OUR APPROACH TO SUSTAINABILITY

1. BASIS FOR PREPARATION

Carson Cumberbatch PLC/CCPLC (The Group) commenced adoption of the disclosure requirements under SLFRS S1 and SLFRS S2 during the year under review. Accordingly, the Group's sustainability report has been structured in line with the requirements of these standards and covers the period from 1 April 2025 to 31 March 2026. The report presents the disclosures required under SLFRS S1 and SLFRS S2, together with the Group's broader ESG initiatives, subject to the transitional reliefs available to first-time adopters. The Group's Leisure and Real Estate sectors have not adopted these standards during the current reporting period, as the companies operating within these sectors are currently exempt under the applicable transitional provisions for entities outside the top 100 listed companies by market capitalisation. Nevertheless, their broader ESG initiatives have been captured in the report.

Accordingly, the following transitional reliefs permitted under SLFRS S1 and SLFRS S2 have been applied:

STANDARD	TRANSITIONAL RELIEF	DETAILS
SLFRS S1	Disclosure of information on only climate-related risks and opportunities	First-time adopters may choose to disclose only climate-related risks and opportunities under SLFRS S2 in their initial reporting year, without providing broader sustainability-related disclosures required by SLFRS S1.
	Disclosure of comparative information	First-time adopters are exempt from providing comparative climate-related disclosures in the first year and comparative sustainability-related disclosures (other than climate) in the second year.
SLFRS S2	Disclosure of Scope 3 greenhouse gas (GHG) emissions	Entities must initially report only Scope 1 and Scope 2 emissions. Full compliance with Scope 3 emissions becomes mandatory two years after the initial application date.
	Disclosure of quantitative information regarding the anticipated financial effects of climate-related risks and opportunities	Entities are permitted to defer the disclosure of qualitative information regarding anticipated financial effects for a period of two years following the mandatory application of the standard.
	Disclosures on climate resilience	A relief period of two years is granted to apply the requirements from the date of mandatory application to fully comply with the climate resilience disclosure requirement

The Sustainability Report provides a comprehensive overview of the Group's governance and oversight framework, its processes for identifying, assessing, and managing climate-related and sustainability-related risks and opportunities, and the strategic initiatives implemented in response to these matters. Collectively, these disclosures demonstrate how sustainability considerations are embedded within the Group's governance, decision-making, and risk management processes, supporting long-term value creation, organisational resilience, and the achievement of sustainable growth objectives.

2. GOVERNANCE & OVERSIGHT STRUCTURE

2.1 Structure of the Governance Body

GROUP		SECTOR
Group Board of Directors		Sector Board of Directors
↑		↑
Group Audit Committee	←	Sector Audit Committee
↑		↑
Group Steering Committee	←	Sector ESG Steering Committee

Roles & Responsibilities

Board of Directors

- Oversight of CCPLC Group's sustainability strategy, initiatives and disclosures.
- Delegates detailed ESG oversight responsibilities to the CCPLC Audit Committee.

Audit Committee

- Receive and monitor ESG updates from the Sector Audit Committees and the CCPLC ESG Steering Committee on sustainability initiatives, performance against targets, and emerging ESG risks and opportunities.
- Report to the Board by ensuring that consolidated ESG updates, key developments, and significant risks and opportunities are communicated to the CCPLC Board in a timely, accurate, and comprehensive manner.

Frequency of Information Flow

Group ESG Steering Committee (Bi-Annual)

- Review progress of sector ESG initiatives and performance.
- Assess current and emerging sustainability-related risks and opportunities.
- Discuss significant ESG matters requiring management attention.
- Submit a consolidated ESG update to the CCPLC Audit Committee.

CCPLC Audit Committee (Bi-Annual)

- Review the consolidated ESG update.
- Report key ESG initiatives, performance, material risks and opportunities, and significant ESG matters to the CCPLC Board of Directors.

ESG Steering Committees Roles & Responsibilities

Management's Role

At the Group level, ESG oversight is provided through the Group ESG Steering Committee, comprising the three members mentioned below. The Committee is responsible for overseeing the implementation of the Group's ESG agenda, engaging with the Sector ESG Steering Committees, consolidating sector-level ESG information, and reporting such information to the Group Audit Committee. The roles and responsibilities of the committee are as follows.

- Coordinates and implements ESG and climate-related initiatives.
- Monitors ESG and climate-related performance and progress.
- Consolidates ESG and climate-related data and supports sustainability reporting processes.
- Identifies ESG-related risks and recommends appropriate mitigation actions.
- Reports ESG developments, risks, and performance updates to the Audit Committee and to the Board of Directors.

Composition of ESG steering committee

- Sector ESG Committee Heads
- Director – Carsons Management Services
- President – Group Human Resources

2.3 Skills & Competencies of the Governance Body

In line with established reporting practices, details of the Directors' qualifications, experience, and areas of expertise are presented in the Directors' Profiles section of the Annual Report. Where specialised expertise is required, particularly in relation to climate and other sustainability matters, the Board will obtain advice from suitably qualified external experts. This supports informed decision-making, strengthens oversight, and enhances the effectiveness of the Group's governance processes.

2.4 Remuneration Link

Climate and other sustainability related monitoring and risk management processes are being integrated into performance appraisal framework.

2.5 Integration into Strategy and Internal Functions

The Group applies established controls and procedures under each sector's Enterprise Risk Management framework to identify, monitor, and manage climate-related risks and opportunities. These processes are embedded across key functions, including Risk Management, Finance, Operations, Sustainability, and Internal Audit, ensuring a coordinated and integrated approach.

3. CLIMATE AND OTHER SUSTAINABILITY RELATED RISK AND OPPORTUNITY MANAGEMENT PROCESS

The Group's process for managing climate-related and other sustainability-related risks and opportunities is outlined below. A consistent framework is applied across all sectors to identify, assess, manage, and monitor these matters, supporting a coordinated and integrated approach to sustainability risk management and informed decision-making.

3.1 Inputs and Parameters Use to Identify Risks and Opportunities

The Group adopts a structured approach to identifying and assessing climate and other sustainability related risks and opportunities, drawing on both internal assessments and relevant external data sources. These inputs include international and local climate-related databases, evolving market trends, and applicable regulatory requirements, enabling the Group to strengthen the quality and relevance of its risk identification process.

3.2 Use of Scenario Analysis for Risk Identification

In accordance with the recommendations of SLFRS S1 and SLFRS S2, the Group recognises climate-related scenario analysis as an important tool for assessing potential climate-related risks and opportunities. However, the CCPLC Group has elected to apply the two-year transitional relief available under these standards and, accordingly, has not conducted a comprehensive Group-wide scenario analysis during the current financial year. Nevertheless, certain sectors, including the Beverage Sector, have commenced reporting on scenario analysis, reflecting progressive steps towards strengthening climate-related risk assessment and disclosure practices.

3.3 Risk Assessment Criteria

Climate-related and other sustainability risks are integrated into the Enterprise Risk Management (ERM) frameworks of each business sector, ensuring that they are assessed alongside other strategic and operational risks. Particular emphasis is placed on risks that could materially affect the sectors' operations, reputation, and long-term resilience.

To support effective risk oversight, each sector applies a structured risk assessment methodology, using risk matrices and scoring mechanisms to evaluate the likelihood and potential impact of identified risks. This approach enables the systematic prioritisation, monitoring, and management of climate-related and broader sustainability-related risks across the CCPLC Group through its subsidiaries.

3.4 Prioritisation of Identified Risks

Each sector prioritises identified climate and other sustainability related risks based on their likelihood of occurrence and the potential magnitude of their impact on operations, financial performance, reputation, and long-term strategic objectives. Risks with higher exposure or material significance are given greater management attention and, where appropriate, are escalated through the relevant governance channels for enhanced oversight. This prioritisation process enables the CCPLC Group to allocate resources effectively, implement appropriate mitigation actions, and focus on the most significant risks across its value chain.

3.5 Monitoring Process of Identified Risks

The CCPLC Group monitors climate and other sustainability-related risks through established sector-level risk management and governance processes. Identified risks are regularly reviewed through sector risk registers, management discussions, and quarterly reporting to the relevant Audit Committees. This monitoring process takes into account key risk indicators, regulatory developments, operational performance, and emerging sustainability trends. Where necessary, mitigation actions are updated, and significant matters are escalated to the Board of Directors through the appropriate governance channels, supporting continued oversight and timely responses to evolving risks.

3.6 Judgements and Measurement Uncertainties

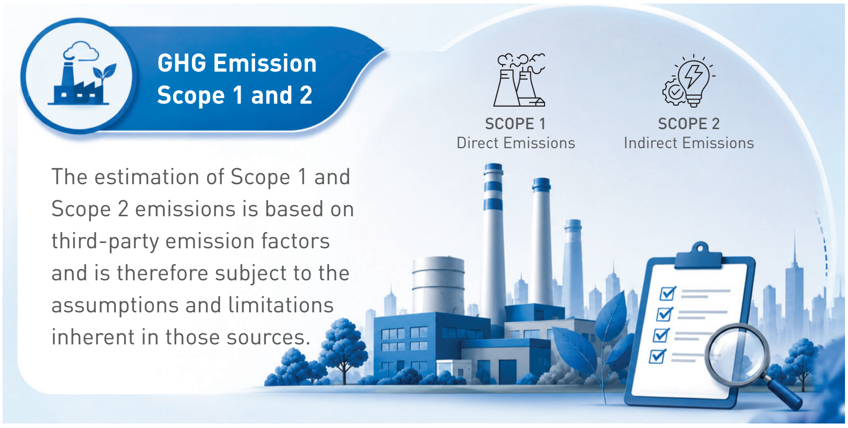
Judgements

The preparation and presentation of this sustainability report require the application of professional judgement to determine which information is relevant, reliable, and appropriate for disclosure. This includes interpreting reporting requirements and making informed decisions in areas where the applicable standards allow flexibility. The key judgements applied are summarised in the table below.

TOPIC	DESCRIPTION
Materiality Assessment	Each business sector, who have adopted SLFRS S1 and S2 as applicable, applied professional judgement to identify sustainability-related risks and opportunities through the assessment of material information that could reasonably be expected to affect the sector level and the CCPLC Group's strategy, business model, financial performance, and long-term value creation.
GHG Emissions Scope 1 and Scope 2	The sectors of the Group applied professional judgement in selecting the emission factors used to calculate Scope 1 and Scope 2 greenhouse gas emissions. Where practicable, methodologies and emission factors were aligned across Group companies to enhance consistency and comparability.

Measurement Uncertainties

Measurement uncertainties arise primarily from data gaps, reliance on external data sources, and the use of forward-looking assumptions within the assessment process. These factors may influence the precision of estimates and are carefully considered in the Group's evaluation and reporting of sustainability-related information.



3.7. Identifying Climate and Other Sustainability Related Opportunities

Climate-related and other sustainability-related opportunities are identified through a structured assessment of environmental and transition-related developments that may create value across the CCPLC Group's sectors. This process considers regulatory developments, market trends, technological advancements, and shifts in investor and consumer behaviour, with a view to identifying opportunities that can support business growth, enhance operational resilience, and contribute to long-term value creation.

3.8. Changes from the Prior Period

During the reporting period, the Group strengthened its approach to ESG and climate-related matters through the adoption of SLFRS S1 and SLFRS S2. This transition has supported the enhancement of assessment methodologies and disclosure practices across the Group, contributing to greater consistency, transparency, and alignment with evolving sustainability reporting requirements.

The Group remains committed to the continuous improvement of its sustainability reporting and expects to further refine its disclosures as reporting practices mature, internal capabilities strengthen, and regulatory requirements continue to evolve.

3.9 Forward Plan

The Group is currently evaluating opportunities to further strengthen its Climate Transition Plan, with the objective of more deeply embedding climate-related considerations into its long-term strategy and decision-making processes. As part of this ongoing initiative, the Group's sectors will continue to assess climate-related risks and opportunities across their operations, identify appropriate mitigation and adaptation measures, and progressively consider the application of climate scenario analysis to support strategic planning and enhance long-term resilience.

The Climate Transition Plan will be further refined over time, with its scope, objectives, targets and implementation roadmap evolving in line with emerging regulatory requirements, stakeholder expectations and the continued maturity of the Group's climate governance, risk management and sustainability disclosure practices.

4. INTEGRATING CLIMATE AND SUSTAINABILITY RISKS AND OPPORTUNITIES INTO STRATEGY

4.1 Identifying Sustainability related risks & opportunities

The Group's identified Sustainability-Related Risks and Opportunities (SRRO), including Climate-Related Risks and Opportunities (CRRO), are presented in Section 4.1.2 and represent the principal risk and opportunity categories applicable across the Group. These categories provide a common framework for assessment; however, the nature, relevance, and potential impact of individual risks and opportunities may vary across sectors. Accordingly, sector-specific risks and opportunities are discussed in the relevant sector sections of this report.

The identified risks are assessed across three time horizons, based on the period within which their impacts are expected to influence the business, thereby supporting informed strategic planning, prioritisation, and decision-making.

1 Short Term (0-12 Months)

Risks and opportunities that are likely to occur immediately or within the current operational cycle and require prompt management actions.

2 Medium Term (1 to 5 Years)

Risks and opportunities that may emerge or develop over the medium term, influencing strategic planning, investments, and operational adjustments.

3 Long Term (Beyond 5 Years)

Risks and opportunities that are expected to materialize over an extended period, shaping long-term sustainability, business resilience, and strategic direction.

4.1.2 Identified Risks & Opportunity Categories

SRRO/CRRO	DESCRIPTION	SOURCE
Climate Related Transition Risk	Financial and operational risks a business faces during the shift to a low-carbon economy, including policy changes, market shifts, technology changes, and evolving stakeholder expectations.	SLFRS S2
Climate Related Physical Risk	Financial and operational impacts on a business arising from climate change, driven events such as extreme weather, rising temperatures, floods, droughts, and sea level rise.	SLFRS S2
Climate Related Opportunities	Potential benefits a business can gain from the transition to a low-carbon economy and climate resilience, such as improved efficiency, innovation, new markets, and sustainable product or service development.	SLFRS S2
Nature Related Risks	Potential financial and operational impacts on businesses arising from the loss or degradation of natural ecosystems, including biodiversity loss, deforestation, water scarcity, and soil degradation.	SASB standards
Social Risks	Social risk refers to the potential financial and reputational impacts on a business arising from its relationships with employees, communities, customers, and other stakeholders, including issues such as labour practices, human rights, health and safety, and community impact.	SASB standards

4.2 Sector wise Climate and Sustainability Risks and Opportunities and Management Strategy

4.2.1. Oil Palm Plantation & Oils & Fats Sectors

The risks and opportunities outlined in Table 4.2.1.1, together with their associated impacts and corresponding management strategies, have been identified through an assessment of the Sector's value chain.

Table 4.2.1.1: Impact on value chain/business model and management strategies

Risk/Opportunity	Impact on business model, value chain & Financial Performance	Management Strategy
Environment and Climate Related Risks and Opportunities		
Climate Related Physical Risk	• Lower crop yields and reduced productivity due to drought stress and temperature increases. • Higher pest and disease pressure caused by excessive rainfall and changing climate conditions. • Harvesting disruptions and logistical delays due to extreme rainfall and flooding. • Increased risk of forest and peatland fires during prolonged dry periods. • Damage to mills, refinery equipment, and infrastructure. • Higher repair, maintenance, and operating costs.	• Implemented best management practices in oil palm cultivation to minimise soil erosion and safeguard water resources within its concessions. • Enhance crop resilience by using improved palm seedlings that are better suited to withstand extreme weather conditions, where feasible. • Educates and supports smallholders within its supply chain through the Farmer Field School programme, promoting the adoption of responsible and sustainable oil palm cultivation practices. • Upholds its commitment to no deforestation and no new peatland development (NDPE), including the conservation of buffer zones along rivers and other water bodies, to protect biodiversity and maintain ecosystem integrity.
Climate Related Transition Risk	• Potential carbon taxation on plantations and mills, if governments were to introduce or expand carbon pricing mechanisms applicable to plantation activities and milling operations. • Potential carbon taxation on refinery operations	• Keep up to date with potential policy changes and encourage resilient and adaptive solutions. • Commitment to zero deforestation. • On going protection of High Conservation Value (HCV)/ High Carbon Stock (HCS) areas. • Adoption of best management practices for management of peatlands. • Participation in the Nabire Landscape Conservation Program • Installation of methane capture facility - The installation of methane capture facility at selected mill enables the Group to reduce methane emissions from Palm Oil Mill Effluent (POME) and improve its overall GHG emissions profile. • Supplier engagement on no deforestation

Risk/Opportunity	Impact on business model, value chain & Financial Performance	Management Strategy
Wastewater Management	• Inefficient wastewater management may reduce operational efficiency and productivity at the Group's processing facilities. • Water-related challenges, affecting upstream suppliers, may disrupt the supply of fresh fruit bunches (FFBs) to the Group's mills, impacting production continuity and downstream processing.	• Set and monitor water-use intensity targets to maintain consumption below 1.0 m^3 per metric tonne of FFB processed. • Improve water-use efficiency through optimisation of mill utilisation and processing practices. • Regularly monitor and control treated palm oil mill effluent (POME) to keep Biochemical Oxygen Demand (BOD) levels below the Indonesian regulatory limit of 5,000 mg/L for land application. • Treat palm oil refinery effluent (PORE) to ensure BOD and Chemical Oxygen Demand (COD) levels remain within applicable regulatory thresholds. • Maintain wastewater treatment systems and operational controls to support ongoing compliance. • Continuously review resource management practices to enhance efficiency and reduce water-related risks.
Environmental Impact on Supply Chain	• Entire value chain is subject to regulatory and operational risks associated with diminishing biodiversity and deforestation. The impact includes, • Regulatory compliance risk • Supply chain and market access impact • Reputational and operational implications	• Protect and preserve all identified High Conservation Value (HCV) areas, High Carbon Stock (HCS) forests, and peatland conservation areas. • Recognise and respect the rights of local communities in land use and conservation activities. • Promote conservation of natural ecosystems within concessions and surrounding landscapes. • Implement biodiversity protection measures both within and beyond concession boundaries. • Maintain designated HCV and HCS set-aside conservation areas. • Protect native flora and fauna through targeted conservation initiatives. • Prioritise safeguarding Rare, Threatened, and Endangered (RTE) species. • Align biodiversity management practices with the IUCN Red List, international agreements, and national environmental legislation.

Risk/Opportunity	Impact on business model, value chain & Financial Performance	Management Strategy
Social Related Risks and Opportunities		
Occupational Health & Safety (OHS)	• In the upstream segment, including plantations and palm oil mills, OHS incidents can disrupt harvesting, milling and logistics activities, leading to reduced productivity, delays in the harvesting and processing of fresh fruit bunch (FFB). • In downstream operations, including refineries and related logistics, OHS incidents may result in temporary shutdowns, reduced processing capacity and delays in product delivery, affecting customer commitments and market performance.	• Ensure compliance with applicable international and local labour laws and standards, including ILO Fundamental Conventions, UN Guiding Principles on Business and Human Rights, and the UN Convention on the Rights of the Child. • Enforce strict prohibition of child labour across all operations and extend this commitment throughout the supply chain. • Maintain ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety certifications at key plantation sites. • Comply with RSPO Principles and Criteria to strengthen occupational health and safety performance in plantation operations. • Conduct regular internal assessments and annual third-party RSPO surveillance audits to verify compliance and drive continuous improvement. • Implement structured safety induction and training programmes for employees. • Provide free medical care for employees and their families residing at plantation sites. • Mandate the use of appropriate Personal Protective Equipment (PPE) for employees, contractors, and visitors across all operational sites.
Social Impact on Supply Chain	• Conflicts over land use, resource access, or benefit sharing may lead to protests, legal disputes, or interruptions in harvesting and logistics activities, potentially reducing fresh fruit bunch (FFB) collection and lowering plantation productivity. • Affect both short-term operations and long-term relationships with communities and smallholder partners, which are critical for maintaining a stable and sustainable supply chain.	• Apply RSPO guidance on Free, Prior, and Informed Consent (FPIC) in all land-use agreements. • Ensure land rights and interests of local communities are fully respected in development activities. • Implement a dedicated grievance and conflict resolution mechanism aligned with RSPO principles and FPIC requirements. • Engage proactively with local communities and smallholders to prevent and manage potential disputes. • Support independent smallholders through capacity-building initiatives such as the Farmer Field School (FFS) programme. • Collaborate with technical partners (e.g., Daemeter Consulting and Widya Erti Indonesia) to deliver knowledge-sharing and practical training. • Enhance smallholder productivity and profitability through improved agricultural practices and guidance.

Risk/Opportunity	Impact on business model, value chain & Financial Performance	Management Strategy
Responsible Sourcing	• Supplier suspension or disengagement may reduce the availability of compliant raw materials from palm oil mills and smallholders. • This may disrupt procurement continuity, increase reliance on alternative or higher-cost suppliers, and elevate monitoring, auditing, and remediation efforts. • Reduced access to NDPE (No Deforestation, No Peat Expansion, No Exploitation) - compliant inputs may disrupt refinery operations and production planning, limit the supply of certified or deforestation-free products, and restrict market access where non-compliant materials are not accepted.	• Conduct supplier engagement programmes to build awareness and understanding of NDPE commitments. • Communicate sustainability policy requirements clearly to existing and prospective suppliers. • Perform sustainability due diligence on suppliers as part of onboarding and ongoing monitoring. • Use desktop-based spatial risk analysis to identify potential deforestation and peatland development risks in the supply chain. • Assess and screen supplier-related environmental risks before and during procurement activities. • Integrate sustainability considerations into supplier selection and management processes. • Continuously monitor supply chain risks to ensure alignment with NDPE commitments.





Table 4.2.1.2: Measuring ESG Performance of Plantation & Oils & Fats Sector: Key Metrics

Metric	UOM	FY 26
Climate Risks Related Metrics		
Scope 1 GHG emissions		
Palm oil estates, mills, refinery (including POME, peat oxidation, fuel combustion)	tCO2e	615,110
Scope 2 GHG emissions		
Purchased electricity	tCO2e	26,713
Scope 3 GHG emissions		
Third-party FFB – land use change (smallholders)	tCO2e	279,400
Total Emission	tCO2e	921,223
Nature Risks Related Metrics		
Waste Water Management		
Annual average water usage intensity below 1.0m^3 of water per MT of FFB processed	m^3/MT	0.75
Average Biological Oxygen Demand	Mg/L	589
Average Chemical Oxygen Demand	Mg/L	1,543
Average PH Levels - Reflect the acidity or alkalinity of treated wastewater	PH Level	7.7
Environmental Impact on Supply Chain		
Regulatory impact from diminishing biodiversity and deforestation. (High Conservation Value /High Carbon Stock)	HCV/HCS	>18,000
Social Risks Related Metrics		
Occupational Health & Safety		
Accident Severity Rate (Number of lost workdays per total hours worked)	Rate	2.23
Safety Index	Rate	1.61
Social Impact on Supply Chain		
Number of independent smallholders trained on Best Management Practices (BMP)	Number	512
Responsible Sourcing		
100% traceable to plantations for palm oil mills	%	100
100% traceable to mills for Kernel Crushing Plants & refineries	%	100
All FFB and mill suppliers risk-assessed	%	100
Age & Gender Diversity & Inclusion		
Female Employees	%	27
Male Employees	%	73
% of Employees between age 21-25	%	16
% of Employees between age 25-35	%	34
% of Employee Between 35-60	%	50
Diversity by Employee Category		
Executive Directors	%	0.1
Managers	%	1.4
Executives	%	4.5
Non-Executives	%	94.0
Employee Development & Training		
Total Training Sessions Conducted Per Year	Number	244
Total Participation Rate for Trainings	%	93
Training Coverage Rate (Number of Employees Received Training during the Year / Total Number of Employees)	%	74
Employee Retention		
Employees who Stayed with the Company Over 10 Years as a % of Total Employees	%	21

4.2.1.3 Cross Industry Matrix – Green House Gas Emissions

The Plantation sector measures its greenhouse gas (GHG) emissions using the World Resources Institute (WRI) Greenhouse Gas Protocol, providing a consistent and internationally recognised framework for quantifying and reporting emissions across its operations.

Upstream emissions from plantations, palm oil mills and third-party fresh fruit bunch (FFB) suppliers are quantified using the RSPO PalmGHG Calculator, which captures emissions associated with land-use change, peat oxidation, fertiliser application, palm oil mill effluent (POME) treatment and fuel consumption in accordance with RSPO PalmGHG methodologies.

Downstream emissions are calculated using operational activity data, primarily covering natural gas consumption for boilers (Scope 1) and purchased electricity (Scope 2). The Sector's GHG calculations are supported by an internally developed calculation tool aligned with the WRI GHG Protocol and are based on key operational inputs, including plantation and production data, fuel and electricity consumption, fertiliser and pesticide application, POME data and chemical usage. Greenhouse gas emissions are expressed as carbon dioxide equivalent (CO_2e) using the 100-year Global Warming Potential (GWP) values published in the IPCC Sixth Assessment Report (AR6).

4.2.2. Beverage Sector

The risks and opportunities presented in Table 4.2.2.1, along with their associated impacts & Management strategies, have been identified through an evaluation of the Sector's value chain.

Table 4.2.2.1: Impact on value chain/business model, financial impact & management strategies

Risk/Opportunity	Impact on business model, value chain & Financial Performance	Management Strategy
Climate and Environment Related Risks and Opportunities		
Energy and greenhouse gas emission	• Rising fuel costs and the transition towards cleaner energy alternatives present both risks and opportunities for the sector. In addition, evolving consumer sentiment, carbon-related regulations, and cross-border taxation measures are emerging factors that may influence market dynamics and increase overall cost pressures over time.	• Energy consumption is monitored as a key operational KPI, with continuous tracking of electricity and furnace fuel usage. Real-time monitoring systems, including SCADA and sub-metering, provide detailed energy performance data, • Implementation of an ISO 50001:2018-certified Energy Management System to support a structured, data-driven approach to continuous energy performance improvement. • Energy efficiency is enhanced through the use of best-in-class equipment, such as Krones and Alfa Laval systems, supported by ongoing technology upgrades and process optimisation initiatives. • Energy performance is continuously enhanced through Kaizen initiatives that drive efficiency improvements and embed energy-conscious practices into day-to-day operations. • Investment in renewable and alternative energy solutions, including solar power and biogas generation from wastewater treatment, supports reduced reliance on conventional energy sources and enhances overall energy sustainability. • Regular OEM utility audits, ISO assessments, and proactive energy risk management ensure compliance, identify improvement opportunities, and strengthen energy performance across operations. • Energy efficiency is continuously improved through targeted initiatives in high-energy-consuming processes, including refrigeration, steam generation, and wastewater treatment, supported by ongoing process optimisation and efficient capacity utilisation. • Energy efficiency is extended across the value chain by supporting retail partners with solar energy solutions and implementing initiatives to reduce energy intensity in downstream operations, such as beer cooling.

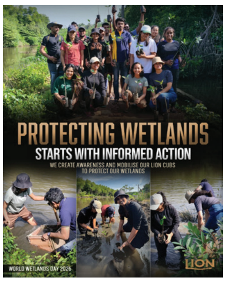
Risk/Opportunity	Impact on business model, value chain & Financial Performance	Management Strategy
Water stewardship	• Changes in water availability, as well as the costs associated with the management and treatment of water and wastewater.	• Water consumption and discharge are monitored as key operational KPIs, supported by continuous performance tracking and data-driven decision-making to improve water efficiency across operations. • Sustainable water management is supported through regular pump testing, independent water availability assessments, and the establishment of sustainable extraction limits, benchmarked against industry best practices. • Water efficiency is enhanced through technology upgrades, adoption of the Brewnomic resource-efficient brewing model, Kaizen initiatives, and the continuous optimisation of water use throughout production processes. • Wastewater is treated on-site in accordance with Environmental Protection Licence requirements, with regular internal and independent testing to ensure regulatory compliance and minimise environmental impacts. • Water conservation is strengthened through the reuse of treated wastewater for non-product applications and rainwater harvesting systems that reduce dependence on freshwater resources. • Water stewardship extends beyond operational boundaries through initiatives that improve access to clean water and promote responsible water conservation within surrounding communities. • Watershed protection initiatives, including projects in Sinharaja, the Kelani River, and Maskeliya, focus on improving water quality, reducing catchment degradation, restoring stream corridors, and conserving critical ecosystems. • Employees actively participate in environmental conservation initiatives such as mangrove restoration and tree planting, while partnerships with government agencies, academic institutions, and NGOs strengthen collaborative water stewardship efforts.

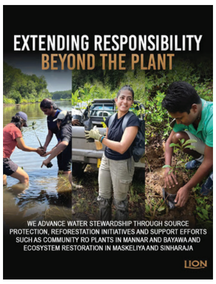
Risk/Opportunity	Impact on business model, value chain & Financial Performance	Management Strategy
Resource utilisation and circularity	• Scarcity of materials, along with related price increases, as well as changes in regulations and tariffs associated with waste, are the main areas of concern. • Opportunities to drive waste-to-value through recycling and/or upcycling are also important aspects to consider	• Biogenic CO_2 generated during the fermentation process is captured and reused within operations, with surplus supplied to the industrial market, reducing greenhouse gas emissions and displacing fossil fuel-based CO_2 sources. • Production by-products, including spent grain and other waste streams, are repurposed as valuable inputs for related industries, supporting resource efficiency and circular economy principles. • An established returnable glass bottle system enables used bottles to be collected, cleaned, and reused, significantly reducing packaging waste and the demand for new materials. • Plastic crates are systematically recovered and reused through an established return network, extending their useful life and minimizing packaging waste. • Packaging materials, including bottles and plastic crates, incorporate approximately one-third recycled content, reducing the consumption of virgin raw materials and supporting circular resource use. • Wastewater sludge is repurposed as a composting accelerator through collaborations with government authorities and academic institutions, transforming waste into a value-added resource that is now applied at commercial scale.
Extreme Weather Events (Physical Risk) Adverse Rainfall	• Flooding of the factory may disrupt production and reduce operational efficiency. • Flooding of access routes, agent points, and retail locations may disrupt product distribution and supply chain continuity. • Impacts on agricultural raw materials may lead to supply shortages and increased procurement costs. • May increase insurance premiums and the overall cost of maintaining operations. • Changes in consumer income levels and purchasing behaviour may reduce product demand and sales volumes.	• Implemented flood protection measures based on a detailed flood risk assessment and regularly reviews safeguards to maintain operational resilience under future climate scenarios. • Maintains strategic inventory buffers and regularly reviews distribution routes and locations to ensure uninterrupted market supply. • Diversifies sourcing regions and explores alternative raw materials to strengthen supply security while maintaining product quality. • Strengthens flood resilience measures and updates business continuity plans to manage insurance costs and minimise financial disruption. • Monitors market conditions and adjusts operations proactively to respond to changing consumer demand patterns during adverse weather events.

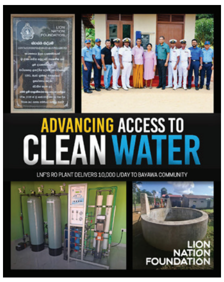
Risk/Opportunity	Impact on business model, value chain & Financial Performance	Management Strategy
	• Cyclone Ditwah caused inventory losses of Rs. 613.4 Mn. and fixed asset impairments of Rs. 25.2 Mn., primarily affecting warehouses and retail locations. The main brewing facility remained fully operational due to flood mitigation measures implemented after 2016.	
Social Related Risks and Opportunities		
Responsible sourcing	• Failure of suppliers to meet ESG expectations may create reputational risks and disrupt sustainable sourcing across the value chain.	• Supplier onboarding and KYC processes implemented. • Supplier audits conducted at material supplier locations. • Training programmes for service providers to maintain standards. • Focus on compliance, quality, and risk management across suppliers and partners.
Occupational health and safety	• Incidents which result in injury or fatality must be avoided, as well as damage to assets that may arise from events such as fire or the accidental discharge of materials.	• Implementation and continuous improvement of an ISO 45001:2018 certified system, ensuring structured safety management, with zero non-conformities maintained for three consecutive years. • A company-wide Environment, Health & Safety (EHS) framework applied across employees, contractors, and third parties to ensure consistent safety standards and shared accountability. • Regular risk assessments, compliance audits, and incident reporting systems to identify hazards early and ensure adherence to regulatory requirements. • Ongoing initiatives to embed a strong safety culture, encouraging employee participation, shared responsibility, and proactive reporting of safety improvements. • Structured induction, refresher, and specialised training programmes covering: Equipment handling , Operational hazards , Emergency response & High-risk activities (chemicals, machinery, maintenance). • Provision of protective equipment and safety systems, including, Personal protective equipment (PPE), Safety signage , Automated monitoring systems , Machine fail-safe mechanisms. • Compliance with local regulations (Factories Ordinance) and maintenance of workmen's compensation insurance to safeguard employees.

Risk/Opportunity	Impact on business model, value chain & Financial Performance	Management Strategy
Human capital management	• Attrition contributes to organisational instability, while morale influences productivity.	• Employee capability is strengthened through a comprehensive learning ecosystem comprising SAP SuccessFactors, LinkedIn Learning, structured career pathways, and technical, behavioural, leadership, ESG, governance, and compliance training programmes. • Leadership capabilities are developed through structured programmes, including the Executive Development Programme with PIM, the Future Leaders Programme, and the "Leadership Brew" initiative, ensuring a strong pipeline of future leaders. • Performance is reinforced through competitive, performance-based remuneration and structured recognition programmes, including CEO Awards, Team Excellence Awards, and the Fearless Lion Award. • Employee well-being is supported through the WE CARE wellness programme, Employee Assistance Programme (EAP), and a comprehensive range of benefits covering healthcare, insurance, childcare support, and employee allowances. • The Abhimana DEI strategy promotes an inclusive workplace through progressive policies on flexible work, parental leave, childcare support, and initiatives to increase female workforce participation. • Employee engagement is fostered through regular leadership interactions, including CEO Connect and Coffee with the CEO, alongside family, sports, and cultural activities that strengthen organisational culture. • The organisation develops future talent through internships, apprenticeships, trainee programmes, industrial training, and academic partnerships, supporting a sustainable talent pipeline. • A culture of continuous improvement is promoted through Kaizen initiatives and the Manufacturing Excellence Unit, encouraging employee-driven innovation, operational excellence, and cost optimisation. • Strong employee relations are maintained through structured grievance mechanisms, whistleblowing and anti-harassment programmes, and strict compliance with labour laws and ethical standards, resulting in zero labour-related violations.
Product quality safety and transparency	• Variation in quality can lead to consumer rejection, while non-compliance or significant product defects may result in product recalls, litigation, loss of brand equity, and loss of consumer trust.	• A stringent sampling plan based on quality and food safety control and assurance is in place, extending from incoming materials through conversion and ending with trade quality. Defects per million opportunities and quality indices are pivotal in meeting the requirements of this area.

Risk/Opportunity	Impact on business model, value chain & Financial Performance	Management Strategy
Community and economic development	• Corporate social responsibility necessitates active engagement from both internal and external stakeholders. This, in turn, influences corporate and employer brand equity and may contribute to polarization between the industry and its operational communities.	• Community waste management is strengthened through the installation of waste segregation infrastructure, marine plastic pollution prevention initiatives such as the Ocean Strainer project, and beach caretaker programmes and nationwide clean-up campaigns that promote responsible waste management and environmental conservation. • Communities are supported during emergencies through search and rescue operations, the distribution of essential supplies, contributions to national recovery initiatives, clean-up activities, support for affected households, and the provision of educational materials to ensure continuity of learning. • Access to safe drinking water is improved through community-owned Reverse Osmosis (RO) plants established in partnership with the Sri Lanka Navy and the Ministry of Health, providing reliable clean water to approximately 3,600 beneficiaries while supporting community health and well-being. • The Melting Point initiative transforms aluminium waste into value-added products such as trophies, jewellery, and lifestyle items, creating sustainable livelihood opportunities for communities while advancing circular economy principles. • Knowledge transfer and workforce development are supported through industrial training, internships, and educational site visits that provide practical exposure in manufacturing, engineering, sustainability, and related disciplines for students and professionals alike.
Responsible consumption	• The misuse of alcohol and negative behaviours by a minority can contribute to broader social issues.	• Promotes responsible consumption primarily through product labelling and point-of-sale communication in line with regulatory requirements. • Explores opportunities for lower- and no-alcohol products in international markets where consumer demand and regulatory conditions are more favourable.







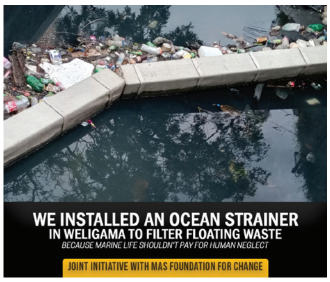


Table 4.2.2.2 : Measuring ESG Performance of Beverage Sector: Key Metrics

Metric	UOM	FY 26
Environment and Climate Related Metrics		
GHG Emission		
Scope 1	t co2e	9,674.84
Scope 2	t co2e	7,823.02
Total Emission	t co2e	17,497.86
Waste Management – Recycling, Upcycling & Reuse		
Share of reused waste material	%	90.9
Share of recycled waste material	%	7.4
Share of upcycled waste material	%	1.8
Share of reused glass bottles	%	93.0
Share of reused plastic crates	%	99.0
Recycled material inclusion – bottles	%	35.0
Recycled material inclusion – crates	%	30.0
Energy Management		
Electricity index improvement over 2017/18 (baseline)	%	21
Furnace fuel index** improvement over 2017/18 (baseline)	%	36
Renewable energy share at Lion (biogas from the wastewater plant)	%	3.58
Renewable energy installed by Lion in retail base	kWh	135
Methane Generated from Waste-Water Plant	Nm^3	260,513
% of renewable energy used	%	3.58
Biogenic CO2 sold	MT	2,030
Water Management		
Water index*** improvement over 2017/18 (baseline)	%	39%
Water drawn	m^3	603,137
Water treated and discharged (cubic metres)	m^3	405,346
Social Related Metrics		
Employee Health & Safety		
Number of minor injuries	Number	1
Number of major injuries (LTI)	Number	-
Number of fatalities	Number	-
Number of lost workdays due to injury	Number	1
Number of cases of ill health	Number	-
Number of fatalities due to ill health	Number	-
Number of lost workdays due to ill health	Number	-
Safety Training Hours – Employees	Hours	1,438
Safety Training Hours – Service Providers	Hours	2,111
Employee Training & Development		
Total Training Hours Provided	Hours	19,273
Training Hours Per Permanent Employee	Hours	48.67

Metric	UOM	FY 26
Total Number of Kaizen Programmes Conducted	Number	230
No. of personnel trained on ESG as a % of total employees	%	99
Employees trained on Anti-Bribery and Corruption as a % of total employees	%	88
Total Spend for Trainings during the year	LKR	42,000,000
Total spend for Trainings per Employee	LKR	103,200
Age & Gender Diversity		
Male Employees	%	84
Female Employees	%	16
% of Employees between age 21-25	%	7
% of Employees between age 25-35	%	50
% of Employee Between 35-60	%	43
Diversity by Employee Category		
Executive Directors	%	0.2
Managers	%	38.6
Executives	%	35.0
Non-Executives	%	26.2
Employee Retention		
Employee Turnover Rate	%	10.4
Employees who Stayed over 10 Years as a % of Total Employees	%	25
Youth Employment Opportunities		
% of Employees < 30 Years in the Workforce	%	24
Young Employee Retention Rate During the Year	%	76

4.2.2.3 Cross Industry Matrix – Green House Gas Emissions

The Beverage sector monitors and reports its climate-related performance through greenhouse gas (GHG) emissions metrics, enabling stakeholders to assess the progress in decarbonisation, climate risk mitigation, and overall environmental performance.

The GHG inventory covers Scope 1 and Scope 2 (location-based) emissions from the Biyagama manufacturing facility and is prepared using the emission-factor methodology based on primary operational data. Emissions are quantified in accordance with ISO 14064-1:2018, the GHG Protocol Corporate Accounting and Reporting Standard, the IPCC Guidelines for National Greenhouse Gas Inventories, and the Sri Lanka Sustainable Energy Authority (SLSEA) grid emission factor for purchased electricity.

Sector's emissions reduction strategy focuses on improving energy efficiency, enhancing operational performance, integrating sustainability into core manufacturing processes, and increasing the use of renewable energy. Scope 1 emissions primarily arise from fuel combustion in boilers and generators, refrigerant leakages, and CO_2 fire extinguishers, while Scope 2 emissions relate to purchased electricity consumption. The Company's GHG emissions for the year ended 31 March 2026 were independently verified by SGS Lanka (Pvt) Ltd in accordance with ISO 14064-3:2019, providing assurance that the reported emissions are fairly presented in all material respects

4.2.3. Portfolio and Asset Management Sector

The risks and opportunities presented in Table 4.2.3.1, together with their associated impacts, have been identified through an assessment of the sector's value chain as mentioned below.

Table 4.2.3.1: Impact on value chain/business model, financial impact & management strategy

Risk/Opportunity	Impact on business model, value chain & Financial Performance	Management Strategy
Climate Related Risks and Opportunities		
Climate Related Transitional Risk – Market	• Maintaining investments in, or significant exposure to, carbon-intensive companies/sectors may have an adverse effect on the Group's reputation and investment returns. • Potential increase in volatility and downside risk in investment returns. • Potential loss of access to emerging growth opportunities associated with lower-carbon investments.	• Applies ESG screening and due diligence as part of the investment evaluation process. • Adopts a prudent approach when assessing investments in carbon-intensive businesses.
Climate Related Transitional Risk – Policy and Legal	• Non-compliance with reporting requirements may result in regulatory penalties and increased compliance costs. • Non-compliance with applicable reporting requirements may expose the to fines, penalties, or other regulatory consequences. • No costs relating to noncompliance were incurred during the year under review. • The adoption of new or evolving reporting requirements may result in additional costs. These may include, but are not limited to, expenses related to training, certifications, andconsultancy services.	• Monitors regulatory developments and implements measures to maintain compliance
Climate Related Physical Risk	• Climate-related events affecting investee companies may adversely impact their financial performance and the returns generated from the Sector's investments • The Sector has not quantified the financial impact during the current financial year, as it has applied the transitional relief permitted under SLFRS S2.	• Implement a structured approach to assess the financial impacts of climate-related events on investee companies, including potential effects on dividend income, valuations, share prices, and credit risk.
Climate Related Opportunities	• Investments in low-carbon businesses may support long-term value creation and enhance portfolio performance through exposure to sustainable growth opportunities. • As the Sector has made investments in low-carbon (green) or other sustainable sectors, can benefit from returns of those investments.	• Evaluates low-carbon investment opportunities and may invest where they align with its return expectations and investment criteria.

Risk/Opportunity	Impact on business model, value chain & Financial Performance	Management Strategy
Social Related Risks and Opportunities		
Social Risks	• Social-related risks arise across two distinct strands: human capital (matters relating to the Group's own employees, including labour practices, development and wellbeing) and community relations (the impact of the Sector's and its activities on the communities in which they operate). Inadequate management of either strand could affect the Group's reputation and long-term prospects • The Sector maintained strong employee relations and remained committed to responsible social practices throughout the financial year, with no material social or employee matters giving rise to a financial impact during the period	• Human capital: Employee-focused initiatives included training and wellbeing programmes supporting employee development, internship opportunities to enhance youth employability, and knowledge-sharing programmes conducted in collaboration with state universities to promote education and skills development. • Community (CSR) : Investment sector CSR philosophy is centred on empowering communities and creating sustainable socio-economic value. During the financial year under review, the Sector's community initiatives focused on a livelihood development programme in Vakarai, Batticaloa, aimed at enhancing income-generating opportunities, strengthening community resilience, and supporting long-term economic empowerment. Under this project the CGIT Group has Strengthened agriculture-based livelihoods and improve access to essential services including water, sanitation, hygiene and education. The programme combined measures to enhance agricultural productivity, develop basic infrastructure and provide targeted social support, contributing to the overall wellbeing of the community. Quantifiable outcomes are presented in the Metrics section.

Constructed 10,000 sqft Paddy Drying Bed

Provided facilities to strengthen cultivation

Meetings with community to discuss their issues

Opened village coorperative shop

Provided computer laboratory equipment for school children

Table 4.2.3.2: Measuring ESG Performance of Portfolio & Asset Management Sector: Key Metrics

Metric	UOM	FY 26
Climate Risks Related Metrics		
Scope 1 GHG emissions		
Generator Usage (Emission Factor Source: IPCC 2006)	(Kg Co2 Per l)	14.04
Scope 2 GHG emissions		
Electricity Usage (Emission Factor Source: SL Sustainable Energy Authority)	(Kg Co2 Per kWh)	7,783
Social Risks Related Metrics		
Employee Development and Training		
Total Training Sessions Conducted Per Year	Number	21
Total Participation Rate for Trainings	%	88.6
Training Coverage Rate (Number of Employees Received Training during the Year / Total Number of Employees)	%	100
Age and Gender Diversity and Inclusion		
Female Employees	%	25
Male Employees	%	75
% of Employees between age 21-25	%	0
% of Employees between age 25-35	%	75
% of Employee Between 35-60	%	25
Diversity by Employee Category		
Executive Directors	%	13
Managers	%	25
Executives	%	56
Non-Executives	%	6
Employee Retention		
Employee Turnover Rate as a % of Total Employees	%	6
Employees who Stayed with CGIT Group Over 10 Years as a % of Total Employees	%	37
Health and Safety		
Workplace Incidents (Number of Employees)	Number	0
Opportunities for Youth Employment		
% of Employees under 30 Years of age in the Workforce	%	38
Young Employee Retention Rate = (Employees below 30 Years at the end of the year / Employees below 30 Years at the start of the year) × 100	%	100

Community Impact from "Vakarai Area" Livelihood Development Project

Indicator	Baseline	Endline	Result	% Change / Increase
Average household income (LKR)	37,500	210,000	Strong income uplift	+460%
Average household savings (LKR)	1,000	5,000	Improved financial resilience	+400%
Adoption of improved livelihood practices	Limited	26 / 26 households	Full adoption achieved	100% adoption
Households with adequate irrigation	Limited	24 / 26 households	Wider irrigation coverage	~92% coverage
Women regularly involved in livelihoods	Not systematically tracked	17 / 26 women	Increased participation	~65% of households
Households with access to safe water	11 / 15	15 / 15	Universal access achieved	+36%
Households with always-available water	0 / 15	13 / 15	Reliability significantly improved	+87%
Handwashing facilities with soap	Limited and inconsistent	Widespread adoption	Improved hygiene behaviours	+100%
Average student attendance	17 days / month	20–21 days / month	Improved attendance	+18–24%
Student use of ICT lab	Minimal	Increased usage	Expanded access to digital tools	Significant increase
Digital literacy level	Very basic	Basic skills improving	Gradual learning gains	Not quantified
Classroom hygiene behaviour	Inconsistent	Improved and sustained	Positive behaviour change	100% adoption of basic practices
Student engagement and confidence	Low–moderate	Higher participation	Teacher-reported improvement	Not quantified

4.2.3.3 Cross Industry Matrix – Green House Gas Emissions

The Investment Sector measures and reports its greenhouse gas (GHG) emissions using an operational control approach, covering Scope 1 and Scope 2 emissions associated with its office operations.

Scope 1 emissions are calculated based on fuel consumption from standby generator operations, applying the relevant emission factors prescribed in the IPCC 2006 Guidelines for National Greenhouse Gas Inventories.

Scope 2 emissions are determined using electricity consumption data obtained from Ceylon Electricity Board (CEB) invoices, with emissions calculated by applying the national grid emission factor published by the Sri Lanka Sustainable Energy Authority (SLSEA).

4.2.3.4. SASB (Sustainability Accounting Standard Board) Standards Compliance Summary Table

Topic	SASB Reference Code	Metric	Compliance Status
Transparent Information and Fair Advice for Customers	SASB FN-AC-270a.1	(1) Number and (2) percentage of licensed employees and identified decision-makers with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	No Investigations Identified
	SASB FN-AC-270a.2.	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customer	Not Applicable as financial products are not relevant for CGIT Group
	SASB FN-AC-270a.3.	Description of approach to informing customers about products and services	Not Applicable
Employee Diversity and Inclusion	SASB FN-AC-330a.1.	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	Refer Page 54
Incorporation of Environmental, Social, and Governance Factors in Investment Management and Advisory	SASB FN-AC-410a.1.	Amount of assets under management, by asset class, which employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing and (3) screening	Not applicable for the current year
	SASB FN-AC-410a.2.	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies	Refer Page 52-53
Financed Emission	SASB FN-AC-410b.1.	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	Scope 1 and 2 Emission Disclosed – Refer Page 54 Scope 3 Emission not disclosed in the current financial year
	SASB FN-AC-410b.2.	Total amount of assets under management (AUM) included in the financed emissions disclosure	Not applicable for the current year.
	SASB FN-AC-410b.3.	Percentage of total assets under management (AUM) included in the financed emissions calculation	
	SASB FN-AC-410b.4.	Description of the methodology used to calculate financed emissions	
Business Ethics	SASB FN-AC-510a.1.	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	No Losses Identified
	SASB FN-AC-510a.2.	Description of whistleblower policies and procedures	Refer Page 61

4.2.4. Leisure Sector

As Pegasus Reef Hotel of Ceylon, which operates with 135 rooms under the Group's Leisure Sector, is not among the Top 100 listed companies by market capitalisation, the Leisure Sector has not adopted SLFRS S1 and SLFRS S2 during the current year.

However, the sector has undertaken several ESG initiatives during the year. Details of these initiatives, together with the related quantitative results, are presented below.

4.2.4.1. Social Projects

Social projects have structured under two aspects community related projects (CSR) and human capital related projects.

CSR Projects

Hotel demonstrates its commitment to community development through a range of initiatives focused on social, educational, and cultural upliftment. The hotel actively supports community healthcare, contributes to religious institutions, and extends assistance during times of need, while fostering a strong culture of social responsibility.

Key initiatives include the Internship Programme for youth development, linen donations to Teaching Hospitals in Colombo South and North, support for underprivileged children through charitable foundations, educational assistance for employees' children, and aid extended to communities affected by natural disasters.

Projects Related to Human Capital

The Leisure Sector remains committed to fostering employee wellbeing, engagement, and professional development. During the year under review, a range of initiatives were undertaken to support employees and their families, including educational assistance programmes for employees' children and targeted support provided to employees affected by adverse events such as Ditwah. The sector also promoted employee engagement and organisational cohesion through various activities, including sports events, employee gatherings, and town hall meetings, which facilitated communication, collaboration, and a strong sense of belonging.

In addition, the sector continued to invest in employee capability development through structured training programmes and targeted learning initiatives designed to enhance technical competencies, leadership capabilities, and overall professional growth. These initiatives reflect the sector's commitment to creating a supportive, inclusive, and high-performing workplace.

4.2.4.2 Environment Related Projects

Hotel demonstrates its commitment to environmental sustainability through focused initiatives aimed at preserving and enhancing the natural surroundings in which it operates. The hotel regularly conducts beach clean-up campaigns, contributing to the protection of coastal ecosystems while maintaining the aesthetic appeal of the surrounding environment.

In addition, the hotel actively participates in global environmental observances such as World Environment Day through tree planting initiatives, reinforcing its dedication to biodiversity conservation and long-term ecological balance.

Beach Cleaning Programme

Table 4.2.3.2: Measuring ESG Performance of Leisure Sector: Key Metrics

Metric	UOM	FY 26
Employee Development & Training		
Total Training Sessions Conducted Per Year	Number	141
Total Participation Rate for Trainings	%	85.7
Training Coverage Rate (Number of Employees Received Training during the Year / Total Number of Employees)	%	79
Gender and Age Diversity		
% of Male Employees	%	89
% of Female Employees	%	11
% of Employees between age 21-25	%	23
% of Employees between age 25-35	%	26
% of Employee Between 35-60	%	52
Diversity by Employee Category		
Executive Directors	%	0
Managers	%	4.1
Executives	%	15.7
Non-Executives	%	80.2
Employee Retention		
Employee Turnover Rate as a % of Total Employees	%	3.6
Employees who Stayed with the Company Over 10 Years as a % of Total Employees	%	15
Health & Safety		
Total Health and Safety Trainings Conducted Per Year	Number	18
Opportunities for Youth Employment		
% of Employees < 30 Years in the Workforce	%	38
Young Employee Retention Rate = (Employees < 30 Years at the end of the year / Employees < 30 Years at the start of the year) × 100	%	99

4.2.5. Property Sector

As Equity Two PLC, which operates under the Group's Property Sector, is not among the Top 100 listed companies by market capitalisation, and the other subsidiaries within the Property Sector, namely, Equity One limited and Equity Three Limited are private companies. Accordingly, Property Sector has not adopted SLFRS S1 and S2 during the current year.

However, the sector has undertaken several initiatives during the year. Details of these initiatives, together with the related quantitative results, are presented below.

4.2.5.1 Community Related Projects

"Vakarai" Project

The Vakarai project, jointly undertaken by the Portfolio & Asset Management Sector and the Property Sector, focused on improving livelihoods, water, sanitation, hygiene, and education facilities for the local community. As outlined under the Portfolio & Asset Management Sector, the initiative delivered meaningful community development outcomes, including the economic empowerment of low-income families by strengthening sustainable income-generating opportunities.

Medical Facilities Support

Further, the property sector also contributed to the medical equipment donation project carried out for District General Hospital Nuwara Eliya and Kotmale Hospital, as explained under the Portfolio & Asset Management Sector.

4.2.5.2 Employee Related Projects

The Property Sector continued to invest in employee wellbeing, engagement, and professional development during the year under review. A range of training programmes were conducted covering key areas such as health and safety, capacity building, and employee wellbeing, supporting the development of a skilled, healthy, and productive workforce. In addition, the sector fostered employee engagement and team cohesion through various initiatives, including employee gatherings and other recreational activities designed to strengthen workplace relationships, promote collaboration, and enhance overall employee morale.

4.2.5.3 Measuring ESG Performance of Property Sector: Key Metrics

Metric	UOM	FY 26
Employee Development & Training		
Total Training Sessions Conducted Per Year	Number	10
Total Participation Rate for Trainings	%	93
Training Coverage Rate (Number of Employees Received Training during the Year / Total Number of Employees)	%	100
Gender and Age Diversity		
% of Male Employees	%	94
% of Female Employees	%	6
% of Employees between age 21-25	%	0
% of Employees between age 25-35	%	22
% of Employee Between 35-60	%	78
Diversity by Employee Category		
Executive Directors	%	5
Managers	%	5
Executives	%	55
Non-Executives	%	35
Employee Retention		
Employee Turnover Rate as a % of Total Employees	%	27.7
Employees who Stayed with the Company Over 10 Years as a % of Total Employees	%	28
Health & Safety		
Workplace Incidents	Number	0
Opportunities for Youth Employment		
% of Employees < 30 Years in the Workforce	%	22
Young Employee Retention Rate = (Employees < 30 Years at the end of the year / Employees < 30 Years at the start of the year) × 100	%	80

5. GROUP HUMAN CAPITAL RELATED METRICS

Total Work Force by Region

	Sri Lanka	Indonesia	Malaysia	Other	Total
Directors	11	5	2	3	21
Managers	208	120	50	2	380
Executives	308	435	135	2	880
Non-Executives	324	13,601	142	1	14,068
	851	14,161	329	8	15,349

Employees by Sector

Sector	Executive Directors	Managers	Executives	Non-Executives	Total
Plantations, Oils and Fats	11	199	658	13,774	14,642
Portfolio & Asset Management	2	4	9	1	16
Beverage	1	157	143	107	408
Real Estate	1	1	11	7	20
Leisure	0	9	34	174	217
Management Services	6	10	25	5	46
Total	21	380	880	14,068	15,349

Group Gender Diversity

	Male	Female
Directors	18	2
Managers	309	72
Executives	615	265
Non-Executives	10,350	3,718
Total	11,292	4,057
As a % of Total	73.57%	26.43%

6. GROUP GOVERNANCE PRACTISES

The Group's governance framework reflects its commitment to upholding best practices across all operations. By aligning with internationally recognised standards and frameworks, the Group consistently promotes ethical conduct, ensuring integrity and accountability at every level. This is further strengthened by a proactive approach to compliance and risk management across its operations.

6.1 Comprehensive Risk Management Process

The Group has established a robust and integrated risk management framework that addresses risks across all business sectors. The Internal Audit team conducts regular risk assessments, while risk registers are periodically reviewed by the Audit Committees to ensure effective oversight and mitigation. An annual Risk Management Report is published, outlining key risks and corresponding mitigation strategies.

6.2 Compliance with Standards and Frameworks

Our Group is committed to maintaining the highest standards of compliance across all areas of its operations, ensuring adherence to both local and international regulatory frameworks and embedding responsible business practices within its culture.

This includes key focus areas such as financial reporting and audit compliance, occupational health and safety, environmental management, food safety and quality, and data protection and cybersecurity.

We operate in line with internationally recognised standards including ISO 22000:2018, ISO 14001:2015, ISO 45001:2018, and ISO 27001:2022, which support our core management systems. Compliance is reinforced through regular internal and external audits, engagement with regulatory authorities, and continuous employee training, supported by regularly updated policies and procedures aligned with evolving best practices.

6.3 Anti-Bribery and Anti-Corruption Practices

Our Group upholds a strong Anti-Bribery and Anti-Corruption framework in line with Sri Lanka's Anti-Corruption Act No. 9 of 2023. This policy is applicable to all employees and directors and strictly prohibits offering or receiving any form of benefit, monetary or otherwise, to public or private individuals, including through third parties.

All employees and directors are expected to be fully aware of the policy and to take part in continuous compliance training. Any suspected violations, misconduct, or concerns must be reported confidentially to the Director/Head of Legal at Carsons Management Services, with assurances of anonymity and protection against retaliation.

As per the policy, any gift, whether a single item or multiple items received within a short period, that is reasonably considered to exceed the permitted value threshold must be declared in writing to the Divisional Head and the Human Resources Department.

The Group also maintains transparent documentation of gifts, hospitality, donations, and financial transactions, all managed through defined approval processes, and enforces disciplinary measures in cases of non-compliance.

6.4 Whistleblowing Policy

The Whistleblower Protection Policy provides a secure and confidential mechanism for employees to raise serious concerns such as financial irregularities, breaches of law, sexual harassment, or conflicts of interest. While open dialogue is encouraged through platforms like townhall meetings, this policy ensures protection for individuals who may not feel comfortable reporting directly to their supervisors.

All reports are submitted in writing to a designated Ombudsman and are treated with strict confidentiality, with safeguards in place to protect whistleblowers acting in good faith from any form of retaliation. The Ombudsman investigates reported matters and escalates validated cases to the Audit Committee or Chairman, where appropriate disciplinary or legal action is taken.

The policy does not cover personal grievances and is publicly available on the Group's website, reflecting the organisation's strong commitment to ethical conduct and transparency.

6.5 Taxation and Economic Contribution

The Group recognises tax compliance as a key component of its corporate responsibility and contribution to national economic development. It maintains a transparent and cooperative relationship with tax authorities while ensuring full compliance with all regulatory obligations. During the year under review, we made direct tax payments totalling Rs. 107.81 Bn to the Sri Lankan Government.