# GOVERNANCE AND RISK

# MANAGEMENT TEAMS

## PLANTATIONS, OILS & FATS

Hariharan Selvanathan
Deputy Chairman, Group Chief Executive Officer (CEO)

Aneesh Dudeja
Director, President & Group Chief Financial Officer (CFO)

Satish Selvanathan
Executive Director – Group

Ms. Sharada Selvanathan
Director

K Chandra Sekaran
Advisor to Group CEO

Muthukumaran Murugiah
Director – Group Engineering

Ishan Dantanarayana
Director HR Group & Country Head Sri Lanka

Rushdi Azeez
Director & Head of Group Finance

Sanjaya Upasena
Director & Chief Operating Officer, Oil Palm Plantation Segment

Saliya Rodrigo
Director & Head of Finance, Oil Palm Plantation Segment

Amjad Ibrahim
Director & Head of Procurement & Business Services

Piyush Patnaik
President, Downstream Segment

Avneet Singh
Chief Financial Officer, Downstream Segment

Carl Dagenhart
Group Head of Sustainability

## BEVERAGE

Rajiv Meewakkala
Director / CEO

Jehan Goonaratne
Chief Financial Officer

Madhushanka Ranatunga
Chief Sales and Marketing Officer

Niranjan Perera
Chief People Officer

Chathura Dissanayake
Chief Supply Chain Officer

Shaminda Samaraweera
Chief Officer - Business Development

Nishantha Hulangamuwa
Chief International Business Officer

Eshantha Salgado
Chief Sustainability Officer

Channa Senaratne
Chief Corporate and Regulatory Affairs Officer

Ruvendra Gunasena
Chief Information Officer

Ms. Ruwandhi Thanthrige
Senior Vice President - Legal

Chathura Amarapriya
Senior Vice President - Brewing and Planning

Widhura Nuwan
Senior Vice President - Engineering

Kaveen Gayathma
Senior Vice President - Outbound Logistics

Arno Matthee
Senior Vice President - Brew Master

Gayan Dodanwala
Senior Vice President - Sales and Trade Marketing

Prashan Costa
Senior Vice President-Marketing, Regular Category

Ms. Ruchira Money
Senior Vice President-Premium Category

Gopinath Sundareson
Senior Vice President - Sales and Marketing (Spirits Business)

Gihan Vidanapathirana
Senior Vice President - Procurement

Irusha Palawatta
Senior Vice President - Planning, Packaging and Contract Manufacturing

Aroshan Indujeeva
Senior Vice President - Commercial Finance

# MANAGEMENT TEAMS

## PORTFOLIO & ASSET MANAGEMENT

Krishna Selvanathan
Director/CEO

Sumith Perera
Director/Head of Portfolio Management

Asanka Jayasekara
Director/Head of Research

Suranga Jayawardena
Senior Vice President – Finance

Priyan De Mel
Senior Vice President – Operations

Ms. Harindi Hettigamage
Senior Vice President – Research

Shahan De Silva
Senior Vice President – Research

## REAL ESTATE

Nalake Fernando
Director

Hiran Edirisinghe
President – Engineering

Chamara Prasanga
Group Financial Controller - CMSL

## LEISURE

Renuke Coswatte
General Manager - Pegasus Reef Hotel

Kapila Gunathilaka
Chief Operating Officer / CFO

Chaminda Perera
Senior Manager - Business Development

Malith Bandara
Chief Engineer

Anthony Fernando
Front Office Manager

Charith Ranasinghe
Food & Beverage Manager

Aslam Khair
Manager - Human Resources

Nalin Nanayakkara
Executive Chef

Desmond Bernardus
Executive Housekeeper

## MANAGEMENT SERVICES

Krishna Selvanathan
Director

Sudarshan Selvanathan
Director

Vibath Wijesinghe
Director – Finance

Ms. Amali Alawwa
Director – Legal

Amal Badugoda Hewa
Director – Tax

Chaminda Premarathne
Director - Internal Audit

Udayantha Dasanayake
President – Group Information Technology

Adhil Jawzi
President – Group Human Resources

Ms. Natasha Selvaratnam
President – Group Company Secretarial

# GROUP DIRECTORATE

## PLANTATIONS, OILS & FATS

### GOODHOPE ASIA HOLDINGS LTD.
Directors:
Chandra Das S/O Rajagopal Sitaram (Chairman), H. Selvanathan (Deputy Chairman), D.C.R. Gunawardena, A.P. Weeratunga, A. Dudeja (Resigned w.e.f. 30th June 2026), P. Daniel

### AGRO ASIA PACIFIC LIMITED
Directors:
H. Selvanathan, M. Selvanathan, Satish Selvanathan, A. Dudeja (Resigned w.e.f. 30th June 2026), Chandra Das S/O Rajagopal Sitaram, D.C.R. Gunawardena

### PREMIUM NUTRIENTS PTE. LTD
Directors:
H. Selvanathan, A. Dudeja (Resigned w.e.f. 30th June 2026), S.K. Desai, S. Selvanathan (Appointed w.e.f. 20th May 2026)

### SHALIMAR (MALAY) LIMITED
Directors:
H. Selvanathan – Chairman, M. Selvanathan, D.C.R. Gunawardena, A.R. Azeez

### SELINSING LIMITED
Directors:
M. Selvanathan – Chairman, H. Selvanathan, D.C.R. Gunawardene, A.R. Azeez

### INDO-MALAY LIMITED
Directors:
H. Selvanathan – Chairman, M. Selvanathan, D.C.R. Gunawardena, A.R. Azeez

### GOOD HOPE LIMITED
Directors:
H. Selvanathan – Chairman, M. Selvanathan, D.C.R. Gunawardena, A.R. Azeez

### AGRO HARAPAN LESTARI (PRIVATE) LIMITED
Directors:
C.A.V.S. Upasena, A.R. Azeez, A. Kanagasabai, A. Dudeja (Resigned w.e.f. 30th June 2026)

### AHL BUSINESS SOLUTIONS (PRIVATE) LIMITED
Directors:
D.C.R. Gunawardena – Chairman, M.A.M. Ibrahim, C.A.V.S. Upasena, A. Kanagasabai

### GOODHOPE INVESTMENTS (PRIVATE) LIMITED
Directors:
H. Selvanathan – Chairman, M.A.M Ibrahim, A.R. Azeez

### SHALIMAR DEVELOPMENTS SDN. BHD
Directors:
H. Selvanathan, M. Selvanathan, D.C.R. Gunawardena, Ms H.S. Lin

### PREMIUM OILS & FATS SDN. BHD.
Directors:
C.A.V.S. Upasena, Satish Selvanathan, Muthukumaran Murugiah (Appointed w.e.f. 28th April 2025), S. Chelliah (Resigned w.e.f. 28th April 2025)

### PREMIUM VEGETABLE OILS SDN. BHD.
Directors:
Satish Selvanathan – Chairman, Takuyo Saito (Resigned w.e.f. 30th June 2025), Muthukumaran Murugiah, Piyush Adhar Pattanayak, Manabu Saski (Appointed w.e.f. 30th June 2025)

### PREMIUM FATS SDN. BHD.
Directors:
Satish Selvanathan, Takuyo Saito (Resigned w.e.f. 30th June 2025), Kazunobu Tanaka (Resigned w.e.f. 31st March 2026), Piyush Adhar Pattanayak, Manubu Sasaki, Akihito Kashihara (Resigned w.e.f. 28th May 2026), Muthukumaran Murugiah (Appointed w.e.f. 28th May 2026)

### PT AGRO INDOMAS
Commissioners:
H. Selvanathan – President Commissioner, M. Selvanathan, M. Ramachandran Nair, D.C.R. Gunawardena, A.S. Amaratunga

Directors:
A. Dudeja - President Director (Resigned w.e.f. 30th June 2026), C.A.V.S. Upasena – Vice President Director, B.C.S.T.I. Rodrigo, Edi Suhardi, M.A.M. Ibrahim, Wahyu Budi Susetyo (Resigned w.e.f. 31st May 2025), Herdin Syafari (Appointed w.e.f. 1st June 2025)

### PT AGRO BUKIT
Commissioners:
H. Selvanathan – President Commissioner, M. Selvanathan, I. Paulraj, D.C.R. Gunawardena, T. de Zoysa

Directors:
A. Dudeja - President Director (Resigned w.e.f. 30th June 2026), C.A.V.S. Upasena – Vice President Director, B.C.S.T.I. Rodrigo, M.A.M. Ibrahim, Wahyu Budi Susetyo (Resigned w.e.f. 31st May 2025), Herdin Syafari (Appointed w.e.f. 1st June 2025)

### PT AGRO HARAPAN LESTARI
Commissioners:
H. Selvanathan – President Commissioner, I. Paulraj, Ainkaran Kanagasabai

Directors:
C.A.V.S. Upasena, E. Suhardi, A. Dudeja (Resigned w.e.f. 30th June 2026), B.C.S.T.I. Rodrigo, M.A.M. Ibrahim, Wahyu Budi Susetyo (Resigned 31st May 2025), Herdin Syafari (Appointed w.e.f. 1st June 2025)

### PT RIM CAPITAL
Commissioners:
H. Selvanathan – President Commissioner, M. Selvanathan, D.C.R. Gunawardena, S.C.P. Chelliah (resigned w.e.f. 28th April 2025)

Directors:
A. Dudeja - President Director (Resigned w.e.f. 30th June 2026), C.A.V.S. Upasena – Vice President Director, B.C.S.T.I. Rodrigo, M.A.M. Ibrahim, Wahyu Budi Susetyo (Resigned w.e.f. 31st May 2025), Herdin Syafari – Appointed w.e.f. 1st June 2025

## GROUP DIRECTORATE

**PT KARYA MAKMUR SEJAHTERA**
Commissioners:
H. Selvanathan – President Commissioner, D.C.R. Gunawardena, Ainkaran Kanagasabai

Directors:
A. Dudeja - President Director (Resigned w.e.f. 30th June 2026),
C.A.V.S. Upasena – Vice President Director, Edi Suhardi, B.C.S.T.I. Rodrigo, M.A.M. Ibrahim, Wahyu Budi Susetyo (Resigned w.e.f. 31st May 2025), Herdin Syafari (Appointed w.e.f. 1st June 2025)

**PT AGRO ASIA PACIFIC**
Commissioners:
H. Selvanathan – President Commissioner, M. Selvanathan, D.C.R. Gunawardena

Directors:
C.A.V.S. Upasena – President Director, A. Dudeja (Resigned w.e.f. 30th June 2026), B.C.S.T.I. Rodrigo, M.A.M. Ibrahim, Wahyu Budi Susetyo (Resigned w.e.f. 31st May 2025), Herdin Syafari (Appointed w.e.f. 1st June 2025)

**PT NABIRE BARU**
Commissioners:
H. Selvanathan – President Commissioner, D.C.R. Gunawardena, Ainkaran Kanagasabai

Directors:
C.A.V.S. Upasena – President Director, A. Dudeja (Resigned w.e.f. 30th June 2026), B.C.S.T.I. Rodrigo, M.A.M. Ibrahim, Herdin Syafari (Appointed w.e.f. 1st June 2025), Wahyu Budi Susetyo (Resigned w.e.f. 31st May 2025)

**PT AGRAJAYA BAKTITAMA**
Commissioners:
H. Selvanathan – President Commissioner, D.C.R. Gunawardena, Ainkaran Kanagasabai

Directors:
C.A.V.S. Upasena – President Director, A. Dudeja (Resigned w.e.f. 30th June 2026), B.C.S.T.I. Rodrigo, M.A.M. Ibrahim, Wahyu Budi Susetyo (Resigned w.e.f. 31st May 2025), Herdin Syafari (Appointed w.e.f. 1st June 2025)

**PT AGRO WANA LESTARI**
Commissioners:
H. Selvanathan – President Commissioner, D.C.R. Gunawardena, Ainkaran Kanagasabai

Directors:
A. Dudeja - President Director (Resigned w.e.f. 30th June 2026),
C.A.V.S. Upasena – Vice President Director, Edi Suhardi, B.C.S.T.I. Rodrigo, M.A.M. Ibrahim, Wahyu Budi Susetyo (Resigned w.e.f. 31st May 2025), Herdin Syafari (Appointed w.e.f. 1st June 2025)

**PT BATU MAS SEJAHTERA**
Commissioners:
H. Selvanathan – President Commissioner, D.C.R. Gunawardena, Ainkaran Kanagasabai

Directors:
C.A.V.S. Upasena – President Director, A. Dudeja (Resigned w.e.f. 30th June 2026), B.C.S.T.I. Rodrigo, M.A.M. Ibrahim, Wahyu Budi Susetyo (Resigned w.e.f. 31st May 2025), Herdin Syafari (Appointed w.e.f. 1st June 2025)

**PT SAWIT MAKMUR SEJAHTERA**
Commissioners:
H. Selvanathan – President Commissioner, D.C.R. Gunawardena, Ainkaran Kanagasabai

Directors:
C.A.V.S. Upasena – President Director, A. Dudeja (Resigned w.e.f. 30th June 2026), B.C.S.T.I. Rodrigo, M.A.M. Ibrahim, Wahyu Budi Susetyo (Resigned w.e.f. 31st May 2025), Herdin Syafari (Appointed w.e.f. 1st June 2025)

**PT SUMBER HASIL PRIMA**
Commissioners:
H. Selvanathan – President Commissioner, D.C.R. Gunawardena, Ainkaran Kanagasabai

Directors:
C.A.V.S. Upasena – President Director, A. Dudeja (Resigned w.e.f. 30th June 2026), B.C.S.T.I. Rodrigo, M.A.M. Ibrahim, Wahyu Budi Susetyo (Resigned w.e.f. 31st May 2025), Herdin Syafari (Appointed w.e.f. 1st June 2025)

**PT SINAR SAWIT ANDALAN**
Commissioners:
H. Selvanathan – President Commissioner, D.C.R. Gunawardena, Ainkaran Kanagasabai

Directors:
C.A.V.S. Upasena – President Director, A. Dudeja (Resigned w.e.f. 30th June 2026), B.C.S.T.I. Rodrigo, M.A.M. Ibrahim, Wahyu Budi Susetyo (Resigned w.e.f. 31st May 2025), Herdin Syafari (Appointed w.e.f. 1st June 2025)

**PT SARIWANA ADI PERKASA**
Commissioners:
H. Selvanathan – President Commissioner, D.C.R. Gunawardena, Ainkaran Kanagasabai

Directors:
C.A.V.S. Upasena – President Director, A. Dudeja (Resigned w.e.f. 30th June 2026), B.C.S.T.I. Rodrigo, M.A.M. Ibrahim, Wahyu Budi Susetyo (Resigned w.e.f. 31st May 2025), Herdin Syafari (Appointed w.e.f. 1st June 2025)

**PT BUKIT HARAPAN LESTARI**
Commissioners:
A.Kanagasabai- President Commissioner, M.A.M. Ibrahim

Directors:
S.Upasena – President Director , H. Syafari, K. Risyandi

**PT KARYA MAKMUR HARAPAN LESTARI**
Commissioners:
A.Kanagasabai- President Commissioner, M.A.M. Ibrahim

Directors:
S.Upasena – President Director , H. Syafari, K. Risyandi

**PT INDOWANARIM HARAPAN LESTARI**
Commissioners:
A.Kanagasabai- President Commissioner, M.A.M. Ibrahim

Directors:
S.Upasena – President Director , H. Syafari, K. Risyandi

## BEVERAGE

### CEYLON BEVERAGE HOLDINGS PLC

Directors:
D.A. Cabraal – Chairman *NE, H. Selvanathan (Deputy Chairman) *NE, M. Selvanathan *NE, R.H. Meewakkala (CEO/Director), S.Clini *NE, A. J. Alles **INE, A. S. Amaratunga **INE, A. B. Baliga **INE, M.S. De Saram **INE (appointed w.e.f. 01st April 2026), D.R.P. Goonetilleke *NE (appointed w.e.f. 01st April 2026), D.C.R. Gunawardena *NE (resigned w.e.f. 31st March 2026),

### LION BREWERY (CEYLON) PLC

Directors:
D.A. Cabraal – Chairman *NE, H. Selvanathan (Deputy Chairman) *NE, D.R.P. Goonetilleke *NE, K. Selvanathan *NE, R.H. Meewakkala (CEO/Director), S. Selvanathan *NE, S. Clini *NE, A.B. Baliga **INE, R. Rajagopal **INE, A. J. Alles **INE, A. S. Amaratunga **INE, K K Subramanian **INE, A.Yong M.S. *NE (appointed w.e.f. 07th September 2025), M.S. De Saram **INE (appointed w.e.f. 01st April 2026), Ms. V.Gun L.L. (resigned w.e.f. 07th September 2025)

### PUBS 'N PLACES (PRIVATE) LIMITED

Directors:
S.W.M.K.N. Hulangamuwa, J. N. Goonaratne

### RETAIL SPACES (PRIVATE) LIMITED

Directors:
J.N. Goonaratne, M.R.B. Ranatunga

### LUXURY BRANDS (PRIVATE) LIMITED

Directors:
R.H. Meewakkala, J.N. Goonaratne, A.S.A. Samaraweera

### MILLERS BREWERY LIMITED

Directors:
R.H. Meewakkala, M.R.B. Ranatunga, J.N. Gooneratne

### LION BEER (CEYLON) PTE. LTD.

Directors:
S. Selvanathan, R.H. Meewakkala, V.R. Wijesinghe, Ms. Chai Shiau Shan, J.N. Goonaratne

## PORTFOLIO & ASSET MANAGEMENT

### CEYLON GUARDIAN INVESTMENT TRUST PLC

Directors:
Mrs M.A.R.C. Cooray- (Chairperson) *NE, V.M. Fernando *NE, K. Selvanathan, A.D. Pereira **INE, C.T. Knight ** INE , A.S. Amaratunga **INE, A.P. Weeratunge *NE, S.K. Balasuriya **INE, G. C. Jayaweera **INE (Appointed w.e.f. 15/02/2026)

### CEYLON INVESTMENT PLC

Directors:
Mrs M.A.R.C. Cooray (Chairperson) *NE, A.P. Weeratunge *NE, K. Selvanathan, S.M. Perera, A.D. Pereira **INE, C.T. Knight **INE, A.S. Amaratunga **INE, S.K. Balasuriya **INE, G. C. Jayaweera **INE (Appointed w.e.f. 15/02/2026)

### RUBBER INVESTMENT TRUST LIMITED

Directors:
I. Paulraj (Chairman), A.P. Weeratunge, V.R. Wijesinghe, K. Selvanathan, S.M. Perera (appointed w.e.f. 01st December 2025), R.M.A.S.P.K. Jayasekara (appointed w.e.f. 01st December 2025)

Alternate Director:
A.P. Weeratunge (for I. Paulraj)

### GUARDIAN FUND MANAGEMENT LIMITED

Directors:
Mrs M.A.R.C. Cooray (Chairperson), K. Selvanathan, A.P. Weeratunge, S.M. Perera, R.M.A.S.P.K. Jayasekara

### GUARDIAN VALUE INVESTMENT LLC

(Formerly Known as Guardian Fund Management LLC)
Directors:
C.W. Knight, S. Thomas, K. Selvanathan, M.Z. Soopun, P. Govinthan

### GUARDIAN VALUE GLOBAL LLC

(Formerly Known as Guardian Value Fund LLC)
Directors:
M.Z. Soopun, T. Parmessur, C.W. Knight, S. Thomas, R.M.A.S.P.K. Jayasekera,

### LEECHMAN & COMPANY (PRIVATE) LIMITED

Directors:
H. Selvanathan, M. Selvanathan, S. Mahendrarajah, A.P. Weeratunga

* Non-Executive Director
** Independent Non-Executive Director

## LEISURE

### PEGASUS HOTELS OF CEYLON PLC
Directors:
M. Dayananda - Chairman *NE, K. Selvanathan *NE, V.R. Wijesinghe, M.T.L. Elias** INE, S. Marimuthu **INE, D.R.P. Goonetilleke *NE, A.S. Amaratunga **INE, G.C.Jayaweera **INE (Appointed w.e.f. 10th February 2026)

## INVESTMENT HOLDINGS

### BAILLIE STREET HOLDINGS PTE. LTD
Directors:
V.R. Wijesinghe, Ms. Chai Shiau Shan

## REAL ESTATE

### EQUITY ONE LIMITED
Directors:
E. H. Wijenaike (Chairman), K.C.N. Fernando, A.P. Weeratunge, S. Mahendrarajah, P.D.D. Fernando, S. Marimuthu

### EQUITY TWO PLC
Directors:
E.H. Wijenaike - Chairman *NE, K.C.N. Fernando, A.P. Weeratunge *NE, S. Marimuthu ** INE, A.S. Amaratunga ** INE. G.C.Jayaweera **INE (Appointed w.e.f. 10th February 2026)

### EQUITY THREE (PRIVATE) LIMITED
Directors:
I. Paulraj, K.C.N. Fernando

## MANAGEMENT SERVICES

### CARSONS MANAGEMENT SERVICES (PRIVATE) LIMITED
Directors:
H. Selvanathan (Chairman), M. Selvanathan, K.C.N. Fernando, A.P. Weeratunge, K. Selvanathan, S. Selvanathan, D.R.P. Goonetilleke, V.R. Wijesinghe, Mrs. K.D. De Silva (Retired w.e.f. 31st December 2025)

* Non-Executive Director
** Independent Non-Executive Director

# RISK MANAGEMENT

Carson Cumberbatch PLC (the Company) is a leading diversified conglomerate in Sri Lanka, with a portfolio encompassing oil palm plantations, oils & fats, beverages, portfolio and asset management, real estate, and leisure. Our global reach extends across Sri Lanka, Indonesia, Malaysia, Singapore, and Mauritius.

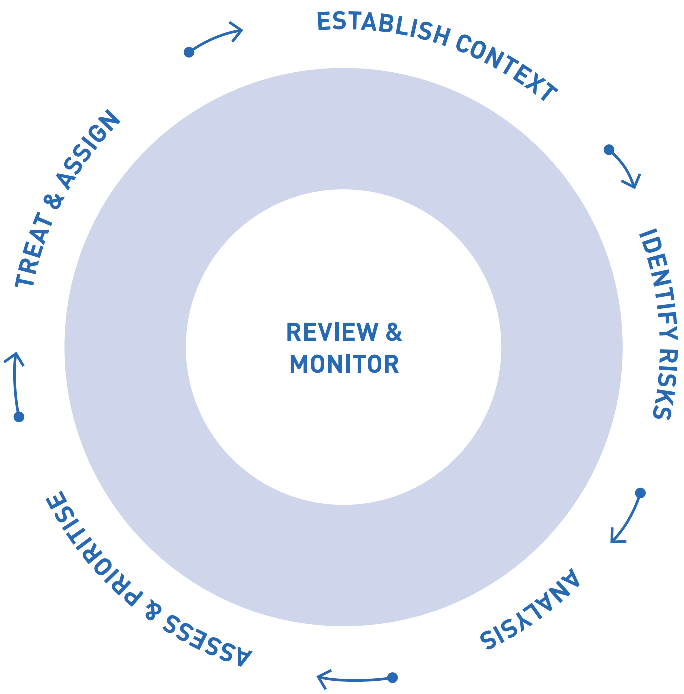
In recognition of the diverse range of risks, both general and industry - and country-specific risks that shape our business landscape, risk management forms an integral aspect of our corporate ethos and governance framework. As we strive to deliver value to our stakeholders and maintain operational resilience, our commitment to sound risk management practices remains unwavering. Through a comprehensive approach that encompasses operational, financial, economic, geopolitical, regulatory, and environmental risk protocols, we aim to ensure the stability and long -term sustainability of all our Business operations.

By managing risks within a robust Enterprise Risk Management (ERM) framework aligned with our risk appetite, we strive to minimise potential exposure to adverse events, enabling us to capitalise on opportunities and maximise value creation. This systematic approach underpins our commitment to operational excellence and ensures long-term sustainability.

Our risk management process supports:

- Quality of business planning
- Ensures good corporate governance and effective compliance
- Financing and Capital allocation decisions
- Effective Human Resource management
- Effective supply chain management
- Management of Technology and Cyber risks
- Management of sustainability processes and initiatives
- Audit planning
- Project planning and implementation

### ERM PROCESS




Our ERM process assures our Management and the Board of Directors that our control systems are robust and effective. Key inputs include financial and operational data, industry and market developments, regulatory and compliance updates, stakeholder feedback, and sustainability-related performance indicators relating to environmental and operational metrics.

The likelihood of occurrence and the probability of the outcomes of the identified risks are analysed using qualitative and quantitative methods. Management uses a Risk Grid to determine the contribution of each risk to the aggregate risk based on its potential impact on the achievement of the Company's objectives. Risks with significant impact or high likelihood of occurrence are prioritised for action. This process helps us to manage risks proactively and effectively.

Once risk events are identified, the risk responses could involve one or a mix of the following:

- Risk acceptance
- Risk avoidance
- Risk transfer/share
- Risk minimisation

In each sector, the first line of defense is responsible for the timely supervision and monitoring of risk. Mitigating plans are reviewed and monitored by the management teams. The CEO, Audit Committee, and Board of Directors are updated on mitigating plan status and outcomes.

**Board of Directors**

- Approves Business Plans
- Reviews risks and mitigation plans regularly

**Audit Committee**

- Considers adequacy of risk management and internal control framework
- Reviews risk management reports, Dashboard/Risk register
- Reviews reports from internal and external auditors

**Management Team**

- Defines and considers new and emerging risks
- Develops/monitors suitable action plans to mitigate/manage risks
- Considers actions to improve risk management process

**Risk Owners**

- Responsible for day to day identifying/monitoring / supervision of risks and risk mitigation actions
- Evaluates status of risks and effectiveness of risk mitigation action plans

Proactive management of risks is a key element in operational sustainability and value creation. The Group has identified the following key risks, among others, that could impact the delivery of its results. The principal risks are continuously evaluated and reviewed at various stages of our business process within the sectors and appropriate risk responses and strategies are implemented accordingly.

| Risk | Impact | Risk Responses |
|---|---|---|
| **Commodity Price Risk** | Oil Palm Plantations and Oils and Fats Sectors<br>These segments are susceptible to fluctuations in global Crude Palm Oil (CPO) prices, over which we have minimal control, as we operate as a price taker.<br><br>Key impacts on CPO prices are driven by the global demand for vegetable oil, the supply from the palm plantation industry as a whole, the supply and demand for substitute oils such as soy and rapeseed, global crude oil prices, the demand for biofuel and other factors which impact supply and demand.<br><br>All Business Sectors<br>The costs of other raw materials may also fluctuate due to changes in global economic conditions, weather patterns, government policies and developments in international trade. | • Oil Palm Plantation Sector manages the impact of price volatility and cash flow fluctuations through physical spot and forward sales contracts, while optimising the timing of sales and price hedging activities.<br>The sector also focuses on becoming a low-cost producer, as cost management remains within the control of management.<br>• Oil & Fats sector strives to minimise price volatility by maintaining a back- to-back cover on raw material purchases, particularly Palm Kernel (PK) feedstock.<br>• Where feasible, these sectors transfer the price fluctuations to the customer to mitigate the impact of volatility.<br>• Beverage Sector continues to strengthen supply chain resilience through a diversified sourcing strategy, supported by established relationships with suppliers across multiple regions. Ongoing monitoring of global developments enables early identification of potential disruptions and timely response. Strategic inventory buffers are maintained where appropriate to manage supply uncertainty, while efforts to expand the local supplier base are being pursued to reduce reliance on imports and enhance long-term cost stability and local value addition. |
| **General Securities Risk** | Trading in securities carries inherent investment risks associated with the entity issuing those securities.<br><br>In particular, the price or value of any security fluctuates, and some may even become valueless, resulting in possible loss not only of returns and profits, but also of all or part of the principal sums invested.<br><br>These arise as a result of the overall risks faced by the issuing entity and its ability to provide a return to the investors. Particularly in the case of equities, the past performance of any investment is not necessarily indicative of future performance.<br><br>The largest components of assets remain with carefully selected quoted investments in the Colombo Stock Exchange (CSE). | Portfolio and Asset Management Sector<br>• The Sector maintains robust internal research processes and carefully evaluates all investment opportunities in light of prevailing market conditions and challenges.<br>• Following an investment management adopts a continuous process of monitoring the performance of that investment.<br>• The Sector manages the concentration risk arising from over-exposure to a single security by monitoring sector exposure and individual company exposure. In addition, private equity exposure limits at both company and group levels are monitored as a part of the overall risk management framework. Loss limits are established to monitor stocks performing below their cost of acquisition to determine whether temporary capital erosion is a concern.<br>• Market risks affecting a particular class of security are mitigated by switching to asset classes that are assessed to be less risky in a particular scenario. |

| Risk | Impact | Risk Responses |
|---|---|---|
| **Taxation framework and tariff exposure** | Changes in import tariffs and cross-border taxation policies across key international markets may impact pricing competitiveness, cost structures, and demand for export products. An increase in tariffs or a shift in trade policies can raise landed costs, compress margins, and affect market access in certain jurisdictions. These dynamics may also cause volatility in demand and impact the Group's ability to sustain growth across its international portfolio. | The Group continues to monitor global trade developments and engage with relevant stakeholders to anticipate and respond to changes in tariff regimes. Wherever possible, the Group will expand its operations to different geographic regions, providing a diversified revenue base. This breadth of exposure is being developed to reduce reliance on any single market and mitigate the impact of changes in taxation or tariff regimes within an individual jurisdiction.<br><br>In parallel, individual sectors within the Group continue to manage their cost base through ongoing efficiency initiatives, while also exploring alternative manufacturing locations to enhance flexibility and competitiveness across different markets. |
| **Evolving consumer preferences and competitive market dynamics** | Shift in consumer preferences for products and services offered by the Group may impact the ability of individual companies to remain competitive within their respective sectors.<br><br>Failure to respond effectively could result in loss of market presence, reduced brand relevance, and slower revenue growth in both existing and new markets. | The Group continues to invest in innovation, portfolio expansion, and product diversification to meet evolving consumer needs. Additionally, the following initiatives are implemented to mitigate this risk.<br>• Monitoring market trends, pricing and other competitive activities.<br>• Maintaining and building relationships with key suppliers and customers.<br>• Diversification of revenue base.<br>• Developing and monitoring comprehensive business plans. |
| **Capital Allocation and Investment Risks** | The Group recognises the risk of erosion of earnings and revenue due to the inability to keep pace with globalisation, technological advancements, and competitive actions.<br><br>As a diversified conglomerate, the Group's overall performance is influenced by the composition of its portfolio across a range of industries and sectors. Excessive concentration in specific sectors may lead to portfolio imbalances and increased earnings volatility, particularly during industry-specific downturns or periods of cyclical weakness. | To mitigate this risk, the Group continuously adopts best practices, standards, and frameworks to enhance competitiveness and operational excellence.<br><br>Periodic portfolio and investment reviews are conducted to ensure an appropriate balance of exposure across businesses with differing growth profiles, maturity levels, and cyclical sensitivities. These measures strengthen portfolio resilience, moderate performance volatility, and support the Group's long-term value creation objectives. |

| Risk | Impact | Risk Responses |
|---|---|---|
| **Talent Acquisition and Retention Risk** | The challenges in recruiting and retaining appropriately skilled employees could adversely affect the Group's ability to grow and maintain its competitive position in the marketplace. | The Group has implemented the following initiatives.<br>• Recruitment processes are designed to attract and hire employees with the required qualifications, knowledge and experience.<br>• Staff training and development has been identified as a key priorities, while retention is supported through a comprehensive reward structure and opportunities for career progression.<br>• Organisation culture is also an important element in this area, and there are regular reviews and activities to continually improve the culture. The Group has established various grievance handling practices and implemented policies on sexual harassment/ non-discrimination. |
| **Foreign Exchange Risk** | Foreign currency risk is the risk that the fair value of a financial instrument may fluctuate due to changes in foreign exchange rates.<br><br>At present, the Plantations, Oils and Fats sector is primarily exposed to exchange rate movements through the translation and revaluation of Group's borrowings and supplier liabilities denominated in USD in accordance with IFRS requirements. This exposure does not result in an actual cash transaction loss. | Where possible the transaction risks are mitigated via forward contracts and by matching inflows and outflows of similar currencies. |
| **Natural Disasters and Fire Risks** | Natural disasters and fire risk pose a significant financial and reputation risk, impacting properties and potentially interrupting income streams.<br><br>Refer our approach to Sustainability 4.2 Sector wise Climate and Sustainability Risks and Opportunities and management strategies for information on connected risks on page 39 to 59. | • Regular inspections and training are conducted by qualified third party experts, with timely implementation of action plans to mitigate identified risks.<br>• Establishing Business Continuity Plans.<br>• Conduct awareness programmes on evacuation and safety protocols.<br>• Invest in best-in-class agronomy and plantation management practices to minimise the impact of sudden outbreaks of pests and diseases.<br>• Potential losses arising from unforeseen events such as natural disasters are mitigated through the procurement of appropriate and comprehensive insurance coverage. |

| Risk | Impact | Risk Responses |
|---|---|---|
| **Liquidity Risk** | The risk that the business sectors may be unable to meet their operational and financial obligations in a timely manner due to insufficient funding, potentially disrupting the smooth functioning of day-to-day operations. | Management teams closely monitor the liquidity positions of Group companies and ensure that sufficient funds are available to meet all financial obligations as they fall due.<br><br>Furthermore, they promote effective working capital management by maintaining sufficient credit facilities. Liquidity management policies and procedures are developed and updated in line with the Group's medium-term plans.<br><br>Portfolio and Asset Management Sector<br>• Investments are made in companies with a adequate free float and strong market liquidity. The portfolio's buy list is limited to actively traded blue- chip securities to mitigate liquidity risk.<br>• Research conducted on the economy and entities enables the fund management team to identify changes in underlying fundamentals and adopt a proactive approach to investment decision-making. |
| **Credit Risk** | Each sector is exposed to credit risk Primarily through their trade receivables, which arising from its operating activities and deposits with banking institutions. | Individual companies exercise the following controls to mitigate this risk.<br>• Implementation of credit policies.<br>• Continuous and regular evaluation of customers' creditworthiness.<br>• Ongoing monitoring of receivable balances.<br>• Mitigating credit exposure through a combination of bank guarantees and discounting of credit to banks with no recourse to the Company.<br>• Placement of deposits only with reputed creditworthy institutions |
| **Interest Rate Risk** | Interest rates on certain loans and borrowings are currently on a floating-rate basis. As such, financial performance may be negatively affected by increases in prevailing interest rates. | • As at the reporting date, the Group's financial assets and financial liabilities comprised a mix of variable as well as fixed rate instruments.<br>• The Group maintains appropriate capital structures across its businesses, balancing long-term and short-term requirements through a combination of facilities linked to SLIBOR and AWPLR.<br>• The financial strength of Carson Cumberbatch PLC is leveraged by the Group Treasury function to negotiate favourable rates. |

| Risk | Impact | Risk Responses |
|---|---|---|
| **Systems and Process Risks including Cybersecurity risk** | The risk of direct or indirect losses due to inadequate or failed internal processes and systems. This includes information technology, which is a vital component of Group's operations. | The Management proactively identifies and implements appropriate systems and processes to mitigate this risk.<br>• Cybersecurity Risk – Recognising the increasing threat of cybersecurity risks, the Group has implemented a range of measures to safeguard its information assets. These include basic control measures and advanced processes and systems. Furthermore, segregation of internal systems, information classification and data loss prevention mechanisms are implemented.<br>• Group Internal Audit and external parties conduct reviews on internal control systems and processes, and provide recommendations for improvements where relevant. |
| **Legal and Regulatory Compliance Risk** | Failure to comply with the regulatory and legal frameworks applicable to the Group may have financial and reputation implications and could also result in legal consequences. | • Management and the Carsons Group Legal Divisions have established appropriate systems and processes across each sector to ensure compliance with applicable legal and regulatory requirements<br>• Regular reviews on compliance with applicable laws and regulations are conducted by management, with written updates provided to the Board on a quarterly basis.<br>• Training programmes are conducted for employees on compliance, including new or revised laws and regulations when necessary.<br>• External legal counsel is consulted, where appropriate, to obtain guidance and interpretations on areas requiring clarity on new and existing laws. |
| **Reputational Risk** | As a Group which conducts business activities in diverse sectors and maintaining a global and regional presence, safeguarding the reputation and good name of its businesses is of paramount importance. | • Where necessary, third-party consultants are engaged to review areas such as fire risk and food safety etc. The right values are communicated to all employees from the outset. The recruitment and screening processes are designed to identify individuals with the desired values and attitudes and provide ongoing training .<br>• The extensive compliance process adopted across the Group helps to minimise the risk of process failures that could give rise to reputational risk.<br>• Maintaining strong relationships with all stakeholders and monitoring the operating environment to identify and mitigate risks that could adversely impact on the Group's reputation. |