvested timber trees	-	(7,418)	7,418	-
First & final dividend	-	-	(400,765)	(400,765)
Balance as at 31 March 2026	694,236	1,552,884	8,046,669	10,293,789

Figures in brackets indicate deductions.

Notes to the Financial Statements from pages 295 to 346 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

Year ended 31 March 2026	Notes	Group 2026 Rs. '000	Group 2025 Rs. '000	Company 2026 Rs. '000	Company 2025 Rs. '000
Cash flows from operating activities					
Profit before tax		2,377,031	1,935,000	2,293,564	1,873,857
Adjustments for;					
Depreciation and amortisation	9	549,880	487,416	540,440	477,469
Provision for defined benefit plans	30	185,764	180,202	185,666	180,126
Items written back	7	(723)	(2,503)	(723)	(2,503)
Items written off		27,161	3,058	(27,161)	3,058
Amortisation of grants	7	(2,244)	(2,203)	(2,244)	(2,203)
Finance expenses	8.1	82,782	83,916	82,782	83,916
Finance income	8.2	(253,267)	(233,761)	(253,121)	(233,643)
Gain on biological assets	18.2	(115,099)	(400,966)	(115,099)	(400,966)
Amortisation of deferred income from sublease	7	(11,578)	(11,938)	(11,578)	(11,938)
Profit on sale of other trees	7	(1,896)	(4,866)	(1,896)	(4,866)
Profit from sale of timber trees	7	(21,732)	(10,189)	(21,732)	(10,189)
Amortisation of right of use asset - land	7	(5,479)	(5,479)	(5,479)	(5,479)
Share of profit of joint venture	21.2.1	(223,479)	(106,966)	-	-
Dividend income	7	-	-	(128,341)	(42,780)
Provision for expected credit loss	24.1	4,322	30,073	4,322	30,073
Gain on sale of property, plant and equipment	7	(720)	(1,679)	(720)	(1,679)
Operating profit before working capital changes		2,590,723	1,939,115	2,593,002	1,932,253
(Increase)/decrease in inventories	23	4,264	(83,693)	4,264	(83,693)
(Increase)/decrease in trade and other receivables	24	(261,401)	(35,763)	(261,580)	(34,914)
(Increase)/decrease in amounts due from related parties	33.4	4,972	(34,782)	(10,186)	(28,548)
Increase/(decrease) in trade and other payables	32	199,356	252,509	199,845	251,848
Increase/ (decrease) in amount due to related parties	33.5	(39,113)	16,737	(39,803)	16,737
Cash generated from operating activities		2,498,801	2,054,123	2,485,542	2,053,683
Cash received from sublease of land	31.2	10,421	10,714	10,421	10,714
Cash received from sale of trees		31,593	25,780	31,593	25,780
Finance costs paid		(82,782)	(83,916)	(82,782)	(83,916)
Finance income received		251,741	206,924	251,594	206,806
Retirement benefit obligations paid	30	(160,130)	(112,005)	(160,005)	(112,005)
Tax paid		(456,858)	(270,730)	(456,858)	(270,723)
Grants received	31.1	2,519	4,279	2,519	4,279
Net cash flow from operating activities		2,095,305	1,835,169	2,082,024	1,834,618
Cash flows from investing activities					
Field development expenditure	18	(396,717)	(373,303)	(396,717)	(373,303)
Purchase of property, plant and equipment	16	(640,650)	(283,958)	(640,400)	(282,561)
Proceeds from sale of property, plant and equipments		720	1,705	720	1,705
Dividend received		128,341	85,561	128,341	85,561
Net proceed from investment in short term deposit		(472,965)	(652,246)	(472,965)	(652,246)
Investment in debenture		(25,000)	-	(25,000)	-
Investment in subsidiary/joint venture		(75,000)	(15,200)	(75,000)	(15,200)
Net cash used in investing activities		(1,481,271)	(1,237,441)	(1,481,021)	(1,236,044)
Net cash inflow before financing activities		614,034	597,728	601,003	598,574
Cash flows from financing activities					
Payment of government lease rentals	29.1	(7,829)	(6,675)	(7,829)	(6,675)
Settlement of loans		-	(72,216)	-	(72,216)
Dividend paid		(400,765)	(364,332)	(400,765)	(364,332)
Net cash used in financing activities		(408,594)	(443,223)	(408,594)	(443,223)
Net increase in cash and cash equivalents		205,440	154,505	192,409	155,351
Cash and cash equivalents at the beginning of the year	A	258,425	103,920	255,360	100,009
Cash and cash equivalents at the end of the year	B	463,865	258,425	447,769	255,360
NOTE: A					
Cash and cash equivalents at the beginning of the year					
Cash and bank balances	26	258,425	103,920	255,360	100,009
		258,425	103,920	255,360	100,009
NOTE: B					
Cash and cash equivalents at the end of the year					
Cash and bank balances	26	463,865	258,425	447,769	255,360
		463,865	258,425	447,769	255,360

Figures in brackets indicate deductions.

Notes to the Financial Statements from pages 295 to 346 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

GRI 2-1

1. REPORTING ENTITY

1.1 Domicile and legal form

Elpitiya Plantations PLC (the Company) was incorporated on 22 June 1992 under the Companies Act. No. 17 of 1982 (The Company was re-registered under the Companies Act No. 07 of 2007) in terms of the provisions of the Conversion of Public Corporation and Government Owned Business Undertakings into Public Companies Act No. 23 of 1987.

The registered office of the Company is located at No. 315, Vauxhall Street, Colombo 02, and Plantations are situated in the planting districts of Nuwara Eliya and Galle.

The Consolidated Financial Statements of Elpitiya Plantations PLC as at and for the year ended 31 March 2026 comprise the Company and its Subsidiaries namely, EPP Hydro Power Company (Pvt) Ltd., Water Villas (Pvt) Ltd, Escape Parks Ceylon (Pvt) Ltd, Harrow House (Pvt) Ltd, The Dunsinane Valley Company (Pvt) Ltd and Joint Venture Companies namely, Elpitiya Lifestyle Solutions (Pvt) Ltd, AEN Palm Oil Processing (Pvt) Ltd, Elpitiya Harrow Tea Company (Pvt) Ltd and Ceylon Agro Food Technologies (Pvt) Ltd (together referred to as the 'Group').

The Financial Statements of the Company and the Group comprise the Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows together with Accounting Policies and Notes to the Financial Statements.

The Financial Statements of all companies in the Group are prepared for a common financial year, which ends on 31 March.

All companies in the Group are limited liability companies incorporated and domiciled in Sri Lanka.

The ordinary shares of the Company are listed on the Colombo Stock Exchange of Sri Lanka.

1.2 PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

During the year, the principal activities of the Company were cultivation, manufacture and sale of Black Tea, Rubber, Oil Palm and other crops.

Principal activities of the other companies in the Group are as follows;

Company	Nature of the Business	Principle Place of Business
EPP Hydro Power Company (Pvt) Ltd	Generating Hydro Power	Dunsinane Estate
Water Villas (Pvt) Ltd	Intended Hotel Operator	Talgaswella Estate
Elpitiya Lifestyle Solutions (Pvt) Ltd	Manufacture of all types of wooden materials (Under the liquidation process)	Devitura Estate
AEN Palm Oil Processing (Pvt) Ltd	Processing crude palm oil	Baduraliya
Elpitiya Harrow Tea Company (Pvt) Ltd (Formerly known as Elpitiya Dianhong Jin Ya Tea Company (Pvt) Ltd.)	Manufacturing & selling of speciality Tea	Fernland Estate-Harrow Factory
Escape Parks Ceylon (Pvt) Ltd	Intended to designing, developing & operating an adventure park & its associated activities	Devitura Estate
Ceylon Agri Food Technologies (Pvt) Ltd	Research and Development food agriculture and engineering activities.	Hokandara
Harrow House (Pvt) Ltd	Selling, marketing, distribution and the like of commodities and consumables in Sri Lanka and elsewhere.	Colombo 02
The Dunsinane Valley Company (Pvt) Ltd	Carry out a unique business model to preserve natural environment and quality of life with the community.	Colombo 02

1.3 Parent enterprise

The Company's parent undertaking is Aitken Spence Plantation Managements Limited.

1.4 Date of authorisation for issues

The Financial Statements of Elpitiya Plantations PLC for the year ended 31 March 2026 were authorised for issue in accordance with a resolution of the Board of Directors on 02 June 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 PREPARATION

2.1 Statement of compliance

The Financial Statements of the Company and the Group have been prepared in accordance with Sri Lanka Accounting Standards promulgated by The Institute of Chartered Accountants of Sri Lanka (CASL), and with the requirements of the Companies Act. No. 07 of 2007.

2.2 Basis of measurement

These Financial Statements have been prepared in accordance with the historical cost convention other than consumable biological assets and produce on bearer biological assets that have been measured at fair value and where appropriate specific policies are explained in the succeeding notes.

NOTES TO THE FINANCIAL STATEMENTS

No adjustments have been made for inflationary factors in the Financial Statements.

2.3 Functional and presentation currency

The Financial Statements are presented in Sri Lankan Rupees (Rs.) which is the Group's functional and presentation currency. All financial information presented in Sri Lankan Rupees has been given to the nearest rupee, unless stated otherwise.

2.4 Materiality and aggregation

Each material class of similar items is presented separately in the Consolidated Financial Statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Comparative information

The presentation and classification of the financial statements of the current year are comparable with those of the previous year.

3.2 Going concern

In preparing these financial statements, the management has assessed the prevailing macroeconomic conditions and its effect on the Company and its subsidiaries and the appropriateness of the use of the going concern basis. The Group has evaluated the resilience of its businesses, considering a wide range of factors such as expected revenue streams, profitability, cost management initiatives implemented by the Group, changes in working capital, management of capital expenditure, debt repayments, cash reserves and available sources of financing including unutilised facilities and in order to be able to continue business under current global economic conditions.

Having presented the outlook to the Board, the Directors are satisfied that the Company, Subsidiaries and Joint Ventures have adequate resources to continue in operational existence for the foreseeable future, to justify adopting the going concern basis in preparing these financial statements.

Liquidity Risk Management

The Group has ensured that it maintains sufficient liquidity reserves to meet all its operational and investment requirements by closely monitoring and forecasting future funding needs and securing funding sources for both regular and emergency requirements.

3.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2026. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3.3.1 Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value and the amount of any Non-Controlling Interest in the acquiree. For each business combination, the Group elects whether to measures the Non-Controlling Interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SLFRS 09 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with SLFRS 09. Other contingent consideration that is not within the scope of SLFRS 09 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

3.3.2 Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its joint venture are accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and then recognises the loss as 'Share of profit of a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Based on the contractual terms (Joint Venture agreements), the Group assessed that Elpitiya Harrow Tea Company (Pvt) Ltd, AEN Palm Oil Processing (Pvt) Ltd and Ceylon Agro Food Technologies (Pvt) Ltd are joint ventures.

3.4 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non -current classification. An asset as current when it is:

- Expected to be realised or intended to sell or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.5 Fair Value Measurement

The Group measures financial instruments and non-financial assets at fair value at each statement of financial position date. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Consumable biological assets Note 18.2
- Produce on Bearer Biological Assets Note 22

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as Consumable biological assets, and significant liabilities, such as retirement benefit obligation. Involvement of external valuers is decided upon annually by the Management Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management Committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.6 Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income (OCI) until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.7 Cash dividend to equity holders of the parent

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit or loss.

3.8 Property, plant and equipment

3.8.1 Recognition and measurement

Property, Plant and Equipment is recognised if it is probable that future economic benefit associated with the assets will flow to the Group and cost of the asset can be reliably measured.

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

3.8.2 Owned assets

The cost of property, plant and equipment includes expenditures that are directly attributable to the acquisition of the asset. Such costs include the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. The cost of self-constructed assets includes the cost of materials and direct labour, any other cost directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as a part of that equipment.

When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is preformed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work in progress is transferred to the respective asset accounts at the time, the asset is ready for utilisation or at the time the asset is commissioned.

3.8.3 De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss statement when the asset is derecognised and gains are not classified as revenue.

3.8.4 Leased assets

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Motor vehicles 10 years

Depreciation

The leasehold rights of assets taken over from JEDB/SLSPC are amortised in equal amounts over the shorter of the remaining lease periods and the useful lives as follows:

	No. of years	Rate (%)
Land	25	4.00
Mature plantations	30	3.33
Buildings	25	4.00
Machinery	20	5.00
Improvements to land/ Other vested assets/ Unimproved lands	53	1.89

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate (i.e. JEDB/SLSPC Government lease rentals linked with GDP Deflator), and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities are remeasured if there is a modification, a change in the lease term, a change in the lease payments (i.e., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Note 29 to the financial statements.

c) Short-term leases and leases of low-value assets

The Group does not contain the short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low values assets.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.8.5 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in Income Statement in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the Income Statement in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Income Statement when the asset is derecognised.

Amortisation

The following intangible assets are amortised in equal amounts over their useful lives as follows:

Intangible assets name	Useful Lives	Amortisation method used	Internally Generated Or acquired
Software	5 Years	amortised on straight- line Basis over the period of Expected future sales from the related project.	Acquired

3.8.6 Land improvement cost

Permanent land improvement costs are those costs incurred in making major infrastructure development and building new access roads on leasehold lands.

These costs have been capitalised and amortised over the remaining lease period. Permanent impairments to land development costs are charged to the Statement of Profit or Loss in full or reduced to the net carrying amounts of such assets in the year of occurrence after ascertaining the loss.

3.8.7 Biological Assets

Biological assets are classified 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, rubber, other plantations and nurseries are classified as biological assets.

Biological assets are further classified as bearer biological assets and consumable biological assets. Bearer biological asset includes tea and rubber trees, those that are not intended to be sold or harvested, however used to grow for harvesting agricultural produce from such biological assets. Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets.

The entity recognise the biological assets when, and only when, the entity controls the assets as a result of past event, it is probable that future economic benefits associated with the assets will flow to the entity and the fair value or cost of the assets can be measured reliably.

3.8.7.1 Bearer Biological Asset

The bearer biological assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any, in terms of LKAS 16 – Property, Plant & Equipment.

The cost of land preparation, rehabilitation, new planting, replanting, crop diversification, inter planting and fertilising, etc., incurred between the time of planting and harvesting (when the planted area attains maturity), are classified as immature plantations. These immature plantations are shown at direct costs plus attributable overheads. The expenditure incurred on bearer biological assets (Tea, Rubber and Oil Palm) which comes into bearing during the year, is transferred to mature plantations.

3.8.7.2 Infilling Cost on Bearer Biological Assets

The land development costs incurred in the form of infilling have been capitalised where infilling results in an increase in the economic life of the relevant field beyond its previously assessed standard of performance. Infilling costs so capitalised are depreciated over the newly assessed remaining economic useful life of the relevant nature plantation or the unexpired lease period, whichever is lower.

Infilling costs that are not capitalised have been charged to the Profit or Loss Statement in the year in which they are incurred.

3.8.7.3 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'. The Borrowing Cost Capitalisation rate for the year 2025/2026 is nil (2024/2025 - nil).

3.8.7.4 Consumable Biological Asset

Consumable biological assets include managed timber trees those that are to be harvested as agricultural produce or sold as biological assets. Expenditure incurred on consumable biological assets (managed timber trees) is measured on initial recognition and at the end of each reporting period at its fair value less cost to sell in terms of LKAS 41. The cost is treated as 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. All other assumptions and sensitivity analysis are given in Note 18.3.1

The gain or loss arising on initial recognition of consumable biological assets at fair value less cost to sell and from a change in fair value less cost to sell of consumable biological assets are included in profit or loss for the period in which it arises.

Impairments to Biological Asset are charged to the Profit or Loss Statement in full and reduced to the net carrying amounts of such asset in the year of occurrence after ascertaining the loss.

Consumable biological assets initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss statement when the asset is derecognised and gains are not classified as revenue.

3.8.7.5 Nursery Plants

Nursery cost includes the cost of direct materials, direct labour and an appropriate proportion of directly attributable overheads, less provision for overgrown plants.

3.8.7.6 Produce on Bearer Biological Assets

In accordance with LKAS 41, Group recognise agricultural produce growing on bearer plants at fair value less cost to sell. Change in the fair value of such agricultural produce recognised 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 Group uses the following price formulas.

Tea – Bought Leaf rate (current month) less cost of harvesting & transport

Rubber – latex Price (95% of current RSS1 Price) less cost of tapping & transport

Oil Palm – Bought Mill NSA less cost of harvesting & transport

3.8.8 Depreciation and amortisation

a) Depreciation

Depreciation is recognised in 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. Assets held under leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets unless it is reasonably certain that the Group will have ownership by the end of the lease term. Lease period of land acquired from JEDB/SLSPC will be expired in year 2045. The estimated useful lives for the current and comparative periods are as follows:

	No. of years	Rate (%)
Building	40	2.50
Electronic machinery	10	10.00
Plant and other machinery	20	5.00
Motor vehicles – Supervisory and motorbikes	8	12.50
Motor vehicles – Others	10	10.00
Equipment – Tools	4	25.00
Equipment – Computer and other equipment	5	20.00
Furniture and fittings	10	10.00
Water sanitation	20	5.00
Civil construction and other	40	2.50
Solar Power Assets	20	5.00
Irrigation	6	16.67
Polytunnel	10	10.00

Mature plantations (Replanting and new planting)	No. of years	Rate (%)
Tea	33 1/3	3.00
Rubber	20	5.00
Oil Palm	20	5.00
Coconut	50	2.00
Cinnamon	20	5.00
Coffee	33 1/3	3.00
Avocado	20	5.00
Pineapple	33 1/3	3.00
Strawberry	2	50.00
Blueberry	20	5.00
Raspberry	5	20.00
Blackberry	10	10.00

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date on which the asset classified as held for sale or is derecognised. Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted prospectively, if appropriate. Mature plantations are depreciated over their useful lives or unexpired lease period, whichever is lower.

No depreciation is provided for immature plantations.

3.9 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.9.1 Financial Assets

3.9.1.1 Initial Recognition & Measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group's financial assets include cash and cash equivalents and trade and other receivables.

3.9.1.2 Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

a) Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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.

Financial instruments at amortised cost comprise of trade receivables, amounts due from related parties, deposits, advances and other receivables.

b) Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to 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 recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss. The Group does not have any debt instruments at fair value through OCI.

c) Financial assets at fair value through OCI

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument- by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

d) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

3.9.1.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards

of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

3.9.1.4 Impairment of financial assets

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs. Loss allowance for debt instruments is measured and 12-month ECL unless credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) of the debt instrument has not increased significantly since initial recognition.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
Significant financial difficulty of the borrower or issuer.

For trade receivables, being more than 365 days past due.

The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise.

It is probable that the borrower will enter bankruptcy or other financial reorganisation.

The disappearance of an active market to a security because of financial difficulties.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group 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 Group's procedures to recovery of amounts due. Presentation of allowance for ECL in the statement of financial position. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

3.9.2 Financial liabilities

3.9.2.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdrafts and loans and borrowings.

3.9.2.2 Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as described below:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

(b) Financial liabilities at amortised cost
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method (EIR). Gains and losses are recognised in the Profit or Loss Statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Financial liabilities comprise interest bearing loans and borrowings, trade payables, other payables and amounts due to related parties.

3.9.2.3 Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.9.3 Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Financial risk management objectives and policies have been disclosed under Note 38.

3.10 Inventories
Finish goods manufactured from agricultural produce of biological assets
These are valued at the lower of cost and estimated net realisable value. Net realisable value is the estimated selling price at which stocks can be sold in the ordinary course of business after allowing for cost of realisation and/or cost of conversion from their existing state to saleable condition.

Input materials, Spares and consumables
At actual cost on weighted average basis.

Agricultural produce harvested from biological assets
Agricultural produce harvested from its biological assets are measured at their fair value less cost to sell at the point of harvest. The finished and semi-finished inventories from agriculture produce are valued by adding the cost of conversion to the fair value of the agricultural produce.

Inventory Provisioning for Obsolete Items
The Group assesses inventory at the end of each reporting period to ensure it is stated at the lower of cost or net realisable value. Inventory items are reviewed based on ageing and risk of obsolescence.
No provision is created for items with movements within the last 0–35 months, as these are considered recoverable. Any inventory that remains unmoved for more than 36 months is treated as obsolete and is provided for at 100%. In addition to the ageing criteria, a full specific provision is made for items identified as obsolete, damaged, expired, or otherwise unusable, regardless of their age. Management may also apply judgment to recognise partial or full provisions for items with limited demand, discontinued specifications, or a high likelihood of becoming obsolete. Provisions are reviewed periodically and adjusted based on updated assessments of usability, demand, and recoverability.

3.11 Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand form and integral part of the Group's cash management and those are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

3.12 Impairment of Non-Financial Assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

3.13 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Profit or Loss Statement net of any reimbursement.

3.14 Employees' benefits

(a) Defined contribution plans – Employees' Provident Fund and Employees' Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Provident and Trust Funds covering all employees are recognised as an expense in profit and loss in the periods during which services are rendered by employees.

The Group contributes 12% on consolidated salary of the employees to Ceylon Planters' Provident Society (CPPS) / Estate Staff Provident Society (ESPS) / Employees' Provident Fund (EPF) All the employees of the Group are members of the Employees Trust Fund to which the Group contributes 3% on the consolidated salary of such employees.

(b) Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the Financial Statements in respect of 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 in Other Comprehensive Income in the period in which they arise. Actuarial gains & losses recognised in other comprehensive income are recognised immediately in retained earnings and are not reclassified to profit or loss. Past service costs are recognised immediately in the Statement of Profit or Loss.

The provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19, "Employee Benefits". However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The Liability is not externally funded.

The key assumptions used in determining the retirement benefit obligations are given in Note 30.2.

3.15 Capital commitments and contingencies

Capital commitments and contingent liabilities of the Group have been disclosed in the respective notes to the Financial Statements.

3.16 Events occurring after the reporting period

All material events after the Statement of Financial Position date have been considered where appropriate; either adjustments have been made or adequately disclosed in the Financial Statements.

3.17 Earnings per share

The Group presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent by the weighted average number or ordinary shares outstanding during the period.

3.18 Deferred income - Grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the Statement of Profit or Loss over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments.

Grants related to Property, Plant & Equipment other than grants received for forestry are initially deferred and allocated to income on a systematic basis over the useful life of the related Property, Plant & Equipment as follows: Assets are amortised over their useful lives or unexpired lease period, whichever is less.

Sanitation & water supply	20 years

Grants received for forestry are initially deferred and credited to income once when the related blocks of trees are harvested.

3.19 Statement of Profit or Loss

For the purpose of presentation of Statement of Profit or Loss, the function of expenses method is adopted as it represents fairly the elements of the Group's performance.

3.19.1 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is 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. Under SLFRS 15, revenue is recognised upon satisfaction of performance obligation.

The Group is in the business of cultivation, manufacture and sale of black tea, rubber, oil palm (FFB) and other crops (Plantation Produce). Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to customer.

3.19.1.1 Revenue from contracts with customers

- Sale of Plantation produce

Revenue from sale of plantation produce is recognised at the point in time when the control of the goods are 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 sale of oil palm (FFB) and other crops are recognised at the point in time when the control of the goods has been transferred to the customer generally upon delivery of the goods to the location specified by the customer and the acceptance of the goods by the customer.

There is no element of financing present as the Group's sale of plantation produce are either on cash terms (Immediate payment or advance payment not exceeding 30 days) or on credit terms ranging from 7 to 15 days.

- Rendering of services

Service income from Group comprised with sale of hydro energy to the Ceylon Electricity Board (CEB). Revenue from sale of hydro energy recognised at the point of hydro energy releases to the national grid at a pre-determined unit price.

3.19.1.2 Other Source of Income

Revenue recognition criteria for the other source of income as follows;

- Rental Income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

- Dividend Income

Dividend income is recognised when the right to receive payment is established.

- Interest Income

Interest income is recognised based on effective interest method.

Interest income on financial assets at FVTPL is recognised as part of net gains or losses on these financial instruments.

Interest income of financial assets at amortised cost is calculated by using the effective interest method and is recognised as other income.

3.19.2 Expenses

All expenditure incurred in the running of the business and in maintaining the property, plant and equipment in a state of efficiency is charged to revenue in arriving at the profit for the year.

3.19.3 Financing income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised in the Statement of Profit or Loss as it accrues.

Finance expenses comprise interest payable on borrowing. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

The interest expense component of 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.

3.19.4 Taxes

3.19.4.1 Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the

Group operates and generates taxable income (refer Note 4.1.1).

Current tax relating to items recognised directly in Other Comprehensive Income is recognised in Other Comprehensive Income and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

EPP Hydro Power Company (Pvt) Ltd
Company is liable for income tax on its business profit at the rate of 20% and investment income at the rate of 30%. (2024/2025 – Business income is liable at 20%; interest income is liable at 30%).

Escape Parks Ceylon (Pvt) Ltd
Company is liable for Investment income at the rate of 30% to 31 March 2026 (2024/2025 – 30%).

3.19.4.2 Surcharge Tax
The Group is not liable for the surcharge tax individually as well as a subsidiary of Aitken Spence Plantation Managements Limited since the taxable income does not exceed the threshold of LKR 2000 Mn.

3.19.4.3 Deferred Tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

3.20 Statement of cash flow
The Statement of Cash Flow has been prepared using the “Indirect Method”. Interest paid is classified as operating cash flows; dividends received are classified as investing cash flows while dividends paid are classified as financing cash flows, for the purpose of presenting the Statement of Cash Flows.

3.21 Segment reporting
Segmental information is provided for the different business segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components.

Since the individual segments are located close to each other and operate in the same industrial environment, the need for geographical segmentation has no material impact. The activities of the segments are described on Note 14 in the Notes to the Financial Statements.

Revenue and expenses directly attributable to each segment are allocated to the respective segments. Revenue and expenses not directly attributable to a segment are allocated on the basis of their resource utilisation, wherever possible.

Assets and liabilities directly attributable to each segment are allocated to the respective segments. Assets and liabilities, which are not directly attributable to a segment, are allocated on a reasonable basis wherever possible. Unallocated items comprise mainly interest-bearing loans, borrowings, and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one accounting period.

All operating segments' operating results are reviewed regularly to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements of the Group in conformity with Sri Lanka Accounting Standards requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The most significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have most significant effect on the amounts recognised in the Financial Statements of the Group are as follows:

4.1 Taxation

4.1.1 Current Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current tax relating to items recognised directly in Other Comprehensive Income is recognised in Other Comprehensive Income and not in the Statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

4.1.2 Deferred Tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Significant judgement was required to determine the total provision for current, deferred and other taxes pending the issue of tax guidelines on the treatment of the adoption of SLFRS in the financial statements and the taxable profit for the purpose of imposition of taxes. Uncertainties exist, with respect to the interpretation of the applicability of tax laws, at the time of the preparation of these financial statements. The Group recognised assets and liabilities for current deferred and other taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income, deferred and tax amounts in the period in which the determination is made.

4.1.3 IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of LKAS 12 Income Taxes. The Company applies significant judgement in identifying uncertainties over income tax treatments. It assessed whether the Interpretation had an impact on its financial statements. The Company determined that it is probable that its tax treatments will be accepted by the taxation authorities.

4.2 Retirement benefit obligations

The present value of the retirement benefit obligation 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 Group.

Further details about Retirement benefit obligations are provided in Note 30.

4.3 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 18.3.

4.4 Bearer Biological Assets

A mature plantation is an area of land developed with crops such as tea, rubber, oil palm and other crops which has been brought into bearing ready for commercial harvesting. Hence, transfer of immature plantations to mature plantation fields happens at the point of commencement of commercial harvesting which depends on growth of plant, 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.

4.5 Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the company's stand-alone credit rating).

5. SRI LANKA ACCOUNTING STANDARDS (SLFRS / LKAS) ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

5.1 SLFRS 18 – Presentation and Disclosure in Financial Statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organised 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.

5.2 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 potential impact of SLFRS 19 is currently being identified and evaluated.

5.3 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.

The amendments are not expected to have a material impact on the financial statements.

6. REVENUE

Year ended 31 March	Group		Company	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Tea	5,186,001	4,819,611	5,186,001	4,819,611
Rubber	243,478	217,387	243,478	217,387
Oil Palm	2,783,873	2,080,349	2,783,873	2,080,349
Others	865,029	574,902	852,218	565,196
	9,078,381	7,692,249	9,065,570	7,682,543

7. OTHER INCOME

Year ended 31 March	Group		Company	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Amortisation of leasehold right to use of land (Note 31.3)	5,479	5,479	5,479	5,479
Amortisation of deferred income from sublease	9,747	12,296	9,747	12,296
Amortisation of capital grants	2,244	2,203	2,244	2,203
Gain on sale of property, plant and equipment	720	1,679	720	1,679
Income from sublease	9,118	6,796	9,118	6,796
Item written back	723	2,503	723	2,503
Income from solar power projects	49,169	51,105	49,169	51,105
Sale of other trees	1,896	4,866	1,896	4,866
Profit from sale of timber trees	21,732	10,189	21,732	10,189
Income from Sheen mini hydro power project	11,669	16,046	11,669	16,046
Income from Dunsinane mini hydro power project	4,656	6,345	4,656	6,345
Sundry income	21,931	33,894	21,931	27,209
Dividend income	-	-	128,341	42,780
	139,084	153,401	267,425	189,496

8. FINANCE INCOME AND FINANCE EXPENSES

8.1 Finance expenses

Year ended 31 March	Group		Company	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Interest on overdrafts	395	115	395	115
Interest on term loan	-	1,636	-	1,636
Interest on government lease	82,387	80,239	82,387	80,239
Exchange loss	-	1,926	-	1,926
	82,782	83,916	82,782	83,916

8.2 Finance income

Year ended 31 March	Group		Company	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Interest income	248,572	232,234	248,425	232,117
Interest income on lease	1,527	1,527	1,527	1,527
Exchange Gain	3,169	-	3,169	-
	253,268	233,761	253,121	233,644

8.3 Net finance expense	(170,486)	(149,845)	(170,339)	(149,728)

9. PROFIT BEFORE TAXATION IS STATED AFTER CHARGING

Year ended 31 March	Group		Company	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Auditors' fees - statutory	4,447	3,938	4,010	3,712
- non-statutory	2,415	1,315	2,263	1,131
Depreciation and amortisation	549,880	487,416	540,440	477,469
Defined benefit plan costs	185,765	180,202	185,666	180,126
Defined contribution plan costs - EPF and ETF	395,421	245,312	394,910	244,993
Staff costs	2,124,015	2,061,427	2,117,749	2,058,952
Casual wages	218,804	78,160	218,804	78,160
Directors' fees and other emoluments	160,882	184,655	160,882	184,655
Donations	21,923	2,795	21,923	2,795

10. INCOME TAX

10.1 Income tax expense

10.1.1 Income tax

Year ended 31 March	Group		Company	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Current tax				
Tax on current year profits	555,541	427,041	555,500	425,000
Under/(over) provision in respect of previous years	(3,330)	5,303	(1,284)	5,346
Withholding tax on dividends paid	22,648	7,549	-	-
Deferred tax expense/(reversal) - (Note 10.4.1)	114,100	166,037	114,413	163,722
	688,959	605,930	668,629	594,068

10.1.2 Statement of Comprehensive Income

Year ended 31 March	Group		Company	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Deferred tax expense/(reversal)	(19,443)	738	(19,443)	738
	(19,443)	738	(19,443)	738

10.2 Reconciliation of the accounting profit and tax on current year

Year ended 31 March	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Profit before tax	2,377,031	1,935,000	2,293,564	1,873,857
Profit from equity accounted investees	(223,479)	(106,966)	-	-
Adjusted accounting profit chargeable to income taxes	2,153,552	1,828,034	2,293,564	1,873,857
Aggregate disallowed items	1,093,680	1,035,916	1,084,141	1,025,935
Aggregate allowed items	(1,400,035)	(1,442,974)	(1,399,388)	(1,442,432)
Business profit	1,847,197	1,420,976	1,978,317	1,457,360
Tax exempt	(538)	(304)	(128,879)	(43,084)
Tax loss brought forward and utilised	(4,296)	(646)	-	-
Current year losses not utilised - subsidiaries	7,075	1,052	-	-
Taxable income	1,849,438	1,421,078	1,849,438	1,414,276
Income tax @ 30%	555,541	427,041	555,500	425,000
Income tax expense charged to Statement of Profit or Loss	555,541	427,041	555,500	425,000

10.3 Tax losses carried forward

Year ended 31 March	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Tax losses brought forward	24,334	25,624	-	-
Adjustments on finalisation of liability	(6,781)	(221)	-	-
Tax losses arising during the year	7,075	1,052	-	-
Utilisation of tax losses	(4,296)	(646)	-	-
Write off of unclaimable tax losses	(397)	(1,475)	-	-
Tax losses carried forward	19,935	24,334	-	-

As specified above, some companies in the Group have carried forward tax losses which are available to be set off against the future tax profits of those companies. Deferred tax assets not accounted in respect of these losses amounted to Rs. 5,065,482 (2024/2025 - Rs. 5,410,501) since utilisation against future taxable profits is not probable.

Tax losses for which no deferred tax asset was recognised expire as follows:

Year ended 31 March	Group		Company	
	2026 Rs. '000	Expiry Date	2026 Rs. '000	Expiry Date
Group	5,065	2026/27 - 2030/31	5,411	2025/26 - 2030/31

10.4 Deferred tax expense

10.4.1 Statement of Profit or Loss

Year ended 31 March	Group		Company	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Origination of temporary differences	114,100	166,037	114,413	163,722
	114,100	166,037	114,413	163,722

10.4.2 Statement of Comprehensive Income

Year ended 31 March	Group		Company	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Tax effect on actuarial gain/(loss) on retirement benefit obligations	(19,443)	738	(19,443)	738
	(19,443)	738	(19,443)	738
Total deferred tax expense	94,657	166,775	94,970	164,460

11. DEFERRED TAX LIABILITY

Year ended 31 March	Group		Company	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
At the beginning of the year	1,755,930	1,589,155	1,746,956	1,582,496
Amount originated during the year transferred to Statement of Profit or Loss	114,100	166,037	114,413	163,722
Amount originated during the year transferred to Other Comprehensive Income	(19,443)	738	(19,443)	738
At the end of the year	1,850,587	1,755,930	1,841,926	1,746,956

Composition of deferred tax liabilities;

Year ended 31 March	Group 2026 Rs. '000	Group 2025 Rs. '000	Company 2026 Rs. '000	Company 2025 Rs. '000
Deferred tax liabilities;				
Tax effect on temporary difference of property, plant and equipment	336,398	282,142	327,657	273,082
Tax effect on temporary difference of biological assets	1,881,073	1,815,282	1,881,073	1,815,282
Tax effect on temporary difference of right-of-use of land	157,586	158,920	157,586	158,920
	2,375,057	2,256,344	2,366,316	2,247,284
Deferred tax assets;				
Tax effect on temporary difference of provisions for obsolete items	(5,812)	(4,222)	(5,812)	(4,222)
Tax effect on temporary difference of expected credit losses	(4,691)	(13,971)	(4,691)	(13,971)
Tax effect on temporary difference of lease liability	(187,775)	(183,164)	(187,775)	(183,164)
Tax effect on temporary difference of retirement benefit obligation	(326,192)	(299,057)	(326,112)	(298,971)
	(524,470)	(500,414)	(524,390)	(500,328)
	1,850,587	1,755,930	1,841,926	1,746,956

The effective tax rate used to calculate deferred tax liability for all the temporary differences as at 31 March, 2026 is 30% (2024/2025 -30%) for the company and 20% for EPP Hydro Power Company (Pvt) Ltd (2024/2025 -20%).

12. EARNINGS PER SHARE

12.1 Earnings Per Share

Year ended 31 March	Group 2026	Group 2025	Company 2026	Company 2025
Profit attributable to ordinary shareholders of the parent (Rs. '000)	1,688,245	1,329,268	1,624,935	1,279,789
Weighted average number of ordinary shares (No. '000)	72,866	72,866	72,866	72,866
Earnings per share (Rs.)	23.17	18.24	22.30	17.56

The computation of the basic earnings per share is based on profit attributable to ordinary shareholders for the year, divided by weighted average number of ordinary shares outstanding during the year.

13. DISTRIBUTIONS MADE AND PROPOSED

Year ended 31 March	Company 2026 Rs. '000	Company 2025 Rs. '000
Cash dividends on ordinary shares declared and paid		
Interim dividend for 2026 - Rs. 5.50 per share (2024/25 :Rs. 5.00 per share)	400,765	364,332
	400,765	364,332

14. SEGMENT INFORMATION

14.1.a Segment results

Year ended 31 March	Tea		Rubber		Oil Palm		Others		Total	
Group	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
Revenue	5,186,001	4,819,611	243,478	217,387	2,783,873	2,080,349	865,029	574,902	9,078,381	7,692,249
Operating expenses										
Revenue expenditure	(3,933,589)	(3,545,110)	(125,327)	(127,714)	(879,372)	(840,801)	(278,332)	(192,490)	(5,216,620)	(4,706,115)
Depreciation / amortisation	(125,635)	(118,284)	(75,947)	(76,888)	(131,616)	(123,329)	(171,411)	(129,001)	(504,609)	(447,502)
Other non cash expenses - Provision for retirement benefit obligations	(57,903)	(58,650)	(15,670)	(18,737)	(53,862)	(54,321)	(27,276)	(23,246)	(154,711)	(154,954)
Segmental results	1,068,874	1,097,567	26,534	(5,952)	1,719,023	1,061,898	388,010	230,165	3,202,441	2,383,678
Gain on fair value of biological assets									115,099	400,966
Other income									139,084	153,401
Unallocated expenses									(1,314,432)	(1,131,943)
Management overheads and employees incentive									(159,126)	(127,913)
Profit from investments in joint ventures									223,479	106,966
Profit from operating activities									2,206,545	1,785,155
Finance income									253,268	233,761
Finance cost									(82,782)	(83,916)
Profit before taxation									2,377,031	1,935,000
Tax expenses									(688,959)	(605,930)
Profit for the year									1,688,072	1,329,070

14.1.b Segment assets

	Tea 2026	Tea 2025	Rubber 2026	Rubber 2025	Oil Palm 2026	Oil Palm 2025	Others 2026	Others 2025	Total 2026	Total 2025
Non current assets										
Cost	3,967,207	3,668,127	2,277,750	2,310,015	4,045,523	3,805,687	3,380,669	2,731,213	13,671,149	12,515,042
Accumulated depreciation and amortisation	(1,210,182)	(1,124,650)	(981,044)	(932,790)	(1,440,511)	(1,309,447)	(819,522)	(571,178)	(4,451,259)	(3,938,065)
	2,757,025	2,543,477	1,296,706	1,377,225	2,605,012	2,496,240	2,561,147	2,160,035	9,219,890	8,576,977
Unallocated non current assets cost									204,288	183,970
Accumulated depreciation and amortisation									(97,963)	(92,700)
									9,326,215	8,668,247
Investments									729,107	581,617
Other non current assets									51,193	49,666
Total non current assets									10,106,515	9,299,530
Current assets	742,822	788,619	116,906	103,054	386,051	289,835	276,752	141,675	1,522,531	1,323,183
	742,822	788,619	116,906	103,054	386,051	289,835	276,752	141,675	1,522,531	1,323,183
Unallocated current assets									4,113,580	3,440,139
Total current assets									5,636,111	4,763,322
Total assets									15,742,626	14,062,852

14.1.c Segment liabilities

Year ended 31 March	Tea		Rubber		Oil Palm		Others		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Group	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Non current liabilities	381,468	346,008	103,238	110,541	354,845	320,466	175,704	137,568	1,015,255	914,583
Current liabilities	406,052	337,106	109,891	107,697	377,713	312,222	187,634	135,150	1,081,290	892,175
	787,520	683,114	213,129	218,238	732,558	632,688	363,338	272,718	2,096,545	1,806,758
Unallocated non current and current liabilities									2,904,184	2,756,138
Total liabilities									5,000,729	4,562,896
Equity attributable to shareholders									10,741,897	9,499,956
Total equity and liabilities									15,742,626	14,062,852

14.1.d Segment capital expenditure

Cost	300,510	206,967	73,493	51,741	232,922	147,693	682,720	250,860	1,289,645	675,261

14.2.a Segment results

Year ended 31 March	Tea		Rubber		Oil Palm		Others		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Company	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Revenue	5,186,001	4,819,611	243,478	217,387	2,783,873	2,080,349	852,218	565,196	9,065,570	7,682,543
Operating expenses										
Revenue expenditure	(3,933,589)	(3,545,110)	(125,327)	(127,714)	(879,372)	(840,801)	(274,039)	(187,881)	(5,212,327)	(4,701,506)
Depreciation / amortisation	(125,635)	(118,284)	(75,947)	(76,888)	(131,616)	(123,329)	(161,971)	(119,054)	(495,169)	(437,555)
Other non cash expenses - Provision for retirement benefit obligations	(57,903)	(58,650)	(15,670)	(18,737)	(53,862)	(54,321)	(27,276)	(23,246)	(154,711)	(154,954)
Segmental results	1,068,874	1,097,567	26,534	(5,952)	1,719,023	1,061,898	388,932	235,015	3,203,363	2,388,528
Gain on fair value of biological assets									115,099	400,966
Other income									267,425	189,496
Unallocated expenses									(1,303,536)	(1,126,948)
Management overheads and employees incentive									(159,126)	(127,913)
Profit from operating activities									2,123,225	1,724,129
Finance cost									(82,782)	(83,916)
Finance income									253,121	233,644
Profit before taxation									2,293,564	1,873,857
Tax expense									(668,629)	(594,068)
Profit for the year									1,624,935	1,279,789

14.2.b Segment assets

Company

Year ended 31 March	Tea		Rubber		Oil Palm		Others		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Company	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Non current assets										
Cost	3,967,207	3,668,127	2,277,750	2,310,015	4,045,523	3,805,687	3,137,947	2,488,337	13,428,427	12,272,166
Accumulated depreciation and amortisation	(1,210,182)	(1,124,650)	(981,044)	(932,790)	(1,440,511)	(1,309,447)	(702,111)	(463,207)	(4,333,848)	(3,830,094)
	2,757,025	2,543,477	1,296,706	1,377,225	2,605,012	2,496,240	2,435,836	2,025,130	9,094,579	8,442,072
Unallocated non current assets cost									179,989	160,076
Accumulated depreciation and amortisation									(97,963)	(92,700)
									82,026	67,376
Investments									389,490	314,490
Other non current assets									51,193	49,666
Total non current assets									9,617,288	8,873,604
Current assets	742,822	788,619	116,906	103,054	386,051	289,835	275,674	140,411	1,521,453	1,321,919
	742,822	788,619	116,906	103,054	386,051	289,835	275,674	140,411	1,521,453	1,321,919
Unallocated current assets									4,144,827	3,469,267
Total current assets									5,666,280	4,791,186
Total assets									15,283,568	13,664,790

14.2.c Segment liabilities

Year ended 31 March	Tea		Rubber		Oil Palm		Others		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Company	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Non current liabilities	381,468	346,007	103,238	110,541	354,845	320,466	175,301	137,140	1,014,852	914,154
Current liabilities	406,052	337,107	109,891	107,697	377,713	312,222	186,598	133,612	1,080,254	890,638
	787,520	683,114	213,129	218,238	732,558	632,688	361,899	270,752	2,095,106	1,804,792
Unallocated non current and current liabilities									2,894,673	2,745,014
Total liabilities									4,989,779	4,549,806
Equity attributable to shareholders									10,293,789	9,114,984
Total equity and liabilities									15,283,568	13,664,790

14.2.d Segment capital expenditure

Cost	300,510	206,967	73,493	51,741	232,922	147,693	681,322	249,462	1,288,247	655,863

15. RIGHT-OF-USE ASSETS

Year ended 31 March	Notes	Group / Company 2026 Rs. '000	Group / Company 2025 Rs. '000
Right-of-use asset: land	15.1	525,286	529,732
Right-of-use asset: other property, plant and equipments	15.2	3,303	3,488
Right-of-use asset: motor vehicles	15.3	919	1,839
		529,508	535,059

15.1 Right-of-use asset- land

This right-of-use asset: land is amortised over the shorter of the remaining lease term and the useful life of the underlying asset and is presented under non-current assets. The carrying amount of the right-of-use asset: land is adjusted when the lease liability is reassessed in accordance with SLFRS 16, to the extent that such reassessment relates to the future lease payments. Accordingly, both the right-of-use asset: land, and lease liability have been remeasured under the provisions of SLFRS 16. Lease agreements relating to the estate lands have been entered into for a period of 53 years. The unexpired period of the lease as at the date of the Statement of Financial Position is 19 years.

Year ended 31 March	Group / Company 2026 Rs. '000	Group / Company 2025 Rs. '000
Cost		
At the beginning of the year	556,219	486,401
Adjustment on reassessment of lease liability	23,201	91,927
Transferred in due to reassessment of lease liability	(26,487)	(22,109)
At the end of the year	552,933	556,219
Amortisation		
At the beginning of the year	26,487	22,109
Transferred out due to reassessment of lease liability	(26,487)	(22,109)
Amortisation for the year	27,647	26,487
At the end of the year	27,647	26,487
Written down value	525,286	529,732

15.2 Right-of-use asset: immovable estate assets on lease other than right-of-use asset: land

At the time of privatisation of plantation estates, all immovable estate assets were recognised in the books of the Company with retrospective effect from 22nd June 1992 under finance lease arrangements. These assets are accounted for in accordance with SLFRS 16 - Leases.

Right -of - use - of - other property plant and equipments

	Group / Company					
Year ended 31 March	**Improvements to land**	**Other vested assets**	**Unimproved lands**	**Buildings**	**Plant and machinery**	**Total**
	Rs. '000	**Rs. '000**	**Rs. '000**	**Rs. '000**	**Rs. '000**	**Rs. '000**
At Cost						
As at 22.06.1992	4,215	4,028	1,564	73,002	47,785	130,594
Acquired by government in 2002/2003	-	-	-	(3,390)	-	(3,390)
Transferred to joint venture in 2015/2016	-	-	-	(5,536)	-	(5,536)
As at 31 March 2026	4,215	4,028	1,564	64,076	47,785	121,668
Amortisation						
As at 1 April 2025	2,991	2,494	834	64,076	47,785	118,180
Amortisation during the year	80	76	29	-	-	185
As at 31 March 2026	3,071	2,570	863	64,076	47,785	118,365
Written down value as at 31 March 2026	1,144	1,458	701	-	-	3,303
Written down value as at 31 March 2025	1,224	1,534	730	-	-	3,488

15.3 Right-of-use asset - motor vehicles

Year ended 31 March	Group / Company	
	2026	2025
	Rs. '000	Rs. '000
Cost		
As at 1 April	16,855	16,855
At the end of the year	16,855	16,855
Amortisation		
At the beginning of the year	15,016	14,097
Amortisation during the year	920	919
At the end of the year	15,936	15,016
Written Down Value	919	1,839

16. FREEHOLD PROPERTY, PLANT AND EQUIPMENT

Year ended 31 March	Group				Company			
	As at 1 April 2025	Additions/ Transfer In	Disposals	As at 31 March 2026	As at 1 April 2025	Additions/ Transfer In	Disposals	As at 31 March 2026
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
At Cost								
Buildings	323,331	87,644	-	410,975	323,331	87,644	-	410,975
Motor vehicles	412,628	267,974	(200)	680,402	412,628	267,974	(200)	680,402
Plant and machinery	695,399	147,623	-	843,022	695,399	147,623	-	843,022
Furniture and fittings	30,741	6,194	-	36,935	30,741	6,194	-	36,935
Equipment	293,768	43,787	-	337,555	293,768	43,787	-	337,555
Water sanitation	280,160	-	-	280,160	280,160	-	-	280,160
Solar power assets	339,465	5,675	-	345,140	339,465	5,675	-	345,140
Irrigation	32,866	22,862	-	55,728	32,865	22,862	-	55,727
Polytunnels	603,496	51,099	-	654,595	603,496	51,099	-	654,595
	3,011,854	632,858	(200)	3,644,512	3,011,853	632,858	(200)	3,644,511
Assets on Mini Hydro Power Projects								
Plant and machinery	156,065	-	-	156,065	61,755	-	-	61,755
Equipment	13,440	-	-	13,440	4,770	-	-	4,770
Motor vehicles	263	-	-	263	100	-	-	100
Furniture and fittings	25	-	-	25	25	-	-	25
Civil constructions	220,959	-	-	220,959	81,380	-	-	81,380
	390,752	-	-	390,752	148,030	-	-	148,030
Total cost	3,402,606	632,858	(200)	4,035,264	3,159,883	632,858	(200)	3,792,541

Depreciation

Year ended 31 March	Group				Company			
	As at 1 April 2025	Charge for the year	Disposals	As at 31 March 2026	As at 1 April 2025	Charge for the year	Disposals	As at 31 March 2026
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Buildings	37,929	8,346	-	46,275	37,930	8,346	-	46,276
Motor vehicles	275,521	36,665	(200)	311,986	275,521	36,665	(200)	311,986
Plant and machinery	319,445	30,380	-	349,825	319,445	30,380	-	349,825
Furniture and fittings	15,921	2,861	-	18,782	15,921	2,861	-	18,782
Equipment	212,028	35,537	-	247,565	212,028	35,537	-	247,565
Water sanitation	227,880	14,008	-	241,888	227,880	14,008	-	241,888
Solar power assets	60,055	16,973	-	77,028	60,055	16,973	-	77,028
Irrigation	8,796	5,504	-	14,300	8,796	5,504	-	14,300
Polytunnels	78,507	60,350	-	138,857	78,507	60,350	-	138,857
	1,236,082	210,624	(200)	1,446,506	1,236,083	210,624	(200)	1,446,507

Assets on Mini Hydro Power Projects

Year ended 31 March	Group				Company			
	As at 1 April 2025	Charge for the year	Disposals	As at 31 March 2026	As at 1 April 2025	Charge for the year	Disposals	As at 31 March 2026
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Plant and machinery	100,326	7,803	-	108,129	47,551	3,088	-	50,639
Equipment	13,009	138	-	13,147	4,339	138	-	4,477
Motor vehicles	263	-	-	263	100	-	-	100
Furniture and fittings	20	2	-	22	20	2	-	22
Civil constructions	87,055	6,759	-	93,814	40,690	2,035	-	42,725
	200,673	14,702	-	215,375	92,700	5,263	-	97,963
Total depreciation	1,436,755	225,326	(200)	1,661,881	1,328,783	215,887	(200)	1,544,470
Written down value	1,965,851			2,373,383	1,831,100			2,248,071

Capital work in progress

Year ended 31 March	Group				Company			
	As at 1 April 2025	Additions	Transfer Out	As at 31 March 2026	As at 1 April 2025	Additions	Transfer Out	As at 31 March 2026
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Buildings and construction	62,552	237,701	(195,282)	104,971	41,108	237,451	(195,282)	83,277
Solar power assets	26,208	7,701	(33,909)	-	26,208	7,701	(33,909)	-
Software	-	4,437	(2,055)	2,382	-	4,437	(2,055)	2,382
	88,760	249,839	(231,246)	107,353	67,316	249,589	(231,246)	85,659
Total carrying value	2,054,611			2,480,736	1,898,416			2,333,730

16.1 The cost of fully depreciated assets still in use by the Company amounted to Rs. 506 Mn as at 31 March 2026 (2025: Rs. 487 Mn).

17. INTANGIBLE ASSETS

As at 31 March		Group		Company	
		2026	2025	2026	2025
	Notes	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Software	17.1	39,535	41,707	39,535	41,707
Goodwill	17.2	2,604	2,604	-	-
		42,139	44,311	39,535	41,707

17.1 Software

As at 31 March	Group/Company			
	Balance As at 01.04.2025	Additions	Disposals	Balance As at 31.03.2026
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
At cost				
Software	80,828	9,085	-	89,913
	80,828	9,085	-	89,913

As at 31 March	Group/Company			
	Balance As at 01.04.2025	Amortisation for the year	Disposals	Balance As at 31.03.2026
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Amortisation				
Software	39,121	11,257	-	50,378
	39,121	11,257	-	50,378
Carrying Value	41,707			39,535

17.1.1 The cost of fully amortised assets still in use by the Company amounted to Rs. 30 Mn as at 31 March 2026 (2025: Rs. 25 Mn).

17.2 Goodwill

	Group		Company	
As at 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
At cost				
At the beginning of the year	2,604	2,604	-	-
At the end of the year	2,604	2,604	-	-
Carrying amount	2,604	2,604	-	-

The recoverable amount of goodwill is determined with reference to the value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering five year periods. The key assumptions used are given below,

	2026	2025
Business growth - Based on the long term average growth rate used in consistent with the forecast included in industry reports	10%	10%
Inflation rate - Based on current inflation rate	-	-
Discount rate - Risk free rate adjusted for the specific risk relating to the industry	19%	17%
Margin - Based on past performance and budgeted expectations.	-	-

18. BIOLOGICAL ASSETS

18.1 Bearer biological assets

	Group / Company	
Year ended 31 March	2026 Rs. '000	2025 Rs. '000
Cost		
At the beginning of the year	6,222,040	5,880,977
Additions during the year	367,127	340,955
Transfer from WIP	-	108
Cost of disposals	(5,283)	-
At the end of the year	6,583,884	6,222,040
Depreciation		
At the beginning of the year	2,037,639	1,790,971
Charge for the year	284,547	246,668
Cost of disposals	(4,736)	-
At the end of the year	2,317,450	2,037,639
Carrying amount	4,266,434	4,184,401

As at 31 March	Immature Plantations Tea Rs. '000	Rubber Rs. '000	Oil Palm Rs. '000	Other Rs. '000	Total Rs. '000
At cost					
At the beginning of the year	232,328	155,515	68,070	549,868	1,005,781
Additions during the year	90,058	16,538	37,158	223,373	367,127
Transfers to mature plantations	(79,627)	(15,049)	(25,326)	(276,426)	(396,428)
At the end of the year	242,759	157,004	79,902	496,815	976,480

As at 31 March	Mature Plantations Tea Rs. '000	Rubber Rs. '000	Oil Palm Rs. '000	Other Rs. '000	Total Rs. '000
At cost					
At the beginning of the year	1,386,691	1,499,858	1,839,766	489,945	5,216,260
Transfers from Immature plantations	79,627	15,049	25,326	276,426	396,428
Disposal cost	-	(5,283)	-	-	(5,283)
At the end of the year	1,466,318	1,509,624	1,865,091	766,370	5,607,405
Depreciation					
At the beginning of the year	479,250	726,600	711,689	120,101	2,037,640
Charge for the year	38,815	71,871	85,010	88,851	284,547
Disposal cost	-	(4,736)	-	-	(4,736)
At the end of the year	518,065	793,735	796,699	208,952	2,317,451
Carrying amount of mature plantations	948,253	715,889	1,068,392	557,418	3,289,954

These are investments in Mature/Immature Plantations since the formation of the Company. The assets (including plantation assets) taken over by way of estate leases are set out in Note 15 to the Financial Statements. Further investments in Immature Plantations taken over by way of leases are shown in this note. When such Plantations become mature, the additional investments since taken over to bring them to maturity are transferred from Immature to Mature.

During the year, the Company did not capitalise any borrowing costs relating to immature plantations (2025 – Nil)

18.2 Consumable biological assets

Managed timber plantations

Year ended 31 March	Group / Company 2026 Rs. '000	2025 Rs. '000
At the beginning of the year	1,837,819	1,414,898
Increase due to development	29,590	32,348
Cost of harvested timber trees	(7,418)	(10,726)
Gain arising from changes in fair value less cost to sell due to physical changes	115,447	401,299
At the end of the year	1,975,438	1,837,819

Managed trees include commercial timber plantations cultivated on estates. The cost of immature trees is treated as approximate fair value particularly on the ground of little biological transformation has taken place and impact of the biological transformation on price is not material.

The fair value of managed timber plantations was determined in accordance with LKAS 41, which is only applicable for managed agricultural activities in terms of the ruling issued by The Institute of Chartered Accountants of Sri Lanka. The valuation was carried out by independent valuer Mr W.M. Chandrasena, Chartered Valuation Surveyor, using the Discounted Cash Flow (DCF) method. In ascertaining the fair value of timber, physical verification was carried out on 31 March 2026, covering all the estates.

18.3 Consumable biological assets

Information about fair value measurements using significant unobservable inputs (Level 3)

Non-financial asset	Valuation technique	Unobservable inputs	Range of unobservable inputs (probability weighted average.)		Relationship of unobservable inputs to fair value
			2025/2026	2024/2025	
Consumable biological assets	Discounted Cash Flow Method (DCF)	Discount rate	16.40%	17.30%	The higher the discount rate, the lesser the fair value
		Optimum rotation (Maturity)	15-20 Years	15-20 Years	Lower the rotation period, the higher the fair value
		Volume at rotation	17-251 cu.ft	17-251 cu.ft	The higher the volume, the higher the fair value
		Price per cubic foot	Rs.150/= to Rs.750/=	Rs.150/= to Rs.750/=	The higher the price per cu. ft., the higher the fair value

Other key assumptions used for valuation are as follows.

1. The harvesting is approved by the Plantation Management Monitoring Division and Forest Department based on the forestry development plan.
2. When considering the market price of the estimated output of standing timber, average value of the market price was taken after deducting costs of harvesting , transportation and administrative costs.

18.3.1 Sensitivity analysis

Sensitivity analysis - sales price

The valuation of consumable biological assets as appearing in the Statement of Financial Position is sensitive to changes in prices. A 10% increase or decrease in estimated future selling prices would have the following impact on the fair value of the assets.

	Impact on consumable biological assets (In Rs. Mn)	
Year ended 31 March	-10%	+10%
Sensitivity variation - sales price		
As at 31 March 2026	(197.54)	197.54
As at 31 March 2025	(183.78)	183.78

18.3.1 Sensitivity analysis

Sensitivity analysis - discount rate

The valuation of consumable biological assets as appearing in the Statement of Financial Position is sensitive to changes in the discount rate applied. A 1% increase or decrease in the estimated future discount rate would have the following impact on the fair value of the assets.

	Impact on consumable biological assets (In Rs. Mn)	
Year ended 31 March	**+ 1%**	**- 1%**
Percentage increase/decrease in discount rate		
As at 31 March 2026	(30.27)	31.52
As at 31 March 2025	(31.26)	32.67

The carrying amount of biological assets pledged as security for liabilities was nil as at 31 March 2026 (2025 - Nil).

There were no capital commitments relating to the development or acquisition of biological assets as at the reporting date.

19. OTHER NON CURRENT ASSETS

	Group / Company	
As at 31 March	**2026**	**2025**
	Rs. '000	**Rs. '000**
Lease Receivable		
Gross lease receivable	71,400	71,400
Less: finance income allocated to future periods	(20,207)	(21,734)
Net lease receivable	51,193	49,666

During the year 2016, the Company transferred certain assets (i.e. JEDB/SLSPC leasehold land, Mature plantation – tea & factory building) to its joint venture company, Elpitiya Harrow Tea Company (Pvt) Ltd, under a sublease arrangement. Accordingly, the above balance represents lease rental receivables due from Elpitiya Harrow Tea Company (Pvt) Ltd over a period of 16 years from 01 April 2029 to 31 March 2045.

19.1 Future minimum rentals receivable as at 31st March are as follows;

	Group / Company	
As at 31 March	**2026**	**2025**
	Rs. '000	**Rs. '000**
Within two to three years	4,200,000	-
Within three to four years	4,200,000	-
Within four to five years	4,200,000	-
More than five years	58,800,000	71,400,000
	71,400,000	71,400,000

Lease payments by Elpitiya Harrow Tea Company (Pvt) Ltd will commence effective from 01 April 2029. Further, a grace period has been granted to the company from the year 2016 up to 31 March 2029, during which no lease rentals will be payable.

20. OTHER FINANCIAL ASSETS

As at 31 March	Group / Company 2026 Rs. '000	Group / Company 2025 Rs. '000
Investment in debentures	31,960	6,960
Investment in Village Food Court	-	5,086
	31,960	12,046

21. INVESTMENTS

As at 31 March	Note	Group 2026 Rs. '000	Group 2025 Rs. '000	Company 2026 Rs. '000	Company 2025 Rs. '000
Investments in subsidiaries	21.1	-	-	151,500	151,500
Investments in joint ventures	21.2	729,107	581,617	237,990	162,990
		729,107	581,617	389,490	314,490

21.1 Investments in subsidiaries
Unquoted

As at 31 March	Percentage of holding 2026	Percentage of holding 2025	Group 2026 Rs. '000	Group 2025 Rs. '000	Company 2026 Rs. '000	Company 2025 Rs. '000
EPP Hydro Power Company (Pvt) Ltd	100%	100%	-	-	150,000	150,000
Water Villas (Pvt) Ltd*	50%	50%	-	-	-	-
Escape Parks Ceylon (Pvt) Ltd	100%	100%	-	-	1,300	1,300
Harrow house (Pvt) Ltd	100%	100%	-	-	100	100
Dunsinane Valley (Pvt) Ltd	100%	100%	-	-	100	100
			-	-	151,500	151,500

* The company has invested Rs. 10 in Water Villas (Pvt) Ltd.

21.2 Investments in joint ventures
Unquoted

As at 31 March	Percentage of holding 2026	Percentage of holding 2025	Group 2026 Rs. '000	Group 2025 Rs. '000	Company 2026 Rs. '000	Company 2025 Rs. '000
AEN Palm Oil Processing (Pvt) Ltd	33.33%	33.33%	625,119	528,852	6,990	6,990
Elpitiya Harrow Tea Company (Pvt) Ltd	50%	50%	-	-	81,000	81,000
Ceylon Agro Food Technologies (Pvt) Ltd	50%	50%	103,988	52,765	150,000	75,000
			729,107	581,617	237,990	162,990

21.2.1 Share of profit from joint ventures

As at 31 March	Note	Group 2026 Rs. '000	Group 2025 Rs. '000	Company 2026 Rs. '000	Company 2025 Rs. '000
AEN Palm Oil Processing (Pvt) Ltd	21.2.2	247,256	119,819	-	-
Ceylon Agro Food Technologies (Pvt) Ltd	21.2.5	(23,777)	(12,853)	-	-
		223,479	106,966	-	-

21.2.2 AEN Palm Oil Processing (Pvt) Ltd

The Group holds a 33.33% equity interest in AEN Palm Oil Processing (Pvt) Ltd, a joint venture engaged in the business of processing crude Palm Oil. The investment is accounted for using the equity method in the consolidated financial statements. The summarised financial information of this joint venture is set out below.

	AEN Palm Oil Processing (Pvt) Ltd 2026 Rs. '000	AEN Palm Oil Processing (Pvt) Ltd 2025 Rs. '000
Current assets, including cash and cash equivalents Rs.820,849,634/- (2025 - Rs. 516,216,011/-)	1,271,852	959,723
Non current assets	1,197,705	1,122,020
Current liabilities, including tax payable Rs. 64,958,665/- (2025 - 4,873,746/-)	(447,647)	(362,552)
Non current liabilities, including deferred tax liabilities. Rs. 94,438,365/- (2025 - Rs. 94,587,613/-)	(146,554)	(132,635)
Total Equity	1,875,356	1,586,556
Group's carrying amount of the investment	625,119	528,852
Summarised statement of profit or loss of AEN Palm Oil Processing (Pvt) Ltd.		
Revenue	11,344,993	8,778,183
Cost of sales	(10,115,453)	(8,070,708)
Other income	38,866	29,645
Administration expenses including depreciation Rs. 18,247,688/- (2025 - Rs. 2,085,458/-)	(389,355)	(314,379)
Finance cost	(205)	(1,815)
Profit before tax	878,846	420,926
Income tax expense	(137,077)	(61,469)
Profit for the year	741,769	359,457
Total comprehensive income for the year	741,769	359,457
Group's share of profit for the year	247,256	119,819
Group's share of profit after prior year tax adjustment	247,256	119,819
Group's share of profit before tax	292,949	140,309
Group's share of profit after tax	247,256	119,819

	Group 2026	Group 2025
Number of ordinary shares held (No. '000)	699	699
Dividend received (Rs. '000)	128,341	85,561

21.2.3 Elpitiya Harrow Tea Company (Pvt) Ltd.

The Group has a 50% interest in Elpitiya Harrow Tea Company (Pvt) Ltd, a joint venture involved in the business of manufacturing and exporting of specialty tea. The Group's interest in Elpitiya Harrow Tea Company (Pvt) Ltd is accounted for using the equity method in the consolidated financial statements.

Due to accumulated losses and adjustments relating to unrealised gains on assets transferred to the joint venture, the carrying amount of the Group's investment as at 31 March 2026 is Rs. Nil (2025: Rs. Nil).

21.2.4 Elpitiya Lifestyle Solutions (Pvt) Ltd.

The Company has 70% joint venture interest in Elpitiya Lifestyle Solutions (Pvt) Ltd, established by Elpitiya Plantations PLC and Lifestyle Sri Lanka (Pvt) Ltd. The investment was fully impaired as at 31 March 2026. Elpitiya Lifestyle Solutions (Pvt) Ltd is currently undergoing liquidation.

21.2.5 Ceylon Agro Food Technologies (Pvt) Ltd

The Group has a 50% interest in Ceylon Agro Food Technologies (Pvt) Ltd, a joint venture involved in the business of research and development food, agriculture and engineering activities. The group's interest in Ceylon Agro Food Technologies (Pvt) Ltd is accounted for using the equity method in the consolidated financial statements. Summarised financial information of this joint venture are set out below.

	Ceylon Agro Food Technologies (Pvt) Ltd	
	2026 Rs. '000	2025 Rs. '000
Opening balance	52,765	50,618
Investment	75,000	15,000
During the year profit/(loss)	(23,777)	(12,853)
Closing Balance	103,988	52,765
Summarised statement of profit or loss of Ceylon Agro Food Technologies (Pvt) Ltd.		
Revenue	28,452	5,847
Cost of sales	(29,806)	(16,928)
Other income	23	250
Administration expenses including depreciation Rs. 17,004,909/- (2025 - Rs. 11,592,137/-)	(52,290)	(33,887)
Finance cost	(10,293)	(4,703)
Profit/(loss) before tax	(63,914)	(49,421)
Income tax expense	16,360	23,715
Profit/(loss) for the year	(47,554)	(25,706)
Total comprehensive income for the year	(47,554)	(25,706)
Group's share of profit/(loss) for the year	(23,777)	(12,853)
Group's share of profit/(loss) for the year after previous year tax adjustment	(23,777)	(12,853)
Group's share of profit/(loss) before tax	(31,957)	(24,711)
Group's share of profit/(loss) after tax	(23,777)	(12,853)

	Group	
	2026	2026
Number of ordinary shares held (No. '000)	13,000	5,500

22. PRODUCE ON BEARER BIOLOGICAL ASSETS

As at 31 March	Group/Company	
	2026	2025
	Rs. '000	Rs. '000
As at 1st April	28,720	29,053
Change in fair value less cost to sell	(348)	(333)
As at 31st March	28,372	28,720

22.1 Fair value hierarchy for non financial assets as at 31 March

Group/Company Non-financial asset type	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
Produce on bearer biological assets*	31-Mar-26	-	28,372	-
	31-Mar-25	-	28,720	-

*For the inputs and valuation technique used refer Note 3.8.7.6 of the Financial statements

22.2 Gain/(loss) on fair value of biological assets

Year ended 31 March	Note	Group / Company	
		2026	2025
		Rs. '000	Rs. '000
Consumable biological assets - gain/(loss) arising from changes in fair value less cost to sell	18.2	115,447	401,299
Produce on bearer biological assets - gain/(loss) arising from changes in fair value less cost to sell	22	(348)	(333)
Total change in fair value of biological assets		115,099	400,966

23. INVENTORIES

As at 31 March	Group 2026 Rs. '000	Group 2025 Rs. '000	Company 2026 Rs. '000	Company 2025 Rs. '000
Nurseries	22,724	22,980	22,724	22,980
Produced stocks	366,840	505,906	366,840	505,906
Spares and consumables	262,507	149,310	262,451	149,254
	652,071	678,196	652,015	678,140
Less: Provision for slow-moving and obsolete inventory	(19,375)	(14,075)	(19,375)	(14,075)
	632,696	664,121	632,640	664,065

24. TRADE AND OTHER RECEIVABLES

As at 31 March	Note	Group 2026 Rs. '000	Group 2025 Rs. '000	Company 2026 Rs. '000	Company 2025 Rs. '000
Produce debtors		495,289	327,521	495,289	327,521
Advance and prepayments		119,367	84,493	119,367	84,493
Employee related debtors		62,567	46,938	62,567	46,938
Other debtors		199,899	217,974	198,853	216,751
		877,122	676,926	876,076	675,703
Impairment of doubtful debtors	24.1	(15,635)	(46,569)	(15,635)	(46,569)
		861,487	630,357	860,441	629,134

24.1 Movement for impairment of doubtful debtors

As at 31 March	Group/Company 2026 Rs. '000	Group/Company 2025 Rs. '000
At the beginning of the year	46,569	16,496
Impairment provision	(30,934)	30,073
At the end of the year	15,635	46,569

24.2 As at 31 March , the ageing analysis of trade and other receivables is, as follows:

As at 31 March	Total Rs. '000	Neither past due nor impaired Rs. '000	Past due but not impaired 31-60 days Rs. '000	61-120 days Rs. '000	121-180 days Rs. '000	181-365 days Rs. '000	>365 days Rs. '000
Company							
2026	876,076	548,735	152,961	44,488	62,488	51,769	15,635
2025	675,703	238,866	154,438	65,224	82,492	88,114	46,569

The Company uses an allowance matrix to measure the ECLs of trade receivables. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Loss rates are based on actual historical credit loss experience and are adjusted for forward-looking information and asset correlation factors. Loss Given Default (LGD) of 100% is assumed for ECL calculation of trade receivables.

25. SHORT TERM INVESTMENT

As at 31 March	Group/Company	
	2026	2025
	Rs. '000	Rs. '000
Fixed deposit	3,471,712	2,998,747
	3,471,712	2,998,747

26. CASH AND CASH EQUIVALENTS

26.1 Favourable cash and bank balances

As at 31 March	Group		Company	
	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Cash at bank	462,792	258,068	446,696	255,003
Cash in hand	1,073	357	1,073	357
	463,865	258,425	447,769	255,360

27. STATED CAPITAL

27.1 Stated capital

As at 31 March	Company			
	2026	2025	2026	2025
	Number	Number	Rs. '000	Rs. '000
Issued and fully paid ordinary shares	72,866	72,866	694,236	694,236
	72,866	72,866	694,236	694,236

Stated capital includes one golden share held by the Secretary to the Treasury which has special rights.

28. RESERVES

Timber reserve

Timber reserve represents the fair value change in the carrying value of managed timber plantations. Managed trees include commercial timber plantations cultivated on estates. The fair value of managed timber plantations was determined in accordance with LKAS 41 – Agriculture.

29. LEASE LIABILITIES

Year ended 31 March	Note	Group / Company 2026 Rs. '000	Group / Company 2025 Rs. '000
Lease liability on right-of-use asset: land	29.1	625,919	610,547
		625,919	610,547

29.1 Lease liability on right-of-use asset: land

As at 31 March	Group/Company 2026 Rs. '000	Group/Company 2025 Rs. '000
Balance as at the beginning of the year	610,547	525,295
Adjustment arising from reassessment of lease liability	23,201	91,927
Interest expense on lease liabilities	82,387	80,239
Payments	(90,216)	(86,914)
Balance as at the end of the year	625,919	610,547
Current	8,847	7,543
Non-current	617,071	603,004

29.1.1 Maturity analysis of lease liabilities are as follows;

As at 31 March	Group/Company 2026 Rs. '000	Group/Company 2025 Rs. '000
Payable within one year		
Gross liability	90,216	86,914
Finance cost allocated to future periods	(81,369)	(79,371)
	8,847	7,543
Payable within two to five years		
Gross liability	360,865	347,654
Finance cost allocated to future periods	(312,381)	(306,319)
Net liability	48,484	41,335
Payable after five years		
Gross liability	1,263,028	1,303,704
Finance cost allocated to future periods	(694,441)	(742,035)
Net liability	568,587	561,669

29.2 Changes in liabilities arising from financing activities

Company	As at 1 April 2025 Rs. '000	Non-cash Movement Rs. '000	Cash Flows Rs. '000	31-Mar-26 Rs. '000
Current obligations under lease liabilities	7,543	9,134	(7,829)	8,847
Non-current obligations under lease liabilities	603,004	14,067	-	617,071
	610,547	23,201	(7,829)	625,918

Group	01-Apr-25 Rs. '000	Non Cash Movement Rs. '000	Cash Flows Rs. '000	31-Mar-26 Rs. '000
Current obligations under lease liabilities	7,543	9,134	(7,829)	8,847
Non-current obligations under lease liabilities	603,004	14,067	-	617,071
	610,547	23,201	(7,829)	625,918

30. RETIREMENT BENEFIT OBLIGATIONS

	Group		Company	
As at 31 March	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
At the beginning of the year	996,998	931,262	996,570	930,910
Current service cost	85,208	75,753	85,109	75,677
Interest cost	100,557	104,449	100,557	104,449
Actuarial loss/(gain) arising from experience adjustments	37,689	(79,522)	37,689	(79,522)
Actuarial loss/(gain) arising from changes in actuarial assumptions	27,120	77,061	27,120	77,061
Payments	(160,130)	(112,005)	(160,005)	(112,005)
At the end of the year	1,087,442	996,998	1,087,040	996,570
Current (classified under trade & other payables - note 32)	72,188	82,416	72,188	82,416
Non-current	1,015,254	914,582	1,014,852	914,154

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 require 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 Group's retirement benefit obligation as at 31 March 2026 is based on the actuarial valuation carried out by Messrs Piyal S Gunatilleke and Associates. Based on the actuarial valuation report as at 31 March 2026, the actuarial present value of promised retirement benefits obligation amounted to Rs. 1,087,039,252/-. If the company had provided for gratuity on the basis of 14 days' wages and half a month's salary for each completed year of service, the liability would have been Rs. 1,091,578,981/-.

The expenses are recognised in the income statement in the following line items;

As at 31 March	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Cost of sales	154,710	154,955	154,711	154,955
Administrative expenses	31,040	25,239	30,955	25,171
	185,750	180,194	185,666	180,126

Actuarial gain on defined benefit plan has been recognised in Statement of Other Comprehensive Income in terms of provisions in LKAS 19.

30.1 Maturity analysis of the payments

The following payments are expected on retirement benefit obligation in future years

As at 31 March	Group		Company	
	2026 Rs. '000	2025 Rs. '000	2026 Rs. '000	2025 Rs. '000
Within the next 12 months	85,925	62,214	85,522	61,785
Between 1 and 5 years	462,874	484,027	462,874	484,027
Beyond 5 years	538,643	450,757	538,643	450,757
Total expected payments	1,087,442	996,998	1,087,039	996,569
Weighted average duration (years) of defined benefit obligation	10.32 years	10.29 years	10.32 years	10.29 years

30.2 The principal assumptions used in determining the retirement benefit obligation were;

	Retirement age	Discount rate
2025/2026		
Workers	60 years	10.70%
Staff	60 years	10.70%
2024/2025		
Workers	60 years	11.00%
Staff	60 years	11.00%

30.3 Sensitivity Analysis

Values appearing in the financial statements are sensitive to the changes in financial and non-financial assumptions used. Sensitivity analyses were carried out for both the wage increment rate and discount rate as key contributors to the entire obligation. Simulations made for retirement benefit obligation show that a 1% increase or decrease of the rate of wage and discount rate has the following effect on the retirement benefit obligation:

	Impact on Retirement benefit obligations (In Rs. Mn)	
As at 31 March	**+ 1%**	**- 1%**
Percentage increase/decrease in discount rate		
As at 31 March 2026	(86.02)	99.61
As at 31 March 2025	(77.06)	89.20

Percentage increase/decrease in salary / wage increment rate.

	Impact on Retirement benefit obligations (In Rs. Mn)	
As at 31 March	**+ 1%**	**- 1%**
Percentage increase/decrease in discount rate		
As at 31 March 2026	92.04	(81.30)
As at 31 March 2025	74.88	(66.35)

30.4 Basis for discount rate assumption

The company uses market yields for the year ended 31 March 2025 on treasury bonds issued by the Government of Sri Lanka (T-bonds) to determine the discount rate, as disclosed in its accounting policy.

31. DEFERRED INCOME

		Group / Company	
Year ended 31 March		**2026**	**2025**
	Note	**Rs. '000**	**Rs. '000**
Deferred grants and subsidies	31.1	62,120	61,845
Sublease income	31.2	28,132	29,289
Deferred income on right of use asset - land	31.3	32,707	38,186
		122,959	129,320

31.1 Deferred grants and subsidies

As at 31 March	Group/Company 2026 Rs. '000	Group/Company 2025 Rs. '000
At the beginning of the year	61,845	59,770
Add: Grants received during the year	2,519	4,278
Less: Amortisation for the year	(2,244)	(2,203)
At the end of the year	62,120	61,845

The company has received funding from the Plantation Housing and Social Welfare Trust and Asian Development Bank for the development of workers facilities such as re-roofing of lines, latrines, water supply and sanitation etc. The amounts spent are included under the relevant classification of property, plant & equipment and the grant component is reflected under deferred grants and subsidies. Further this includes the C.T.C machinery subsidy which represents the funds received from Sri Lanka Tea Board in relation to C.T.C project.

31.2 Sublease income

As at 31 March	Group/Company 2026 Rs. '000	Group/Company 2025 Rs. '000
At the beginning of the year	29,289	30,513
Add: Cash received for the year	10,421	10,714
Less: Amortisation for the year	(11,578)	(11,938)
At the end of the year	28,132	29,289

31.3 Deferred income on right-of-use asset: land

As at 31 March	Group/Company 2026 Rs. '000	Group/Company 2025 Rs. '000
At the beginning of the year	38,186	43,666
Less: Amortisation for the year	(5,479)	(5,480)
At the end of the year	32,707	38,186

This represents the lease rental received in advance on the leasehold right to use of land, which was subleased to Elpitiya Harrow Tea Company (Pvt) Ltd. The lease rental received in advance is amortised on a straight-line basis commencing from 1st April 2016.

32. TRADE AND OTHER PAYABLES

As at 31 March	Group 2026 Rs. '000	Group 2025 Rs. '000	Company 2026 Rs. '000	Company 2025 Rs. '000
Trade creditors	277,526	226,774	277,526	226,774
Employee related creditors	295,429	233,853	295,429	233,853
Other payables and accruals	508,466	431,668	507,298	430,010
	1,081,421	892,295	1,080,253	890,637

33. RELATED PARTY TRANSACTIONS

33.1 Terms and conditions of transactions with related parties

The Group and the company carried out transactions in the ordinary course of business with the following related entities. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash

33.2 Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregate value exceeded 10% of the equity or 5% of the total assets whichever is lower of the Group as per 31 March 2025 audited financial statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

33.3 Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeded 10% of the consolidated revenue of the Group as per 31 March 2025 audited financial Statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange listing Rule 9.3.2 and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act other than the matters disclosed in Note 33.7 to the financial statements.

33.4 Amounts due from related parties

	Group		Company	
As at 31 March	2026	2025	2026	2025
	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Subsidiaries				
EPP Hydro Power Company (Pvt) Ltd	-	-	11,145	2,616
Water Villas (Pvt) Ltd	-	-	8,083	7,748
Escape Parks Ceylon (Pvt) Ltd	-	-	21,695	21,440
Harrow house (Pvt) Ltd	-	-	4,129	6
Dunsinane Valley (Pvt) Ltd	-	-	2,315	398
	-	-	47,367	32,208
Equity accounted investees				
Joint venture companies				
AEN Palm Oil Processing (Pvt) Ltd	21,807	41,271	21,807	41,271
Elpitiya Harrow Tea Company (Pvt) Ltd	121,373	104,168	121,373	104,168
Elpitiya Lifestyle Solutions (Pvt) Ltd	8,240	7,367	8,240	7,367
Ceylon Agro Food Technologies (Pvt) Ltd	2,430	950	2,430	950
	153,850	153,756	153,850	153,756
Other related companies				
Aitken Spence C & T Investments (Pvt) Ltd	442	511	442	511
Aitken Spence Agriculture (Pvt) Ltd	23,687	28,685	23,687	28,685
	24,129	29,196	24,129	29,196
	177,979	182,952	225,346	215,160

33.5 Amounts due to related parties

As at 31 March	Group 2026 Rs. '000	Group 2025 Rs. '000	Company 2026 Rs. '000	Company 2025 Rs. '000
Significant investee of the parent company				
Aitken Spence PLC	2,234	11,179	1,544	11,179
	2,234	11,179	1,544	11,179
Parent				
Aitken Spence Plantation Managements PLC	2,890	33,058	2,890	33,058
	2,890	33,058	2,890	33,058
	5,124	44,237	4,434	44,237

33.6 Transactions with related parties

As at 31 March	Company 2026 Rs. '000	Company 2025 Rs. '000
Significant Investee of the Parent Company		
Short term investments	1,008,183	1,141,390
Rendering of services	(100)	(9,207)
Receiving of services	715,465	631,340
Interest income for short term investment	70,514	56,921
Settlement	(725,000)	(617,067)
Parent		
Rendering of services	(230,156)	(213,357)
Receiving of services	260,543	201,686
Subsidiaries		
Rendering of services	9,979	10,465
Settlement	-	(16,500)
Equity Accounted Investees		
Issue of ordinary shares	15,000	-
Sale of goods	2,783,203	2,030,784
Rendering of services	208,912	199,061
Settlement	(2,944,603)	(2,206,127)
Other Related Companies		
Rendering of services	14,002	14,293
Settlement	(19,020)	(3,229)

33.7 Joint Venture

Name of the related party	Relationship	Nature of the transaction	Aggregate value of related party transactions entered into during 2025/2026 Rs. '000	Aggregate value of related party transactions entered into during 2024/2025 Rs. '000	Aggregate value of related party transactions as a % of net revenue	Terms and conditions of the related party transactions
AEN Palm Oil Processing (Pvt) Ltd	Joint Venture	Sale of goods	2,783,203	2,030,784	39%	Sale of Fresh Fruit Bunches (FFB) as day to day operations of the Company - Price will decide based on Ripe & Unripe weight of bunches.
		Rendering of services	188,115	180,534		

During the year, the Company supplied Rs. 3 BN (2024/25 - Rs. 2 .2 BN) worth of oil palm FFB to AEN Palm Oil processing (Pvt) Ltd in the day-to-day operations of the company, and the aggregate value of these transactions exceeded 10% of the gross revenue/income of the company as per the latest audited financial statements.

All intercompany transactions within the group are carried out on an arm's length basis, under normal commercial terms and conditions.

33.8 Transactions with the key management personnel of the company and parent

There are no transactions with the key management personnel of the company and its parent other than those disclosed in Note 9.

33.9 Management fee

The managing agent shall be paid at the contractual price for each financial year at 10% of EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) subject to a maximum limit of Rs. 85 Mn per annum excluding taxes.

33.10 Other related party transactions

Guarantees given by Aitken Spence Plantation Managements PLC on behalf of the company.

* Corporate guarantee of Rs.175 Mn for Bank of Ceylon overdraft facility

34. ASSETS PLEDGE

Company

Facility obtained from	Security	Nature of liability	Facility amount Rs. '000	Outstanding balance
Bank of Ceylon	Primary mortgage over estate produce consisting of Tea, Rubber, Oil Palm, Coffee, Coconuts, Clove and Paddy on estate.	Bank overdraft	250,000	-
	Primary floating mortgage bond for Rs. 25 Mn. over stock of estate produce consisting of Tea, Rubber, Oil Palm and Coconut stored at Dunsinane, Sheen, Fernlands and Meddecombra estates at Pundaluoya.			

35. CAPITAL COMMITMENTS

	Rs. Mn	Rs. Mn
The capital commitments as at the Statement of Financial Position date are as follows:		
Approved by Board and Contracted for	36.13	50.11
Approved by Board and Not contracted for	1,908.81	1,987.30

36. CONTINGENCIES

No known contingent liabilities exist as at the date of financial position other than the matters disclosed in below note to the financial statements.

36.1 The company was issued a Value Added Tax (VAT) assessment under the Value Added Tax Act No. 14 of 2002 and its amendments thereto in relation to the taxable period from 1st April 2008 to 31st March 2011. The Tax Appeals Commission hearing the appeal, has determined the VAT assessment in favour of the Department of Inland Revenue. Pursuant to the determination of the Tax Appeals Commission, the company has appealed against the determination to the Court of Appeal. The contingent liability to the company is estimated to be Rs. 14.3 Mn. inclusive of any penalties for the said period. Based on expert advice, the Directors are confident that the ultimate resolution of the case will not have an adverse impact on financial statements of the company.

37. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has approved a first and final dividend of Rs. 7.00 per share for the year 2025/26 to be approved at the Annual General Meeting on the 26th June 2026. The Board of Directors has confirmed that the Company will satisfy the solvency test in accordance with section 57 of the Companies Act No. 07 of 2007. In accordance with LKAS 10 - Events after the reporting period, no adjustments have been made to the Financial Statements.

There have been no other material events occurring after the Statement of Financial Position date that require adjustment or disclosure in the financial statements.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations. Accordingly the Group has exposure to namely Credit Risk, Liquidity Risk, Currency Risk and Interest Rate Risk from its use of financial instruments.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Credit risk

This is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arise principally from the Group's receivable from customers.

Liquidity risk

Liquidity risk arises when the Group is unable to meet its financial obligations due to insufficient cash flow situations. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currency of the Group. The currency in which these transactions primarily denominated is in USD.

Interest rate risk

Interest rate risk is the potential for losses that may arise due to adverse movement of interest rates, mainly on floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group has not engaged in any interest rate swap agreements.

38.1 Financial Risk Management Framework

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's financial risk management framework which includes developing and monitoring the Group's financial risk management policies.

The Group financial risk management policies are established to identify, quantify and Analyse the financial risks faced by the Group, to set appropriate risk limits and controls and to monitor financial risks and adherence to limits. Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Audit Committee of the Company oversees how management monitors compliance with the Group's financial risk management policies and procedures and reviews the adequacy of the financial risk management framework in relation to the risks faced by the Group.

38.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arise principally from the Group's receivable from customers and from its financing activities including deposits with banks and financial institutions foreign exchange transactions and other financial instruments.

38.2.1 Trade and other receivables

The Group's exposure to credit risk is influenced by the individual characteristics of each customer. The Group's credit policy is monitored at the Board level. The new customers are analysed individually for credit worthiness before Group's standard payment and delivery terms and conditions are offered. Group review includes external ratings, when available and in some cases, bank references, purchases limit etc. which also subject to under review on quarterly basis. The past experience of the Management is considered when revisions are made to terms and conditions.

The Group establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade and other receivables.

The maximum exposure to credit risk for trade receivables of the Group at the reporting date is Rs. 495 Mn (2025 – Rs. 328 Mn).

The Company has a minimal credit risk of its trade receivables as the repayment is guaranteed within seven days by the Tea and Rubber auction systems.

38.2.2 Investments

Credit risks from invested balance with the financial institutions are managed by the Board of Directors. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to them. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a potential counterparty's failure.

The Group held short term investments Rs. 3.5 Bn as at 31st March 2026 (2025 – Rs. 2.9 Bn).

38.2.3 Cash and Cash Equivalents

The Group held cash and cash equivalents of Rs. 464 Mn as at 31st March 2026 (2025 – Rs. 258 Mn), which represents its maximum credit exposure on these assets.

38.2.4 Amounts due from

The Group held amounts due from related parties of Rs. 178 Mn as at 31st March 2026 (2025 – Rs. 183 Mn), which represents its maximum credit exposure on these balances.

38.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group does not concentrate on a single financial institution, thereby minimising the exposure to liquidity risk through diversification of funding sources. The Group aims to fund investment activities of the individual and Group level by funding the long-term investment with long term financial sources and short term investment with short term financing. Where necessary the Group consults the Treasury Department and Strategic Business Development Unit in Parent Company for scrutinising the funding decisions.

The Table below summarises the maturity profile of the Groups financial liabilities based on contractual undiscounted payments.

As at 31st March 2026	On Demand	Less than 3 Months	3 to 12 Months	2 to 5 years	>5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Group						
Lease liabilities	-	22,554	67,662	360,865	1,263,028	1,714,109
Trade and other payables	-	1,009,233	72,188	-	-	1,081,421
Amounts due to related parties	5,124	-	-	-	-	5,124
	5,124	1,031,787	139,850	360,865	1,263,028	2,800,654
Company						
Lease liabilities	-	22,554	67,662	360,865	1,263,028	1,714,109
Trade and other payables	-	1,008,065	72,188	-	-	1,080,253
Amounts due to related parties	4,434	-	-	-	-	4,434
	4,434	1,030,619	139,850	360,865	1,263,028	2,798,796

As at 31st March 2025	On Demand	Less than 3 Months	3 to 12 Months	2 to 5 years	>5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Group						
Lease liabilities	-	21,728	65,185	347,654	1,303,704	1,738,271
Trade and other payables	-	809,878	82,416	-	-	892,294
Amounts due to related parties	44,238	-	-	-	-	44,238
	44,238	831,606	147,601	347,654	1,303,704	2,674,803
Company						
Lease liabilities	-	21,728	65,185	347,654	1,303,704	1,738,271
Trade and other payables	-	808,222	82,416	-	-	890,638
Amounts due to related parties	44,238	-	-	-	-	44,238
	44,238	829,950	147,601	347,654	1,303,704	2,673,147

38.4 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk: interest rate risk, currency risk & other price risk such as equity price risk. Financial instrument affected by market risk include loans & borrowings, deposits & derivative financial instruments.

38.4.1 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group has not engaged in any interest rate swap agreements.

The Group did not have any floating rate borrowings as at 31 March 2026 (2025 – Nil).

Interest rate sensitivity

The Group dose not present an interest rate sensitivity analysis as the Group not have any interest-bearing borrowings. Accordingly , a change in interest rates would not impact the Group's profit before tax through interest expenses.

38.4.2 Foreign Currency Risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currency of the Group. The Group is exposed to currency risk on sales, purchases and borrowings. These currency primarily is USD.

Foreign currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in the USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in fair value of monetary assets and liabilities.

Group	Increase/ decrease in basis points	Effect on profit before tax Rs. '000
2026		
USD	+10%	3,374
USD	-10%	(3,374)
2025		
USD	+10%	4,048
USD	-10%	(4,048)

38.4.3 Equity Price Risk

The Group's listed & unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Management of the Group monitors the mix of debt & equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis, and all buy and sell decisions are approved by the Board. Equity price risk is not material to the financial statements. However, the Company does not hold any quoted shares as at the reporting date.

38.4.4 Capital Management

The Group's policy is to maintain a strong capital base to sustain investor, creditor & market confidence and to support the business's future development. Capital consists of share capital, reserves, retained earnings, and non-controlling interest of the Group. The Board of Directors monitors the return on capital, interest coverage ratio, and dividend to ordinary shareholders.

There were no interest-bearing borrowings outstanding as at 31 March 2026.

BEYOND WHAT WE ASPIRE

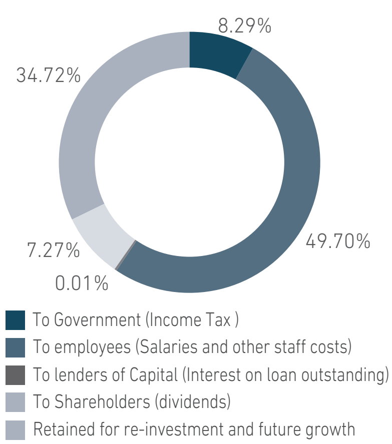
At Elpitiya Plantations, our supplementary information allows a broader current of understanding to emerge around performance, context, and direction. By bringing these elements to the surface, we provide greater clarity into the forces shaping our business. This extended view strengthens transparency, supports continuous improvement, and enables a more informed and comprehensive perspective of our journey forward.

Choppy waves form when shifting surface forces converge, creating irregular patterns that signal deeper changes beneath the ocean's surface. Driven by competing winds and currents, these fragmented movements reveal variations in direction, intensity, and external influence. They carry important signals; offering insight into evolving conditions beyond what is immediately visible.

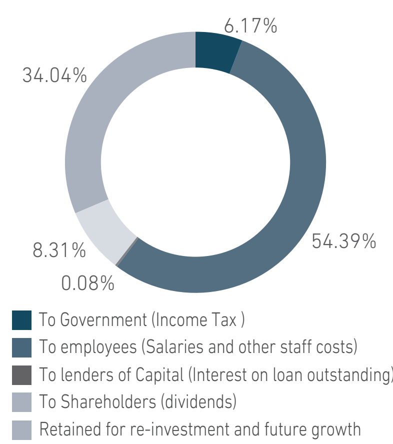
ECONOMIC VALUE ADDED STATEMENT

Figures in Rs.000'	Year ended 31.03.2026	As a %	Year ended 31.03.2025	As a %
Direct economic value generated				
Turnover	9,078,381	96%	7,692,249	95%
Other Income	392,351	4%	387,161	5%
	9,470,732	100%	8,079,411	100%
Purchase of goods and Services	(3,961,649)	-42%	(3,694,582)	-46%
Total Value Added	5,509,083	58%	4,384,828	54%
Distributed as follows				
To Government (Income Tax)	456,858	8%	270,729	6%
To employees (Salaries and other staff costs)	2,738,241	50%	2,384,899	54%
To lenders of Capital (Interest on Loan Outstanding)	394	0%	3,677	0%
To Shareholders (Dividends)	400,765	7%	364,332	8%
Retained for re-investment and future growth	1,912,824	35%	1,361,192	31%
	5,509,083	100%	4,384,828	100.0%

Distribution of Value Added 2025/2026



Distribution of Value Added 2024/2025



SHAREHOLDERS AND INVESTOR INFORMATION

Company Name	:	Elpitiya Plantations PLC
Stock Symbol	:	ELPL.N0000
ISIN	:	SIN: LK0315N00008
GICS Industry Group	:	Food Beverage & Tobacco
Listed Exchange	:	The Colombo Stock Exchange (CSE) - Diri Savi Board

MARKET CAPITALISATION

	2025/26	2024/25
Market Capitalisation	11,749,711,838	8,580,022,133
Float adjusted market capitalisation	1,989,146,783	1,452,562,116

The float-adjusted Market Capitalisation as at 31st March 2026 was Rs. 1,989,146,782/-. As the float-adjusted market capitalisation is more than Rs. 1 Bn with more than 7.5% public holding, Elpitiya Plantations PLC complies under option 1 in terms of rule 7.13.1 (b) (for Diri Savi Board companies) of the Listing Rules of the Colombo Stock Exchange.

SHARE TRADING INFORMATION

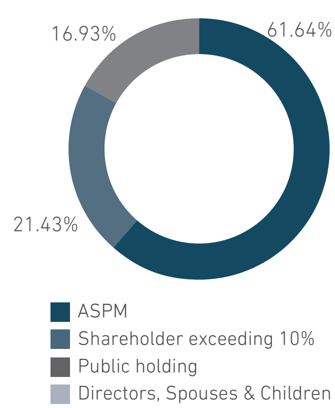
	2025/26	2024/25
Number of transactions	11,803	10,949
Number of shares traded during the year	5,486,458	4,531,798
Value of shares traded during the year	907,639,932	523,484,398

SHARE PRICE INFORMATION

	2025/26	2024/25
Highest (Rs.)	215.00	140.00
Lowest (Rs.)	108.25	90.00
Closing Price (Rs.)	161.25	117.75
Last Traded Price (Rs.)	161.25	117.75

PUBLIC HOLDING

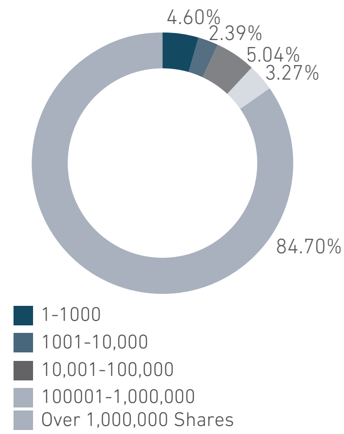
	2026		2025	
	No. of shares	%	No. of shares	%
Non-Public holding				
- Holding by the parent company (ASPM)	44,917,354	61.64%	44,917,354	61.64%
- Holding by the Golden Shareholder (Secretary to the Treasury)	15,613,092	21.43%	15,613,092	21.43%
- Holding by the Directors	190	0.00%	-	0.00%
	60,530,636	83.07%	60,530,446	83.07%
Public holding	12,335,794	16.93%	12,335,984	16.93%
	72,866,430	100.00%	72,866,430	100.00%



SHAREHOLDERS AND INVESTOR INFORMATION

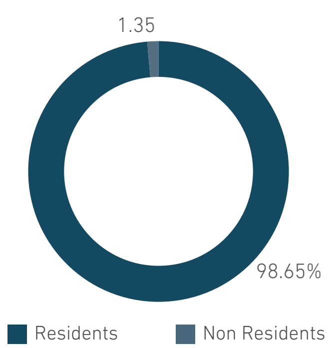
DISTRIBUTION OF SHAREHOLDING

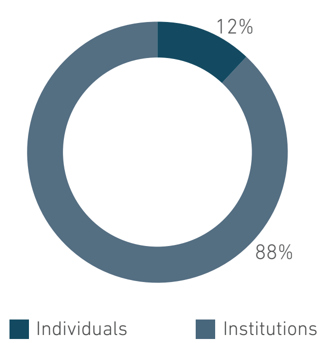
Category	No. of shareholders	No. of shares	%
1-1000	10,950	3,354,277	4.60%
1001-10,000	491	1,744,832	2.39%
10,001-100,000	126	3,674,316	5.04%
100001-1,000,000	10	2,373,523	3.27%
Over 1,000,000 Shares	3	61,719,482	84.70%
	11,580	72,866,430	100.00%



COMPOSITION OF SHAREHOLDERS

Category	No. of shareholders	No. of shares	%
Residents/Non-Residents			
Residents	11,564	71,886,372	98.65
Non Residents	16	980,058	1.35
	11,580	72,866,430	100.00
Institutions/Individuals			
Individuals	11,449	8,742,778	12.00
Institutions	131	64,123,652	88.00
	11,580	72,866,430	100.00





FINANCIAL INDICATORS

	2025/26	2024/25	2023/24
Net Assets per share (Rs.)	147.42	130.40	117.11
Closing Price (Rs.)	161.25	117.75	104.50
Earnings per share - Basic (Rs.)	23.17	18.24	21.49
Dividends per share (Rs.)	7.00	5.50	5.00

SHAREHOLDING OF DIRECTORS TOGETHER WITH THEIR SPOUSES

		2025/26	2024/25
MR. A. G. G. K. Dayananda	Director/Chief Executive Officer	190	N/A

TWENTY LARGEST SHAREHOLDERS AS AT 31ST MARCH 2026

	Name of the Shareholder	Shareholding	%
1	Aitken Spence Plantation Managements Ltd	44,917,354.00	61.64
2	Secretary to the Treasury	15,613,092.00	21.43
3	Sampath Bank PLC/Senthilverl Holdings (pvt) Ltd	1,189,036.00	1.63
4	Mr. T. T. T. Al-Nakib (Deceased)	500,000.00	0.69
5	Melbourne Rolling Mill (Pvt) Ltd	398,683.00	0.55
6	Tranz Dominion L.L.C.	315,000.00	0.43
7	Mr. V. Sunilgavasker	241,096.00	0.33
8	Dr. R. D. Bandaranaike/ Mrs. A. D. Bandaranaike	210,696.00	0.29
9	Mr. D. A. Cabraal	175,000.00	0.24
10	Est. of late K. C. Vignarajah	150,105.00	0.21
11	Mr. G. D. M. Ranasinghe / Mrs. O. R. K. Ranasinghe	135,000.00	0.19
12	Melbourne Metal (Pvt) Ltd	126,235.00	0.17
13	People's Leasing and Finance PLC/ U .L. B. Ariyaratna	121,708.00	0.17
14	People's Leasing and Finance PLC/ L. P. Hapangama	97,956.00	0.13
15	Assetline Finance PLC/Monad (Private) Limited	80,005.00	0.11
16	Mr. S. Malalasekera	77,400.00	0.11
17	People's Leasing & Finance PLC/Mr. J. M. S. Brito & Mrs. B. S. Brito	75,000.00	0.10
18	Mrs. J. Thiruvathavoorar	71,930.00	0.10
19	Mrs. S. I. Kumarasinghe	71,453.00	0.10
20	Mr. A. J. M. Jinadasa	70,000.00	0.10
	Total No. of Shares	64,636,749.00	88.72

GOLDEN SHAREHOLDER

The Golden Share has been allotted to the Secretary to the Treasury for and on behalf of the State of Democratic Socialist Republic of Sri Lanka. The rights attached to the Golden Share are set out in the Articles of Association which are as follows:

1) The Golden Share shall only be held by the Secretary to the Treasury in his official capacity

2) The Golden Shareholder 's prior written concurrence is required

   (a) To amend the definition of the words Golden Share or Golden Shareholder and the Articles setting out specific rights attached to such share

   (b) To sub-lease, cede or assign the rights in part or all of the lands assigned to the Company

3 The Golden Shareholder is entitled to

   (a) Call upon the Directors once in every three months if desired to meet with him or his nominees to discuss matters of the Company of interest to the State

   (b) Inspect the books of accounts of the Company either by himself or by his nominees with due notice

   (c) Receive within 60 days of the end of every quarter, a quarterly report relating to the performance of the Company

   (d) Receive within 90 days from the end of each financial year, information relating to the Company in a pre-specified format.

TEN YEAR SUMMARY

All calculations are based on Group figures unless otherwise stated.

Year ended 31st March	2025/26 Rs.' 000	2024/25 Rs.' 000	2023/24 Rs.' 000	2022/23 Rs.' 000
TRADING SUMMARY				
Revenue	9,078,381	7,692,249	7,204,027	8,348,372
Profit/ (loss) before taxation	2,377,031	1,935,000	1,987,755	3,005,828
Tax expenses	(688,959)	(605,930)	(421,793)	(1,175,383)
Profit/ (loss) after taxation	1,688,072	1,329,070	1,565,962	1,830,445
Profit/ (loss) after taxation (Company)	1,624,935	1,279,789	1,545,688	1,771,009
Non-controlling interest	(173)	(198)	(145)	(127)
Profit Attributable to Owner of the Parent	1,688,245	1,329,268	1,566,107	1,830,571
FUNDS EMPLOYED				
Stated capital	694,236	694,236	694,236	694,236
Timber reserve	1,552,884	1,444,855	1,054,282	805,597
Retained earnings	8,500,344	7,366,259	6,790,173	7,016,965
Equity attributable to equity holder of the parent	10,747,464	9,505,350	8,538,691	8,516,798
Non-controlling interest	(5,567)	(5,394)	(5,196)	(5,051)
Lease liability	625,918	610,547	525,295	376,062
Interest-bearing loans and borrowings (short and long-term)	-	-	72,216	185,624
ASSETS EMPLOYED				
Non-current assets	10,106,515	9,299,530	8,574,048	7,776,714
Current assets	5,636,111	4,763,322	3,872,339	4,240,727
Total assets	15,742,626	14,062,852	12,446,388	12,017,441
Current liabilities	1,394,858	1,160,060	799,417	861,833
Current liabilities excluding borrowings	1,386,011	1,152,517	721,519	744,725
Retirement benefit obligation	1,087,442	996,998	931,262	666,067
Deferred tax liability	1,850,587	1,755,930	1,589,155	1,443,368
Deferred income	122,959	129,320	133,949	147,015
Capital employed	14,347,768	12,902,792	11,646,971	11,155,608
CASH FLOWS				
Net cash inflow/outflow from the Operating Activities	2,095,305	1,835,169	1,859,456	2,830,240
Net cash inflow/outflow from the Investing Activities	(1,481,271)	(1,237,441)	(638,808)	(2,252,494)
Net cash inflow/outflow from the Finance Activities	(408,594)	(443,223)	(1,502,898)	(401,546)
Increase/Decrease in cash and cash equivalents	205,440	154,505	(282,250)	176,200
KEY INDICATORS				
EPS - basic (Rs.)	23.17	18.24	21.49	25.12
Dividend per share (Rs.)	7.00	5.50	5.00	19.00
Dividend payout ratio (%)	31.39%	31.31%	23.57%	78.19%
Net assets per share (Rs.)	147.42	130.39	117.11	116.81
Market price per share (Rs.)	161.25	117.75	104.50	76.50
Price earnings ratio	6.96	6.46	4.86	3.05
Current ratio (times)	4.04	4.11	4.84	4.92
Return on equity	16.67%	14.73%	18.36%	23.74%
Equity to total assets (%)	68.23%	67.55%	68.56%	70.83%
Debt to equity (times)	Nil	Nil	0.01	0.02

2021/22 Rs.' 000	2020/21 Rs.' 000	2019/20 Rs.' 000	2018/19 Rs.' 000	2017/18 Rs.' 000	2016/17 Rs.' 000
5,095,987	4,062,191	3,307,620	3,547,947	3,631,650	3,009,791
1,633,751	725,516	335,389	512,405	598,481	463,289
(101,125)	149,476	(27,663)	(73,725)	(263,055)	(43,452)
1,532,625	874,992	307,726	438,681	335,426	419,837
1,390,746	882,510	241,710	419,748	338,100	488,205
(119)	(275)	(128)	(125)	(91)	(333)
1,532,744	875,267	307,854	438,806	335,518	420,170
694,236	694,236	694,236	694,236	694,236	694,236
818,604	797,640	790,870	765,958	780,376	778,722
5,391,329	3,976,496	3,145,643	2,945,536	2,549,910	2,439,829
6,904,169	5,468,372	4,630,749	4,405,730	4,024,522	3,912,787
(4,924)	(4,805)	(4,531)	(4,403)	(4,278)	(4,186)
351,818	343,086	321,566	165,676	169,218	172,123
318,852	133,082	341,126	185,427	297,530	363,042
7,165,097	6,717,706	6,309,473	5,762,297	5,398,245	5,162,864
2,139,859	884,938	780,405	805,184	709,807	639,454
9,304,956	7,602,644	7,089,877	6,567,481	6,108,052	5,802,318
666,762	553,677	788,401	631,460	565,652	607,008
554,815	521,332	485,442	518,679	448,773	474,509
642,917	664,177	643,194	609,807	530,975	451,820
412,797	332,754	496,951	474,351	409,987	183,631
166,809	185,558	200,353	212,214	231,325	248,592
8,638,194	7,048,967	6,301,476	5,936,021	5,542,400	5,195,311
1,522,248	1,031,081	503,095	701,429	749,542	631,368
(1,518,346)	(523,682)	(561,701)	(595,344)	(433,755)	(216,292)
(6,034)	(55,795)	(230,435)	(148,844)	(275,839)	(204,476)
(2,132)	451,604	(289,041)	(42,759)	39,947	210,600
21.03	12.01	4.22	6.02	4.60	5.76
3.00	2.00	0.75	1.25	2.25	1.00
15.72%	16.51%	22.61%	21.70%	48.49%	14.93%
94.68	74.98	63.49	60.40	55.17	53.64
75.50	43.08	13.00	18.10	27.40	19.00
3.59	3.59	3.08	3.01	5.95	3.30
3.21	1.60	0.99	1.28	1.25	1.05
24.78%	17.33%	6.81%	10.41%	8.45%	11.50%
74.15%	71.86%	65.25%	67.02%	65.82%	67.36%
0.05	0.02	0.07	0.04	0.07	0.09

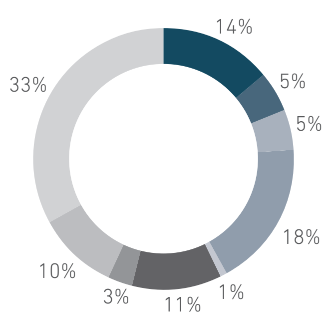
INFORMATION ON ESTATES

Year Ended 31st March 2026	Cultivated Area (ha.)						Total Area (ha.)	Annual Production				Factory Details Crop Manfd.	No.of Workers
	Tea	Rubber	Oil Palm	Speciality Project (Tea)	Others	Total		Tea	Rubber	Oil Palm	Cinnamon		
Nuwara Eliya District													
Dunsinane	426.35	-	-	66.58	104.21	597.14	790.00	1,398	-	-	-	Tea	591
Sheen	190.44	-	-	65.28	154.42	410.14	503.75	479	-	-	-	Tea	307
Fernlands	280.36	-	-	52.23	68.16	400.75	484.25	446	-	-	-	Tea	509
Meddecombra	334.22	-	-	58.10	330.04	722.36	890.00	530	-	-	-	Tea	442
Kandy District													
New Peacock	265.29	-	-	-	236.27	501.56	535.73	867	-	-	-	Tea	252
Nayapane	234.40	3.00	-	-	181.25	418.65	576.50	508	-	-	-	Tea	305
Galle District													
Devitura	17.23	84.39	274.22		177.16	553.00	896.22	12	51	4,248	5	Tea Rubber	203
Talgaswella	19.56	65.12	574.98		42.49	702.15	1,033.85	29	31	9,682	3	Tea Rubber	158
Gulugahakande	-	24.28	114.20		62.16	200.64	418.18	-	14	1,665	5	-	102
Lelwala	3.20	35.66	67.11	-	34.57	140.54	240.35	4	20	1,391	6	Tea	70
Ketandola	1.15	27.04	248.64		49.87	326.70	832.69	4	15	3,906	2	Tea	126
Bentota	-	115.20	123.32	-	48.05	286.57	726.14	-	53	1,341	1	Rubber	144
Elpitiya	-	154.25	306.78	-	73.77	534.80	910.36	-	75	4,725	2	Rubber	246
TOTAL	1,772.20	508.94	1,709.25	242.19	1,562.42	5,795.00	8,838.02	4,277	259	26,958	24		3,455

2025/2026	Tea	Rubber	Oil Palm
Total Crop (Kg.000's)	4,277	259	26,958
Total NSA (Rs./Kg)	1,108	926	103
Y P H	1,692	561	17,087

2024/2025	Tea	Rubber	Oil Palm
Total Crop (Kg.000's)	4,177	240	24,553
Total NSA (Rs./Kg)	1,127	874	85
Y P H	1,532	443	15,577

Land Utilisation - In Hectares (%)



- VP - Tea
- Seedling - Tea
- Rubber
- Oilpalm
- Cinnamon
- Immature
- Other Projects - Tea
- Nurseries & Other Cultivation
- Buildings, Gardens, Jungle & Roads etc.,

NUMBER OF PERMANENT BUILDINGS AVAILABLE

AS AT 31.03.2026	Region/No of units			
Type of Buildings	**UP**	**MID**	**LOW**	**TOTAL**
No. of Factories	6	2	11	19
No. of Bungalows (Manager/Asst. Managers)	20	6	26	52
No. of Staff Bungalows/Quarters	118	54	72	244
No. of Double Barrack Lines	85	31	37	153
No. of Single Barrack Lines	165	73	176	414
No. of Crèches	23	7	14	44
No. of Dispensary	3	3	5	11
No. of Agronomist Quarters	-	1	-	1
No. of Maternity Wards	3	-	1	4
No. of Muster Sheds	19	6	38	63
No. of Office Buildings	5	2	8	15
No. of Stores Buildings	6	4	15	25
No. of Training Centres	4	4	2	10
No. of Self Help Housing	213	114	426	753
No. of Indian Housing	666	51	90	807
Any Other Buildings	316	82	239	637

(Factory/Field Rest Rooms, Community Centre, Twin Cottages,Temples, Motor garage etc.,)

GRI CONTENT INDEX

Statement of use	Elpitiya Plantations PLC has reported in accordance with the GRI Standards for the period 1st April 2025 to 31st March 2026
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Agriculture, Aquaculture and Fishing Sector

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 Organisational details	295	A grey cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organisation's sustainability reporting	5				
	2-3 Reporting period, frequency and contact point	5,7				
	2-4 Restatements of information	5				
	2-5 External assurance	6, 200, 207				
	2-6 Activities, value chain and other business relationships	5,9,12,54,160				
	2-7 Employees	132				
	2-8 Workers who are not employees	132	2-8 Workers who are not employees	Not applicable	All workers are engaged as employees	
	2-9 Governance structure and composition	236,238				
	2-10 Nomination and selection of the highest governance body	243,263				
	2-11 Chair of the highest governance body	28				
	2-12 Role of the highest governance body in overseeing the management of impacts	266				
	2-13 Delegation of responsibility for managing impacts	266				
	2-14 Role of the highest governance body in sustainability reporting	7				
	2-15 Conflicts of interest	244				
	2-16 Communication of critical concerns	144				
	2-17 Collective knowledge of the highest governance body	243				

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
	2-18 Evaluation of the performance of the highest governance body	245				
	2-19 Remuneration policies	262				
	2-20 Process to determine remuneration	262				
	2-21 Annual total compensation ratio		2-21 Annual total compensation ratio	Confidentiality constraints	The group does not disclose this due to confidential reasons	
	2-22 Statement on sustainable development strategy	21				
	2-23 Policy commitments	236				
	2-24 Embedding policy commitments	236				
	2-25 Processes to remediate negative impacts	144,154,236				
	2-26 Mechanisms for seeking advice and raising concerns	136,159, 267				
	2-27 Compliance with laws and regulations					
	2-28 Membership associations	165				
	2-29 Approach to stakeholder engagement	66				
	2-30 Collective bargaining agreements	145				
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	60	A grey cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	126,130,153, 154,178				
Biodiversity						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 101: Biodiversity 2024	101-1: Policies to halt and reverse biodiversity loss	193				
	101-2: Management of biodiversity impacts	193				
	101-3: Access and benefit sharing	193,198				
	101-4: Identification of biodiversity impacts	193,196				

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
	101-5: Locations with biodiversity impacts	193				13.3.2
	101-6: Direct drivers for biodiversity loss	193,197				
	101-7: Changes to the state of biodiversity	193,198				
	101-8: Ecosystem services	193,198				
Economic performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	99				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	9,10				13.22.2
	201-2 Financial implications and other risks and opportunities due to climate change					
	201-3 Defined benefit plan obligations and other retirement plans					
	201-4 Financial assistance received from government		201-4 Financial assistance received from government	Not applicable	The group has not received any financial assistance from the government	
Market presence						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	133,145				
	202-2 Proportion of senior management hired from the local community	133				
Indirect economic impacts						
GRI 3: Material Topics 2021	3-3 Management of material topics	105,108,113				
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	106,108, 123,169				13.22.3
	203-2 Significant indirect economic impacts	9,123,169				13.22.4
Procurement practices						
GRI 3: Material Topics 2021	3-3 Management of material topics					

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	162				
Anti-corruption						
GRI 3: Material Topics 2021	3-3 Management of material topics					Not material to the business
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption					
	205-2 Communication and training about anti-corruption policies and procedures					
	205-3 Confirmed incidents of corruption and actions taken					
Anti-competitive behaviour						
GRI 3: Material Topics 2021	3-3 Management of material topics					Not material to the business
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices					
Tax						
GRI 3: Material Topics 2021	3-3 Management of material topics					Not material to the business
GRI 207: Tax 2019	207-1 Approach to tax					
	207-2 Tax governance, control, and risk management					
	207-3 Stakeholder engagement and management of concerns related to tax					
	207-4 Country-by-country reporting					
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 301: Materials 2016	301-1 Materials used by weight or volume	191				
	301-2 Recycled input materials used	191				
	301-3 Reclaimed products and their packaging materials	191				

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	181				
	302-2 Energy consumption outside of the organisation		302-2 Energy consumption outside of the organisation	Not applicable	Scope 3 emissions are not disclosed since the group obtained the transitional relief of the SLFRS S1 & S2 standard	
	302-3 Energy intensity	181				
	302-4 Reduction of energy consumption	181				
	302-5 Reductions in energy requirements of products and services					
Water and effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	186				13.7.2
	303-2 Management of water discharge-related impacts	186				13.7.3
	303-3 Water withdrawal	188				13.7.4
	303-4 Water discharge	188				13.7.5
	303-5 Water consumption	188				13.7.6
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	184				13.1.2
	305-2 Energy indirect (Scope 2) GHG emissions	184				13.1.3
	305-3 Other indirect (Scope 3) GHG emissions	184	305-3 Other indirect (Scope 3) GHG emissions	Transitional relief	Scope 3 emissions are not disclosed since the group obtained the transitional relief of the SLFRS S1 & S2 standard	13.1.4
	305-4 GHG emissions intensity	184				13.1.5

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
	305-5 Reduction of GHG emissions	184				13.1.6
	305-6 Emissions of ozone-depleting substances (ODS)	184				13.1.7
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	184				13.1.8
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	188				13.8.2
	306-2 Management of significant waste-related impacts	188				13.8.3
	306-3 Waste generated	188				13.8.4
	306-4 Waste diverted from disposal	188				13.8.5
	306-5 Waste directed to disposal	188				13.8.6
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	161				
	308-2 Negative environmental impacts in the supply chain and actions taken	161				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	133				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	137,138				
	401-3 Parental leave					

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
Labour/management relations						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	143				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	134				
	403-2 Hazard identification, risk assessment, and incident investigation	134				
	403-3 Occupational health services	134				
	403-4 Worker participation, consultation, and communication on occupational health and safety	134				
	403-5 Worker training on occupational health and safety	134				
	403-6 Promotion of worker health	134				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	134				
	403-8 Workers covered by an occupational health and safety management system	134				
	403-9 Work-related injuries	134				
	403-10 Work-related ill health	134				
Training and education						
GRI 3: Material Topics 2021	3-3 Management of material topics					

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	141				
	404-2 Programs for upgrading employee skills and transition assistance programs	120,141				
	404-3 Percentage of employees receiving regular performance and career development reviews	140				
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	132,147				
	405-2 Ratio of basic salary and remuneration of women to men	146				
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	131				
Freedom of association and collective bargaining						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	165				
Child labour						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	131				
Forced or compulsory labour						
GRI 3: Material Topics 2021	3-3 Management of material topics					

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(S) Omitted	Reason	Explanation	
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	131,165				
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures					
Rights of indigenous peoples						
GRI 3: Material Topics 2021	3-3 Management of material topics		3-3 Management of material topics	Not applicable	The group's business activities are not operating in the lands belongs to indigenous people	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples		411-1 Incidents of violations involving rights of indigenous peoples			
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	167,171				
	413-2 Operations with significant actual and potential negative impacts on local communities	168				
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria					
	414-2 Negative social impacts in the supply chain and actions taken					
Public policy						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 415: Public Policy 2016	415-1 Political contributions		415-1 Political contributions	Not applicable	The group does not involve in political contributions	

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					
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	156				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	156				
Marketing and labelling						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	157				
	417-2 Incidents of non-compliance concerning product and service information and labelling	157				
	417-3 Incidents of non-compliance concerning marketing communications	158				
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics					
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	154				

GRI CONTENT INDEX

TOPICS IN THE APPLICABLE GRI SECTOR STANDARDS AND REPORTED

Topic	Page
GRI 13:Agriculture, Aquaculture and Fishing Sector	
13.1 Emissions	184
13.3 Biodiversity	193
13.4 Natural ecosystem conversion	197
13.5 Soil health	179,180,181
13.6 Pesticide use	179,190,191,192
13.7 Water and effluents	186,188
13.8 Waste	188
13.9 Food security	
13.10 Food safety	156
13.12 Local communities	167,168
13.15 Non-discrimination and equal opportunity	132,133,146
13.16 Forced or compulsory labour	148,165
13.17 Child labour	131
13.18 Freedom of association and collective bargaining	145
13.19 Occupational health and safety	134
13.20 Employment practices	136
13.21 Living income and living wage	140
13.22 Economic inclusion	10, 106
13.23 Supply chain traceability	155,156,162,198

TOPICS IN THE APPLICABLE GRI SECTOR STANDARDS DETERMINED AS NOT MATERIAL

Topic	EXPLANATION
GRI 13:Agriculture, Aquaculture and Fishing Sector	
13.2 Climate adaptation and resilience	Transitional relief of SLFRS Sustainability related Financial Disclosures
13.11 Animal health and welfare	EPP doesn't engage in animal farming within its operations
13.13 Land and resource rights	EPP does not have any involvement or engagement in land and resource rights-related issues
13.14 Rights of indigenous people	EPP does not engage or have any involvement in matters concerning the rights of indigenous
13.24 Public policy	EPP does not provide political contributions
13.25 Anti-competitive behaviour	Considered low material topics and are excluded from reporting disclosures based on the materiality assessment.
13.26 Anti-corruption	Considered low material topics and are excluded from reporting disclosures based on the materiality assessment.

INDEPENDENT ASSURANCE REPORT ON INTEGRATED REPORTING

EY
Building a better working world

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF ELPITIYA PLANTATIONS PLC ON THE INTEGRATED ANNUAL REPORT 2025/26

Scope

We have been engaged by Elpitiya Plantation PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Elpitiya Plantations PLC's Information on how it's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value over the short, medium and long term (the "Subject Matter") contained in the Elpitiya Plantations PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2026 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Elpitiya Plantations PLC

In preparing the Subject Matter, Elpitiya Plantations PLC applied the Integrated Reporting Framework (<IR> Framework) initially developed by the International Integrated Reporting Council (IIRC) and currently maintained by the Integrated Reporting and Connectivity Council (IRCC) of the IFRS Foundation. (the "Criteria"),

Such Criteria were specifically designed for the purpose of assisting in determining whether the capital management, stakeholder engagement, business model, strategy, organizational overview & external environment outlook presented in the Integrated Annual Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

Elpitiya Plantations PLC's responsibilities

Elpitiya Plantations PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the Elpitiya Plantations PLC on 2 June 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

INDEPENDENT ASSURANCE REPORT ON INTEGRATED REPORTING

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Performed a comparison of the content of the Integrated Annual Report against the Guiding Principles and Content Elements given in the Integrated Reporting Framework (<IR> Framework).

- Checked whether the information contained in the Integrated Annual Report – Financial Capital element information has been properly derived from the audited financial statements.

- Conducted interviews with the selected key management personnel and relevant staff and obtained an understanding of the internal controls, governance structure and reporting process relevant to the Integrated Report.

- Obtained an understanding of the relevant internal policies and procedures developed, including those relevant to determining what matters most to the stakeholders, how the organization creates value, the external environment, strategy, approaches to putting members first, governance and reporting.

- Obtained an understanding of the description of the organization's strategy and how the organization creates value, what matters most to the stakeholders and enquiring the management as to whether the description in the Integrated Report accurately reflects their understanding.

- Checked the Board of Directors meeting minutes during the financial year to ensure consistency with the content of the Integrated Report.

- Tested the relevant supporting evidence related to qualitative & quantitative disclosures within the Integrated Report against identified material aspects.

- Read the Integrated Report in its entirety for consistency with our overall knowledge obtained during the assurance engagement.

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

Emphasis of matter

Economic, Environment, Social and Intellectual capital management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Annual Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information contained in the Integrated Annual Report of Elpitiya Plantation PLC for the year ended 31 March 2026, in order for it to be in accordance with the Criteria.

Ernst + Young

4 June 2026
Colombo

INDEPENDENT ASSURANCE REPORT ON SUSTAINABILITY REPORTING

EY
Building a better working world

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT TO THE BOARD OF DIRECTORS OF ELPITIYA PLANTATIONS PLC ON THE SUSTAINABILITY REPORTING CRITERIA PRESENTED IN THE INTEGRATED ANNUAL REPORT FY 2025/26

Scope

We have been engaged by Elpitiya Plantations PLC to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on Elpitiya Plantations PLC's Economic, Environment, Social and Governance (EESG) indicators (the "Subject Matter") contained in Elpitiya Plantations PLC's (the "Entity's") Integrated Annual Report for the year ended 31 March 2026 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Elpitiya Plantations PLC

In preparing the Subject Matter, Elpitiya Plantations PLC applied the following criteria ("Criteria"):

- The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at https://www.globalreporting.org (GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022)

Such Criteria were specifically designed for the purpose of assisting you in determining whether Entity's Economic, Environment, Social and Governance (EESG) indicators contained in the Entity's Report is presented in accordance with the relevant criteria; As a result, the subject matter information may not be suitable for another purpose.

Elpitiya Plantations PLC's responsibilities

Elpitiya Plantations PLC management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised), and the terms of reference for this engagement as agreed with the Elpitiya Plantations PLC on 2 June 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance

INDEPENDENT ASSURANCE REPORT ON SUSTAINABILITY REPORTING

engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Validated the information presented and checked the calculations performed by the organization through recalculation.
- Performed a comparison of the content given in the Report against the criteria given in the selected sustainability standards/frameworks.
- Conducted interviews with relevant organization's personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff.
- Read the content presented in the Report for consistency with our overall knowledge obtained during the course of our assurance engagement and requested changes wherever required.
- Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

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

Emphasis of matter

Economic, Environment, Social management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the information on the Economic, Environment, Social and Governance (EESG) contained in the Integrated Annual Report of Elpitiya Plantations PLC for the year ended 31 March 2026, in order for it to be in accordance with the Criteria.

Ernst + Young

4 June 2026
Colombo

DEFINITIONS

ACCOUNTING POLICIES
Specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting financial statements.

ASSET TURNOVER
Total revenue divided by average total assets.

ASSETS HELD FOR SALE
The carrying amount of the asset value, which will be recovered through a sale transaction rather than through continuing use.

AWPLR
The Average Weighted Prime Lending Rate is calculated by the Central Bank weekly, monthly and half-yearly based on commercial banks' lending rates offered to their prime customers.

BORROWINGS
All interest-bearing liabilities

CAPITAL EMPLOYED
Total assets less interest-free liabilities and provisions.

CAPITAL EXPENDITURE
The total of additions to property, plant & equipment, intangible assets and field development.

CARRYING AMOUNT
The amount at which an asset is recognised in the statement of financial position.

CASH EQUIVALENTS
Liquid investments with original maturities of three months or less.

COLLATERAL
Monetary or non-monetary assets pledged or received as security in lieu of a loan or credit terms obtained or provided.

CONTRACT
An agreement between two or more parties that has clear economic consequences that the parties have little, if any, discretion to avoid, usually because the agreement is enforceable by law.

CONTINGENT LIABILITIES
Conditions or situations at the Balance sheet date, the financial effect of which is to be determined by future events which may or may not occur.

COP
The cost of production. This generally refers to the cost of producing a Kilo of produce. (Tea / Rubber / Oil Palm).

CREDIT RISK
The risk that the counterparty to a transaction fails to meet its contractual obligations in accordance with the agreed terms and conditions.

CROP
The total produce harvested over a given period of time (usually during a financial year).

CURRENT RATIO
Current assets divided by current liabilities.

DEBENTURE
A long-term debt instrument issued by a corporate.

DEBT/EQUITY RATIO
Non-current interest-bearing borrowing divided by the total equity and minority interest. It shows the extent to which the firm is financed by debt.

DERIVATIVES
Financial contracts whose values are derived from the values of underlying assets.

DIVIDEND PAYOUT
Dividends per share divided by earnings per share. This indicates the percentage of the Company's earning that is paid out to shareholders in cash.

DIVIDENDS PER SHARE (DPS)
Dividends paid and proposed, divided by the number of issued shares, which are ranked for those dividends.

EARNINGS PER SHARE (EPS)
Net profit for the period attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue during the period.

EBITDA
Earnings (inclusive of equity accounted investees) before interest expenses, tax, depreciation, and amortisation.

ECONOMIC LIFE (OF AN ASSET)
Either the period over which an asset is expected to be economically usable by one or more users or the number of production or similar units expected to be obtained from an asset by one or more users.

EQUITY INSTRUMENTS
A contract that evidences a residual interest in the assets of an entity after deducting all its liabilities.

EXPECTED CREDIT LOSSES
The weighted average of credit losses with the respective risks of a default occurring as the weights.

EXTENT IN BEARING
The extent of land from which crop is being harvested. Also see "Immature Plantation".

FAIR VALUE
The amount at which an asset is exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)
Financial instruments that are held for trading and measured at fair value through other comprehensive income.

FAIR VALUE THROUGH PROFIT OR LOSS (FVPL)
Financial instruments that are held for trading and are designated as at fair value through profit and loss.

FIELD
A unit extent of land. Estates are divided into fields in order to facilitate management.

FINANCIAL ASSET
Any asset that is cash or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity or a contractual right to exchange financial instruments with another entity under conditions that are potentially favourable.

FINANCIAL INSTRUMENTS
Any contract that gives rise to financial assets of one entity and financial liability or equity instrument of another entity.

DEFINITIONS

FINANCIAL LIABILITY
A contractual obligation to deliver cash or another financial asset to another entity or exchange financial instruments with another entity under conditions that are potentially unfavourable.

GHG
Gases in the Earth's atmosphere that trap heat and contribute to the greenhouse effect, leading to global warming and climate change.

GOODWILL
The excess of the cost of acquisition over the fair value of the share of net assets acquired when purchasing an interest in a company.

GRI
Global Reporting Initiative.

GUARANTEES
A contractual obligation made by a third party (Guarantor), who is not a party to a contract between two others, that the guarantor will be liable if the guarantee fails to fulfil the contractual obligations under that said contract.

HELD-TO-MATURITY
A financial asset with fixed and determinable payments and fixed maturity, other than loan and receivables, for which there is a positive intention and ability to hold to maturity.

IMPACT (IN THE CONTEXT OF GRI STANDARDS)
The effect an organisation has on the economy, the environment, and/or society, which in turn can indicate its contribution (positive or negative) to sustainable development. It does not refer to an effect upon an organisation, such as a change in its reputation.

IMPAIRMENT
Occurs when the recoverable amount of an asset is less than the carrying amount.

IMMATURE PLANTATION
The extent of the plantation that is under development and is not being harvested.

INTANGIBLE ASSETS
An identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services for rental to others or for administrative purposes.

INFILLING
A method of field development whereby planting of individual plants is done in order to increase the yield of a given field, whilst allowing the field to be harvested.

INTEREST COVER
Operating profit before interest divided by the net interest.

LEASE
A contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

LIQUIDITY RISK
The risk of an entity having constraints to settle its financial liabilities.

MARKET CAPITALISATION
The number of ordinary shares in issue multiplied by the market price per share as at a given date.

MARKET RISK
Possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, credit spreads and other asset prices.

MATERIAL TOPICS
Topics that represent an organisation's most significant impacts on the economy, environment, and people, including impacts on their human rights.

MATURE PLANTATION
The extent of the plantation from which the crop is being harvested.

NET ASSETS PER SHARE
Total assets less total liabilities including minority interest divided by the number of shares in issue as at 31st March.

NET PROFIT MARGIN
Net profit for the period divided by the revenue.

NON-CONTROLLING INTEREST
Part of the net results of operations and of net assets of a subsidiary attributable to interest which are not owned, directly or indirectly through subsidiaries, by the parent.

NSA
The Net Sales Average. This is the average sale price obtained (over a period of time) after deducting Brokerage fees and the cost of Gratis teas.

PRICE EARNINGS RATIO
Market value per share divided by the earnings per share.

RELATED PARTIES
Parties that could control or significantly influence the financial and operating policies of the business.

REPLANTING
A method of field development where an entire unit of land is taken out of “bearing” and developed by way of uprooting the existing trees, bushes and replanting with new trees/bushes.

RETURN ON ASSETS
Earnings Before Interest and Tax (EBIT) divided by the average total assets.

RETURN ON CAPITAL EMPLOYED (ROCE)
Earnings Before Interest and Tax (EBIT) as a percentage of average capital employed.

RETURN ON EQUITY
Profit attributable to equity holders of the company divided by average equity less non-controlling interest at the beginning and at the end of the financial year.

RIGHT-OF-USE ASSET
An asset that represents a lessee’s right to use an underlying asset for the lease term.

TOTAL EQUITY
Total of share capital, reserves, retained earnings and non-controlling interest.

WORKING CAPITAL
Current assets less current liabilities.

YIELD
The average crop per unit extent of land over a given period of time (usually kgs per hectare per year).

CORPORATE INFORMATION

NAME
ELPITIYA PLANTATIONS PLC

LEGAL FORM
A Public Quoted Company with Limited Liability, incorporated in Sri Lanka on 22nd June 1992.

COMPANY REGISTRATION NUMBER
PQ 171

REGISTERED OFFICE
315, Vauxhall Street, Colombo 02, Sri Lanka.

BUSINESS ADDRESS
No. 305, Vauxhall Street, Colombo 02, Sri Lanka.

DIRECTORS
Dr. R. M. Fernando - Chairman
Dr. M. P. Dissanayake
(Chairman - Resigned w.e.f 31.03.2026)
Malik J. Fernando
D. A. de S. Wickremanayake
D. S. T. Jayawardena
(Appointed w.e.f. 01.04.2026)
M. D. A. Perera
M. K. D. N. Madampe
Prof. A. S. Dharmasiri
M. J. S. Rajakariar
Dr. R. A. Fernando
A. G. Geeth Kumara Dayananda
(Appointed w.e.f. 01.10.2025)

MANAGING AGENT
AITKEN SPENCE PLANTATION MANAGEMENTS LIMITED

SECRETARIES
Aitken Spence Corporate Services (Private) Limited

REGISTRARS
S S P Corporate Services (Private) Limited
101, Inner Flower Road, Colombo 03.

AUDITORS
Messrs. Ernst & Young
Chartered Accountants
Rotunda Towers
No.109, Galle Road
Colombo 03

LAWYERS
Julius & Creasy Attorneys – at – Law

BANKERS
Bank of Ceylon
Sampath Bank PLC
Cargills Bank PLC
NDB Bank PLC
Hatton National Bank PLC

GROUP DIRECTORY

MANAGING AGENT

Aitken Spence Plantation Managements Limited

***formerly known as Aitken Spence Plantation Managements PLC**

Managing agents for Elpitiya Plantations PLC.

Directors:

Dr. R. M. Fernando (Chairman)
(Appointed w.e.f. 01.04.2026),
Mr. M. J. Fernando,
Mr. D. A. de S. Wickremanayake,
Mr. L. N. de S. Wijeyeratne,
Mr. D. C. Fernando,
Dr. S. A. B. Ekanayake,
Mr. A. T. S. Sosa
(Alternate Director to D.C. Fernando),
Mr. A. G. Geeth Kumara Dayananda
(Appointed w.e.f 01.10.2025),
Ms. D. S. T. Jayawardena
(Appointed w.e.f. 01.04.2026),
Dr. M. P. Dissanayake
(Chairman) (Resigned w.e.f. 31.03.2026).

SUBSIDIARIES

E P P Hydro Power Company (Private) Limited

Generates hydro electricity and supply to the national grid.

Directors:

Dr. R.M. Fernando (Chairman),
Mr. M. J. Fernando,
Mr. D. A. de S. Wickremanayake,
Mr. P. S. Dissanayake
(Appointed w.e.f 17.06.2025).

Escape Parks Ceylon (Private) Limited

Develop and operate an Adventure Theme Park at Diviturai Estate to promote Tourism in the region.

Directors:

Dr. R. M. Fernando,
Mr. A. G. Geeth Kumara Dayananda
(Appointed w.e.f 17.06.2025),
Dr. M. P. Dissanayake (Chairman)
(Resigned w.e.f. 31.03.2026).

The Dunsinane Valley Company (Private) Limited

A fully owned subsidiary of Elpitiya Plantations PLC focused on developing sustainable tourism ventures in the Dunsinane Valley by balancing economic potential with ecological preservation and community engagement.

Directors:

Dr. R. M. Fernando,
Ms. D. S. T. Jayawardena
(Appointed w.e.f. 04.05.2026),
Mr. D. A. de S. Wickremanayake,
Mr. M. J. Fernando,
Mr. P. S. Dissanayake
(Appointed w.e.f. 17.06.2025),
Dr. M. P. Dissanayake
(Resigned w.e.f. 31.03.2026).

Harrow House (Private) Limited

A fully owned subsidiary of Elpitiya Plantations PLC, established with the aim of enhancing the visibility and expanding the distribution of the value-added brands.

Directors:

Dr. R. M. Fernando,
Mr. D. A. de S. Wickremanayake,
Mr. M. J. Fernando,
Mr. J. A. R. Nissanka
(Appointed w.e.f 17.06.2025),
Dr. M. P. Dissanayake
(Resigned w.e.f. 31.03.2026).

JOINT VENTURES & ASSOCIATES

A E N Palm Oil Processing (Private) Limited

Joint Venture Project between Agalawatte Plantations PLC, Elpitiya Plantations PLC and Namunukula Plantations PLC to process Oil Palm Fruit bunches and extract crude palm oil.

Directors:

Dr. R. M. Fernando
(Appointed as Chairman w.e.f. 01.04.2026)
Mr. N. S. Yaddehige (Held the office of Chairman from 29.04.2024 to 28.04.2025)
Mr. R. P. L. Ramanayake
Mr. G. P. N. A. G. Gunathilake,
Mr. S. Doranegama
(Nominated w.e.f 17.11.2025),
Mr. P. de S.A. Gunasekara
(Nomination was revoked w.e.f. 06.11.2025),
Dr. M. P. Dissanayake (Chairman)
(Resigned w.e.f. 31.03.2026).

Elpitiya Harrow Tea Company (Private) Limited, formerly known as Elpitiya Dianhong Jin Ya Tea Company (Private) Limited

A Joint Venture Project with Yunnan Dianhong Group of China to cultivate, process and market specialty teas for overseas market.

Directors:

Dr. R. M. Fernando (Chairman),
Mr. W. Hao,
Mr. T. Wang (Alternate Director to W. Hao),
Mr. J. A. R. Nissanka
(Appointed w.e.f. 01.04.2025),
Mr. A. G. Geeth Kumara Dayananda
(Appointed w.e.f. 17.06.202

Ceylon Agro Food Technologies (Private) Limited

An innovative agricultural research and development Company dedicated to enhancing food product value, reducing agricultural waste, preserving food, and advancing agricultural drone technology, along with expertise in plantation management which comprises of engineers and agricultural scientists committed to tackling the intricate challenges encountered by Sri Lanka's agricultural sector.

Directors:

Mr. S. Gunawardena (Chairman),
Dr. R. M. Fernando,
Dr. S. A. B. Ekanayake,
Mr. P. S. Dissanayake,
Ms. S. T. Gunawardena,
Ms. N. R. Gunawardene,
Ms. N. D. Perera.
Mr. J. A. R. Nissanka
(Appointed w.e.f. 17.06.2025)

COMPANIES UNDER LIQUIDATION

Elpitiya Lifestyle Solutions (Private) Limited

Liquidation commenced on 30.12.2025.

Water Villas (Private) Limited

To be liquidated

NOTICE OF MEETING

Notice is hereby given that the Thirty-Fourth (34th) Annual General Meeting of Elpitiya Plantations PLC will be held at The Ceylon Chamber of Commerce, No. 50, Nawam Mawatha, Colombo 02 on Friday, 26th June 2026 at 2.30 p.m., for the following purposes:-

1. To receive and consider the Annual Report of the Board of Directors together with the Financial Statements for the year ended 31st March 2026 and the Report of the Auditors thereon.
2. To declare a first and final dividend as recommended by the Directors.
3. To re-appoint Mr. D. A. de S. Wickremanayake who is over the age of 70 years, as a Director by passing the following Resolution as an Ordinary Resolution:

   "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Mr. D. A. de S. Wickremanayake who is 76 years of age and that he be re-appointed a Director of the Company."
4. To re-appoint Dr. R. M. Fernando who is over the age of 70 years, as a Director by passing the following Resolution as an Ordinary Resolution:

   "IT IS HEREBY RESOLVED that the age limit stipulated in Section 210 of the Companies Act No. 7 of 2007 shall not apply to Dr. R. M. Fernando who is 73 years of age and that he be re-appointed a Director of the Company."
5. To re-elect Ms. M. D. A. Perera who retires by rotation in terms of Article 92 & 93 of the Articles of Association, as a Director.
6. To elect Ms. D. S. T. Jayawardena who retires in terms of Article 98 of the Articles of Association, as a Director.
7. To elect Mr. A. G. Geeth Kumara Dayananda who retires in terms of Article 98 of the Articles of Association, as a Director.
8. To authorise the Directors to determine contributions to charities.
9. To re-appoint the retiring External Auditors, Messrs. Ernst & Young, Chartered Accountants and authorise the Directors to determine their remuneration.
10. To consider any other business of which due notice has been given.

By Order of the Board

Elpitiya Plantations PLC

Aitken Spence Corporate Services (Private) Limited
Secretaries

04th June 2026
Colombo

NOTICE OF MEETING

Note:

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend, speak and vote in his/her stead and a Form of Proxy is enclosed for this purpose. A Proxy need not be a member of the Company.

2. Members intending to participate through proxies are encouraged to vote by Proxy, through the appointment of a member of the Board of Directors, to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting, in the Form of Proxy.

3. The completed Form of Proxy should be sent to reach the Company Secretaries via e-mail to nelum@aitkenspence.lk or facsimile on +94 112445406 or by post to the registered address of the Company, No. 315, Vauxhall Street, Colombo 02, not less than forty eight (48) hours before the time fixed for the meeting.

4. Should the first and final dividend recommended be approved by the Shareholders at the Annual General Meeting:

a. it is proposed to dispatch the dividends by 17th July 2026;

b. for the shareholders who have provided accurate dividend disposal instructions with bank account details to the S S P Corporate Services (Private) Limited, dividends of such shareholders will be credited directly to the specified bank accounts by 6th July 2026.

   In accordance with the Listing Rules of the Colombo Stock Exchange, the shares of the Company will trade ex-dividend with effect from 30th June 2026.

5. Members intending to participate through proxies are hereby advised that if they wish to raise any queries, such queries should be sent to reach the Company Secretaries, via e-mail to nelum@aitkenspence.lk or facsimile on +94 11 2445406 or by post to the registered address of the Company No. 315, Vauxhall Street, Colombo 2, not less than five (5) days before the date of the meeting. This is in order to enable the Company Secretaries to compile the queries and forward same to the attention of the Board of Directors so that such queries could be addressed at the meeting.

1. The Annual Report of the Company for the year 2025/2026 will be available for perusal on the Company website on www.elpitiya.com and the Colombo Stock Exchange website on www.cse.lk.

FORM OF PROXY

/We (in BLOCK LETTERS) .... of

.... being

a member/members of ELPITIYA PLANTATIONS PLC hereby appoint .... of

.... (whom failing),

Dr. Rohan Marshall Fernando	(whom failing),
Mr. Malik J. Fernando	(whom failing),
Mr. Don Ariyaseela de Silva Wickremanayake	(whom failing),
Ms. Don Stasshani Therese Jayawardena	(whom failing),
Ms. Minette D. A. Perera	(whom failing),
Prof. Ajantha S. Dharmasiri	(whom failing),
Mr. Manoha J. S. Rajakariar	(whom failing),
Dr. Ravindra A. Fernando	(whom failing)
Mr. A. G. Geeth Kumara Dayananda	(whom failing),
Mrs. M. K. D. Niluka Madampe	

as my/our Proxy to represent me/us, to speak and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 26th June 2026 and at any adjournment thereof and at every poll which may be taken in consequence thereof.

I/We the undersigned hereby authorise my/our proxy to vote on my/our behalf in accordance with the preference indicated below:

	Resolution	For	Against
1.	To declare a first and final dividend as recommended by the Directors.		
2.	To re-appoint Mr. D. A. de S. Wickremanayake who is over the age of 70 years.		
3.	To re-appoint Dr. R. M. Fernando who is over the age of 70 years.		
4.	To re-elect Ms. M. D. A. Perera who retires by rotation in terms of Article 92 and 93 of the Articles of Association.		
5.	To elect Ms. D. S. T. Jayawardena who retires in terms of Article 98 of the Articles of Association.		
6.	To elect Mr. A. G. Geeth Kumara Dayananda who retires in terms of Article 98 of the Articles of Association.		
7.	To authorise the Directors to determine contributions to charities.		
8.	To re-appoint the retiring External Auditors, Messrs. Ernst & Young, Chartered Accountants and authorise the Directors to determine their remuneration.		

Signed this .... day of ....Two Thousand Twenty-Six.

....	....	....
Shareholder's signature/(s)	Shareholder's NIC/Folio No.	Proxyholder's NIC No.

Note: Instructions as to completion are noted on the reverse hereof.

FORM OF PROXY

Instructions as to Completion

1. Kindly perfect the Form of Proxy by filling in the mandatory details required above, signing in the space provided and filling in the date of signature.

2. If the Form of Proxy is signed by an Attorney, the relative power of attorney should also accompany the proxy form for registration, if such power of attorney has not already been registered with the Company.

3. In the case of a Company/Corporation, the Form of Proxy shall be executed in the manner specified in its Articles of Association/ Constitutional documents (as applicable).

4. In the absence of any specific instructions as to voting, the proxy may use his/her discretion in exercising the vote on behalf of his/her appointor.

5. Duly filled Forms of Proxy should be sent to reach the Company Secretaries via e-mail to nelum@aitkenspence.lk or facsimile on +94 11 2445406 or by post to the registered address of the Company No. 315, Vauxhall Street, Colombo 02, not less than forty-eight (48) hours before the time fixed for the meeting.

Please provide the following details (mandatory):	
NIC/PP/Company Registration No. of the Shareholder/s	
Folio No.	
E-mail address of the Shareholder/(s) or proxy holder : (other than a Director appointed as proxy)	
Mobile No.	
Fixed Line	

SHAREHOLDER FEEDBACK FORM

Name (Optional)	
Address (Optional)	
Number of shares held (Optional)	

1. Business Development

Please rate the following areas (where applicable) on a scale of 1 to 5 (where 1 is the lowest and 5 is the highest)

	Lowest			Lowest	
	1	2	3	4	5
a) Quality and presentation of the annual report					
b) Usefulness of the information in the interim financial statements					
c) Likelihood of the financial information in the Annual Report to influence investment decisions.					
d) Likelihood of the environmental information in the Annual Report to influence investment decisions.					
e) Likelihood of the social information in the Annual Report to influence investments decisions					
f) Level of awareness about the Company's work towards ecosystem conservation after reading the Annual Report					
g) Level of awareness about the Company's work towards socially inclusive development after reading the Annual Report					

Please tick more than one where applicable:

2. What channels of communication are preferred to receive information about Elpitiya Plantations PLC?

News Articles		Social media		Digital/Electronic Media	
Internet/Company Website		Annual Report		Others	

3. Out of the current sustainability priorities the Company is committed to work on, what areas do you feel Elpitiya Plantations PLC should focus more on?

Climate Change Risk Management		Socially Inclusive Development		Ecosystem Conservation	
Energy Management		Water Security		Management of Solid Waste, Effluents and Emissions	

4. Suggestions / Recommendations

The completed Feedback Form could be mailed or hand delivered to the Company Secretaries at the Registered Office of the Company at No. 315, Vauxhall Street, Colombo 02, Sri Lanka.

Designed & produced by
emagewise

elpitiya