

MOMENTUM IN — MOTION

ANNUAL REPORT 2024/25



Sustainability

A POWERFUL EFFICIENCY

Sustainability

Our streamlined design enables swift, precise action, all while ensuring we achieve maximum efficiency, while minimising our impact on our surroundings.

The kingfisher's beak is a masterpiece of natural engineering—sleek, aerodynamic, and precisely shaped for its purpose. The functional precision of its streamlined structures enable the kingfisher to dive at a high speed from above, and break through the surface with ease, causing barely a ripple. This extraordinary efficiency inspires our journey: fast, deliberate, and with the lightest possible footprint.

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CREATING HARMONY – ONE STEP AT A TIME

This year we are more focused on our risks and risk management process. DIMO, strives to demonstrate its responsibility to stakeholders by contributing to a more sustainable, climate resilient future, while ensuring long-term success in business in a rapidly evolving environment.

ESG, Climate & Business

A deep commitment to ESG principles is intrinsically linked to long-term business resilience and value creation, with climate action forming a critical pillar. Recognizing the profound impacts of climate change in Sri Lanka and specifically on the automotive, agriculture and renewable energy sectors, DIMO is increasingly integrating climate-related risks and opportunities into its strategic decision making. The company is thus exploring new avenues in promoting sustainable mobility solutions, optimizing energy efficiency across its operations and positively investing in climate-resilient infrastructure.

This year we are more focused on our Risks and Risk Management Process vis-à-vis reporting our climate-related risks and opportunities with transparency while broadening our ESG performance and inter-linking with a diversified range of businesses. DIMO strives to demonstrate its responsibility to stakeholders by contributing to a more sustainable, climate resilient future, while ensuring long term success in business in a rapidly evolving environment.

Our Manifesto: A Journey of Growth

The growth of DIMO's sustainability story is a multifaceted and evolving one that demonstrates our growing commitment to integrating ESG principles across operations, developing innovative solutions and actively contributing to conservation and community wellbeing in Sri Lanka. DIMO's Sustainability Agenda 2030 (page 22) provides a clear framework for the ongoing efforts and ambitions.

DIMO views sustainability not just as mitigating negative impacts but as a strategic opportunity to create value, enhance customer experiences and foster long-term competitiveness. Sustainability is increasingly integrated into DIMO's core business strategy across its diverse sectors, including agriculture, energy, healthcare and mobility.

Our sustainability journey throughout the years has made steady progress, setting a solid foundation towards a clear road map towards 2030. This year's achievements showcase the progressive performance highlights of 2024/2025 integrated with DIMO Sustainability Agenda 2030 – our vision for a futuristic, sustainable business.

Being a Resilient Business



Creating a Resilient Community



Conserving a Living Planet

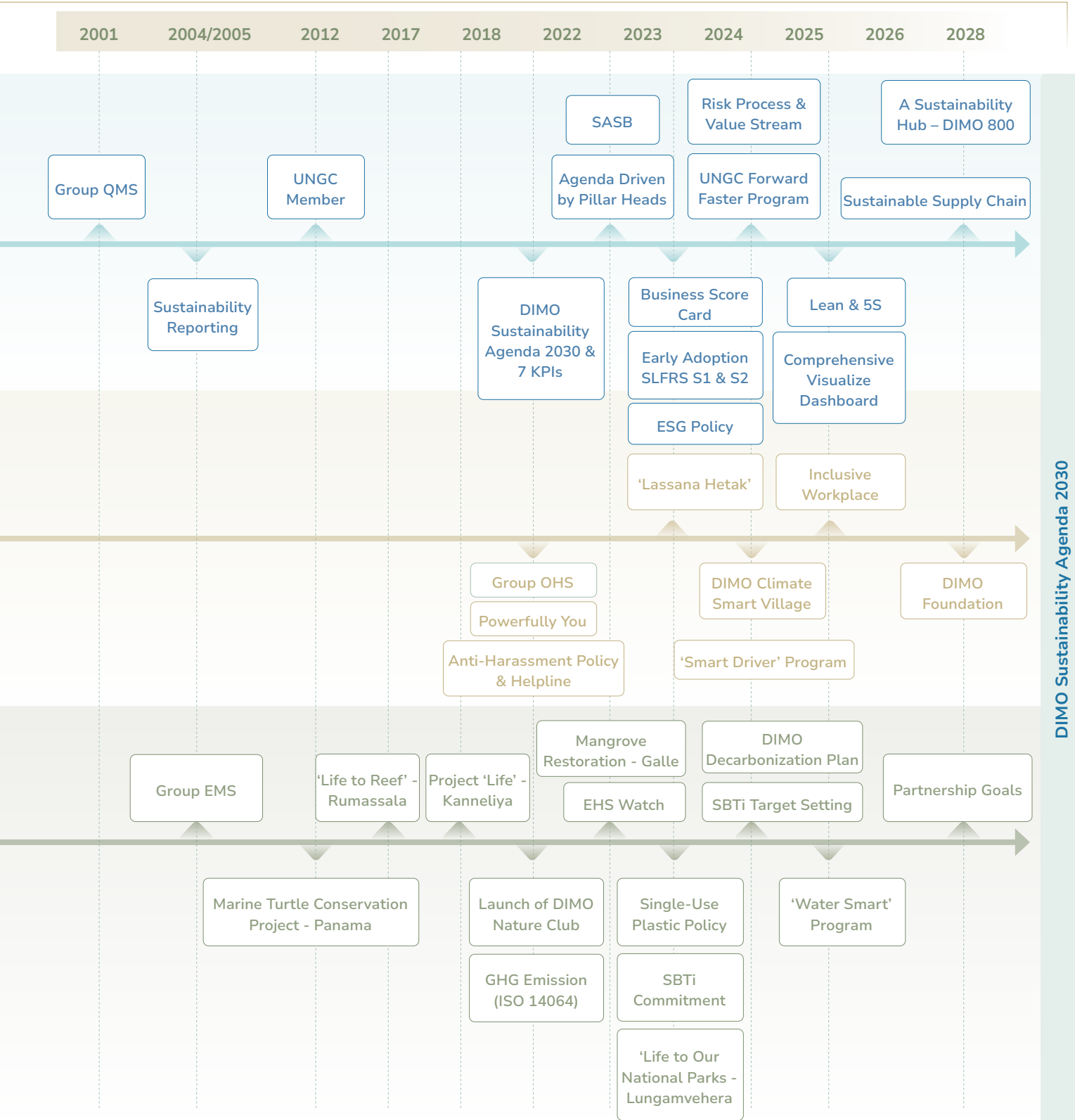




Sustainability Section

<https://www.dimolanka.com/2024-2025-dimo-annual-report/url.php?id=25>

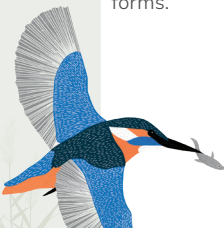
Figure 20: DIMO Sustainability Ambitions & Achievements















DIMO Sustainability Agenda 2030


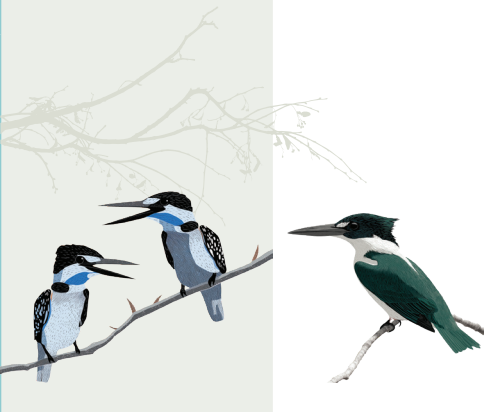
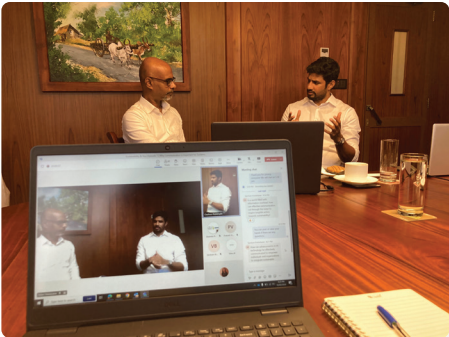
CREATING HARMONY – ONE STEP AT A TIME


Table 55: DIMO Sustainability Panorama

DIMO Sustainability Agenda 2030	DIMO Strategic Priorities & Impact on Capitals	Risks	Opportunities
<p>Being a Resilient Business</p> <p>FC IC</p> <p>Pillar Head & Team</p> <p>Rajeev Pandithage (Executive Director)</p>  <p>https://www.dimolanka.com/2024-2025-dimo-annual-report/url.php?id=26</p> <p>Representation</p> <p>All Business Clusters, Corporate Planning, Supply Chain, Management Accounting, Sustainability</p> 	<p>Financial Stability & Growth: Including profitability revenue growth, and return on investment</p> <p>Economic Contribution to Sri Lanka: DIMO's impact on the local economy through employment, taxes, and partnerships.</p> <p>Innovation & Technological Advancement: Given our engineering focus, adopting and implementing new technologies in our products and services is crucial.</p> <p>Supply Chain Management: Ensuring a resilient and ethical supply chain for vehicles, parts, and related services.</p> <p>Product Stewardship: Considering environment and social aspects, developing a sustainable product and service portfolio.</p> <p>Customer Satisfaction & Service Quality: Providing high-quality products and services and ensuring customer satisfaction.</p> <p>Data Privacy & Security: Protecting customer and stakeholder data.</p> <p>Governance & Ethics: Ensuring transparency, accountability, and ethical conduct in all business dealings. Adhering to all relevant laws and regulations in Sri Lanka. Maintaining a strong stance against corruption in all forms.</p>	<p>Import Restrictions: The Sri Lankan government's restrictions on vehicle and spare part imports.</p> <p>Economic Contraction: Downturns in the Sri Lankan economy.</p> <p>Sustainability Compliance: Increasing global and local focus on sustainability and stricter regulations.</p> <p>Climate-Related Risks: Potential impacts of climate change on operations, supply chains, and customer demand.</p> <p>Restructuring of Local Debt: Government debt restructuring could lead to a shortage of local bank funding for investment and working capital.</p> <p>Supply Chain Disruptions: Disruptions in the global or local supply chain for vehicles, parts, and raw materials.</p> <p>Human Rights in the Supply Chain: Ensuring that human rights are respected throughout the supply chain is an increasingly important social responsibility.</p> <p>Product Stewardship & End-of-Life Vehicle Management: The lack of robust end-of-life vehicle management systems in Sri Lanka poses an environmental risk. The overall infrastructure and responsible disposal mechanisms for EVs (including batteries) are still developing.</p>	<p>Electric Mobility Transition: Adapting to the global shift towards electric vehicles.</p> <p>Digitalization & Connectivity: Integrating digital technologies into business and Processes.</p> <p>Circular Economy: Exploring opportunities for remanufacturing, reuse, and recycling – getting things back into the process.</p> <p>Promoting Sustainable Products: Offering electric and hybrid vehicles and energy-efficient solutions in other business areas.</p> <p>EV Charging Infrastructure: Developing and deploying EV charging infrastructure across Sri Lanka, including public charging stations, home charging solutions, and partnerships with businesses and residential complexes.</p> <p>Customer Feedback Mechanisms: Seeking and acting on customer feedback to improve service quality.</p> <p>Hybrid Vehicle Sales & Service: Continuing to offer and service hybrid vehicles as a transitional technology towards full electrification.</p> <p>Value-Added Services: Offering extended warranties, service packages, and other value-added services to enhance customer loyalty and generate recurring revenue.</p>





DIMO Unique Projects		Progress Intact				Forward Motion
		2021/22	2022/23	2023/24	2024/25	
DIMO Score Card for Products & Services DIMO uses a scorecard to evaluate our product portfolio to ensure continued sustainability. The score card carries criteria that includes environment, social and business aspects to score the product or a service at DIMO to be sustainable. The analysis contributes towards the Sustainable Business KPI for 2030. Number of Products/Services: 22    <ul style="list-style-type: none"> Target 8.2 Productivity through diversification, technological upgrading and innovation. Target 9.b Support domestic technology development, research and innovation. Targets 12.1 & 12.8 Implement of programmes on sustainable consumption and production; ensuring consumer have relevant information on sustainable development and lifestyles. 		27%	29%	24%	27%	Milestones Ethical business conduct through onboarding new businesses and a greening supply chain Short Term Targets 2024/25 Achieve 32% Revenue Generated through Sustainable Products & Services Long Term Targets 2030 Achieve 50% Revenue Generated through Sustainable Products & Services Decoding Metrics A percentage of sustainable products and services from the total revenue
DIMO Supplier Code of Conduct DIMO has formalized certain principles in the Supplier Code of Conduct (SCC) to articulate the expectations from business partners. We expect our suppliers to adhere key focus areas on environment, labour, health and safety, and business ethics. The supply chain team is evaluating the current list with the code and will be evaluating when taking new suppliers onboard. Number of Suppliers Onboard: 84   <ul style="list-style-type: none"> Target 8.3 Promote development-oriented policies. Target 12.7 Promote public procurement practices that are sustainable. 						
DIMO Onboarding New Businesses The new criteria in evaluating new businesses at DIMO consist of looking at opportunities for revenue, environment and social ethics, customer and supplier value additions, labour practices and new trends in market.    <ul style="list-style-type: none"> Target 8.3 Promote development-oriented policies. Target 9.2 Promote inclusive and sustainable industrialization. Targets 12.1 & 12.6 Implement programmes on sustainable consumption and production – encouraging companies to adopt sustainable practices. 						
Integrating IFRS into Business The new criteria in evaluating new businesses at DIMO consist of looking at opportunities for revenue, environment and social ethics, customer and supplier value additions, labour practices and new trends in market.    <ul style="list-style-type: none"> Target 8.3 Promote development-oriented policies. Target 9.2 Promote inclusive and sustainable industrialization. Targets 12.1 & 12.6 Implement programmes on sustainable consumption and production – encouraging companies to adopt sustainable practices. 						
Sustainability Integrated Business This year, we will be showcasing our sustainability integrated business initiatives within our business sectors. Business Reports  (Page 35 to 63)						






CREATING HARMONY – ONE STEP AT A TIME

DIMO Sustainability Agenda 2030	DIMO Strategic Priorities & Impact on Capitals	Risks	Opportunities
<p>Creating a Resilient Community (Employees & Community)</p> <p>HC</p> <p>Pillar Head & Team Dilrukshi Kurukulasuriya (Executive Director/Chief Human Resources Officer)</p>  <p>https://www.dimolanka.com/2024-2025-dimo-annual-report/url.php?id=27</p> <p>Representation HR, Sustainability</p> 	<p>Employee Health, Safety, & Well-being: Ensuring a safe and healthy working environment for all employees.</p> <p>Employee Development & Training: Investing in the skills and knowledge of our workforce.</p> <p>Occupational Health and Safety (OHS): Maintaining high standards of safety across all operations.</p>	<p>Employee Attrition: A high rate of employee turnover.</p> <p>Diversity & Inclusion: A lack of diversity and inclusion within the workforce can limit creativity, innovation, and understanding of diverse customer needs.</p> <p>Talent Attraction & Retention: In a competitive job market, not being able to attract and retain qualified employees.</p>	<p>Employee Welfare Programs: Initiatives focused on employee health, safety, and well-being.</p> <p>Training & Development Programs: Investing in upskilling the workforce.</p> <p>Local Hiring & Procurement: Prioritize hiring local employees and sourcing local goods and services.</p> 

DIMO Unique Projects	Progress Intact				Forward Motion	
	2021/22	2022/23	2023/24	2024/25		
<div>An Assessment on Inclusivity</div> <div>Humanity and Inclusion Sri Lanka Program is conducted by Handicapped International (HI) an International non-governmental organisation dedicated to promoting inclusive workspace. Under this initiative, DIMO has been selected as a corporate entity to consult the assessment. This will improve our requirements in aligning infrastructure and facility space to be more inclusive.</div> <div>Number of Facilities Assessed: 03</div> <div><div><div>10</div><div>REduced inequalities</div></div><div><div>17</div><div>Partnerships for the Goals</div></div></div> <div><div><div><div>•</div><div>Targets 10.2, 10.3 & 10.4 Empower and promote social, economic and political inclusion of all and ensure equal opportunity and reduce inequalities of outcomes, adopt policies.</div></div><div><div>•</div><div>Target 17.9 Enhance international support for implementing effective and targeted capacity building.</div></div></div></div> <td><div>DIMO Nature Club</div><div>Established in 2022, the club serves as a platform for employees to engage in conservation and social welfare initiatives. Open to all passionate team members, the club fosters education, community awareness, and volunteerism, aiming to inspire change makers. Guided by a code of conduct aligned with DIMO's core values.</div><div>Membership (Volunteers): 635</div><div>Number of Programs: 44</div><div><div><div><div></div></div></div><div><div>https://www.dimolanka.com/2024-2025-dimo-annual-report/url.php?id=30</div></div></div><div><div><div><div>1</div><div>NO POVERTY</div></div><div><div>2</div><div>ZERO HUNGER</div></div><div><div>4</div><div>QUALITY EDUCATION</div></div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div><div><div>13</div><div>CLIMATE ACTION</div></div><div><div>14</div><div>LIFE BELOW WATER</div></div><div><div>15</div><div>LIFE ON LAND</div></div></div><div><div><div>•</div><div>Targets 1.1 & 1.2 Eradicate extreme poverty and reduce at least by half the proportion living in poverty.</div></div><div><div>•</div><div>Target 2.2 End all forms of malnutrition.</div></div><div><div>•</div><div>Target 4.7 Ensure that all learners acquire the knowledge and skills needed to promote sustainable development.</div></div><div><div>•</div><div>Target 13.3 Improve education, awareness raising on climate change mitigation.</div></div><div><div>•</div><div>Target 14.2 Sustainably manage and protect marine and coastal ecosystems.</div></div><div><div>•</div><div>Target 15.1 Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems.</div></div></div></div><td>10%</td><td>12%</td><td>14%</td><td>15%</td><td><div>Milestones</div><div>Reduce inequalities and promotes inclusivity</div><div>Short Term Targets 2024/25</div><div>20% Women in Decision Making Roles</div><div>Long Term Targets 2030</div><div>40% Women in Decision Making Roles</div><div>Decoding Metrics</div><div>A percentage of women in leadership roles from the total employee number</div></td></td>	<div>DIMO Nature Club</div> <div>Established in 2022, the club serves as a platform for employees to engage in conservation and social welfare initiatives. Open to all passionate team members, the club fosters education, community awareness, and volunteerism, aiming to inspire change makers. 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<div>Sustainability & You</div> <div>Embedding sustainability into organisational culture, DIMO launched 'Sustainability & You' program. Aiming at educating employees on key sustainability topics.</div> <div>Number of Episodes: 12</div> <div>Number of Employees Engaged: 254</div> <div><div><div>4</div><div>QUALITY EDUCATION</div></div></div> <div><div><div>•</div><div>Target 4.7 Ensure that all learners acquire the knowledge and skills needed to promote sustainable development.</div></div></div>	<div>Employee Engagement, Diversity & Inclusion and Wellbeing</div> <div>This year, we will be showcasing all our HR driven initiatives on employee engagement, diversity, equity & inclusion and wellbeing in our Human Capital Report  (Page 76 to 80)</div>					





CREATING HARMONY – ONE STEP AT A TIME

DIMO Sustainability Agenda 2030	DIMO Strategic Priorities & Impact on Capitals	Risks	Opportunities
<div> <div>SRC</div> <div> Pillar Head & Team Rakhita Gunasekera (Chief Operating Officer – Retail Segment) </div> <div>  <p> https://www.dimolanka.com/2024-2025-dimo-annual-report/url.php?id=28 </p> </div> <div> Representation Business Clusters on Social Projects, Sustainability </div> </div>	<p>Community Engagement: Our involvement in local communities through initiatives and partnerships.</p>	<p>Reputational Risks: Any negative impact on customers, employees, or the community.</p> <p>Lack of Understanding of Local Customs: Insufficient understanding and respect for local customs and traditions.</p>	<p>Community Engagement: Involving local communities in conservation efforts and promoting environmental awareness.</p> <p>Social Impact Assessments: Conduct thorough social impact assessments for new projects or significant operational changes.</p> <div>  </div>
<div> <div>Conserving a Living Planet</div> <div>NC</div> <div> Pillar Head & Team Mahesh Karunaratne (Chief Operating Officer – Automated Engineering Solutions Segment) </div> <div>  <p> https://www.dimolanka.com/2024-2025-dimo-annual-report/url.php?id=29 </p> </div> <div> Representation After Sales - Workshops, Compliance, Facilities, Sustainability </div> </div>	<p>Emission Reduction: Addressing GHG emissions from operations and vehicles sold and serviced.</p> <div>  </div>	<p>Energy Consumption & Reliance on Non-Renewable Sources: A significant portion of our operational energy needs still relies on fossil fuels and the national grid. This contributes towards our carbon footprint and exposes us to energy price volatility.</p>	<p>Investing in Renewable Energy: DIMO Energy is involved in solar power generation and microgrids, aiming to reduce reliance on fossil fuels.</p>

DIMO Unique Projects	Progress Intact				Forward Motion	
	2021/22	2022/23	2023/24	2024/25		
<div><h3>Blood Donations, 'Pala Dansal' & Third-Party Wellbeing</h3><p>As an employee engagement initiative in 2024, DIMO organised blood donation campaigns and 'Pala Dansal' – planting and giving out free fruit saplings to strengthen the relationships with the community.</p><p>DIMO also distributes dry ration bag to support third party employees.</p><p>Locations: 2 DIMO Sites & 4 Events</p><p>Number of Plants Distributed: 600</p><div><div></div><div></div></div><ul style="list-style-type: none">Target 3.6 halve the number of global deaths and injuries from road traffic accidents.Target 15.1 Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems.</div>	<div><h3>'Lassana Hetak'</h3><p>DIMO continues its commitment to education and skills development through annual book donation campaigns, school awareness programs, and power tool training sessions. The Book Donation Campaign is almost 11 years old, and we have been able to expand it to many other DIMO locations. The uniqueness of our school education program is that the program is conducted by DIMO Nature Club members and DIMO employees.</p><p>Book Donation Campaign Impact: 1,000</p><p>School Program Awareness: 821</p><div><div>https://www.dimolanka.com/2024-2025-dimo-annual-report/url.php?id=31</div></div><div></div><ul style="list-style-type: none">Targets 4.1, 4.2 & 4.3 Ensure that all girls and boys complete free equitable and quality primary and secondary education and quality technical vocational.</div>	2,330	2,946	4,132	25,982	<div><h3>Milestones</h3><p>DIMO Foundation</p><h3>Short Term Targets 2024/25</h3><p>Creating a Positive Impact on 30,000 Individuals</p><h3>Long Term Targets 2030</h3><p>Creating a Positive Impact on 1 Million Individuals</p><h3>Decoding Metrics</h3><p>The number of individuals impacted</p></div>
<div><h3>ISO 14064 & SBTi Commitment</h3><p>In line with Sustainability Agenda, to reduce emissions by 50% from a 2019 baseline, DIMO has committed towards Science Based Targets initiative (SBTi), marking its first step toward setting science-based emissions reduction targets. Further reinforcing its climate commitment, DIMO also obtained ISO 14064 certification for carbon footprint verification.</p><div></div><ul style="list-style-type: none">Target 13.2 Integrate climate change measures.</div>		38%	30%	20%	(1754%)	<div><h3>Milestones</h3><p>DIMO Decarbonization Plan & SBTi Commitment & Target Setting</p><h3>Short Term Targets 2024/25</h3><p>Reducing Carbon Emission by 25% (2019 Baseline)</p><p>*Scope 3 emission consideration all 15 categories (Refer page 187 - Table 62)</p><h3>Long Term Targets 2030</h3><p>Reducing Carbon Emission by 50% (2019 Baseline)</p><h3>Decoding Metrics</h3><p>A reduction of 50% in GHG emission compared to 2019</p></div>






CREATING HARMONY – ONE STEP AT A TIME

DIMO Sustainability Agenda 2030	DIMO Strategic Priorities & Impact on Capitals	Risks	Opportunities
	Resource Management: Efficient use of water, energy, and materials in facilities and operations.	Waste Generation: DIMO's activities, including workshops and offices, produce various types of waste, including hazardous waste from vehicle maintenance.	Water Management: Implementing water treatment and recycling plants.

DIMO Unique Projects	Progress Intact				Forward Motion
	2021/22	2022/23	2023/24	2024/25	
<p>'Project 'Life' at Kanneliya</p> <p>The restoration project at Kanneliya, a collaboration among 15 stakeholders including corporates, communities, and public entities, successfully rehabilitated 12 hectares of degraded land. DIMO participated as a funding partner alongside Biodiversity Sri Lanka (BSL) and 11 other corporates, initially. The initiative, supported technically by the IUCN and guided by the Forest Department of Sri Lanka, has been recognized as a model case study for its science-based restoration methods. The local community played a central role in implementation and site care. DIMO now continues its support as the project's official fertilizer partner.</p> <p>Restored Area: 12 Hectares Fertilizer: Introduced a Forest Fertilizer</p> <div>  <p>https://www.dimolanka.com/2024-2025-dimo-annual-report/url.php?id=32</p> </div> <div>    </div> <ul style="list-style-type: none"> • Targets 13.1 & 13.3 Strengthen resilience and adaptive capacity while improving education, awareness raising. • Targets 15.1, 15.2 & 15.5 Ensure the conservation, restoration – promote implementation of sustainable management of forests and take urgent action to reduce degradation. • Targets 17.7, 17.16 & 17.17 Promoting the development, transfer dissemination and diffusion of environmentally sound technologies, enhancing global partnership and encouraging effective public-private and civil society partnerships. 	38%	30%	20%	36%	<p>Milestones DIMO 800 Water Efficient Journey</p> <p>Short Term Targets 2024/25 60% Reuse of Treated Water</p> <p>Long Term Targets 2030 100% Reuse of Treated Water</p> <p>Decoding Metrics Reusing of 100% treated wastewater by recycling</p>


CREATING HARMONY – ONE STEP AT A TIME






DIMO Sustainability Agenda 2030	DIMO Strategic Priorities & Impact on Capitals	Risks	Opportunities
	Waste Management: Implementing responsible waste disposal and recycling practices.	Water Consumption & Discharge: Vehicle servicing requires significant water usage. Improper management of water discharge could lead to pollution of water bodies.	Waste Management: Targeting zero landfill waste.

DIMO Unique Projects	Progress Intact				Forward Motion	
	2021/22	2022/23	2023/24	2024/25		
<p>‘Paada Yathra’ - A Triumphant Partnership</p> <p>In response to a request from the Department of Wildlife Conservation (DWC), DIMO partnered with Biodiversity Sri Lanka (BSL) – EU Switch Aisia Project, Linea Aqua (Pvt) Ltd, Dilmah Tea, Lalan Rubbers and MAS Holdings – Brand Protection Unit. The idea was to use waste fabric to stitch a reusable bag to address the plastic pollution during the annual ‘Paada Yathra’ pilgrimage happening from May to July, which happens on foot from Jaffna to Kataragama through the Kumana and Yala National Park.</p> <p>Bags Distributed: 6,000 Bags for Collecting Garbage in Camping Sites: 30</p> <div><p>https://www.dimolanka.com/2024-2025-dimo-annual-report/url.php?id=33</p></div> <div><div></div><ul style="list-style-type: none">• Target 12.5 Substantially reduce waste generation.• Targets 17.7, 17.16 & 17.17 Promoting the development, transfer dissemination and diffusion of environmentally sound technologies, enhancing global partnership and encouraging effective public-private and civil society partnerships.</div>	<p>Gearing DIMO for No Single-Use Plastic</p> <p>After the successful implementation of the policy last year – the team is gearing up for the next phase of elimination of single-use plastics in our packaging and how we serve our customers with more sustainable solutions.</p> <div><p>https://www.dimolanka.com/2024-2025-dimo-annual-report/url.php?id=34</p></div> <div><ul style="list-style-type: none">• Target 12.5 Substantially reduce waste generation.</div>	<p>Reused 43%</p> <p>Recycled 33%</p> <p>Energy Recovery 24%</p>	<p>Reused 57%</p> <p>Recycled 22%</p> <p>Energy Recovery 21%</p>	<p>Reused 41%</p> <p>Recycled 51%</p> <p>Energy Recovery 8.6%</p>	<p>Reused 62%</p> <p>Recycled 32%</p> <p>Energy Recovery 6%</p>	<p>Milestones Zero Landfill</p> <p>Short Term Targets 2024/25 Zero Landfill</p> <p>Long Term Targets 2030 Zero Landfill</p> <p>Decoding Metrics No waste ends up in a landfill</p>

CREATING HARMONY – ONE STEP AT A TIME

DIMO Sustainability Agenda 2030	DIMO Strategic Priorities & Impact on Capitals	Risks	Opportunities
		<p>Potential for Chemical Spills & Leaks: Handling fuels, lubricants, and other chemicals in workshops and industrial operations carries the risk of accidental spills or leaks.</p>	<p>Community Engagement: Involving local communities in conservation efforts and promoting environmental awareness.</p>



DIMO Unique Projects		Progress Intact				Forward Motion
		2021/22	2022/23	2023/24	2024/25	
<p>Mangrove Restoration</p> <p>Our partnership with Wildlife Conservation Society-Galle and MAS Holdings has been continued this year as well. Progressively expanding restoration of mangroves with the support from the community.</p> <p>Restored Area: 7.4 hectares</p> <p>Community Impacted: 215</p> <div>    </div> <ul style="list-style-type: none"> Targets 13.1 & 13.3 Strengthen resilience and adaptive capacity while improving education, awareness raising. Targets 15.1, 15.2 & 15.5 Ensure the conservation, restoration – promote implementation of sustainable management of forests and take urgent action to reduce degradation. Targets 17.7, 17.16 & 17.17 Promoting the development, transfer dissemination and diffusion of environmentally sound technologies, enhancing global partnership and encouraging effective public-private and civil society partnerships. 		4.5 hectares	7.6 hectares	10.83 hectares	27.03 hectares	<p>Milestones</p> <p>More Partnerships for Conservation Efforts</p> <p>Short Term Targets 2024/25</p> <p>1:1 Restoration</p> <p>Long Term Targets 2030</p> <p>1:1 Restoration</p> <p>Decoding Metrics</p> <p>DIMO owns 33.18 hectares of land and restoring 33.18 hectares by 2030</p>
<p>Marine Turtle Conservation</p> <p>DIMO's long running project in Panama with Wildlife & Ocean Resource Conservation organisation is more 14 years. Our in-situ conservation method of protecting marine turtles has encouraged many stakeholders to be part of this initiative. Currently, both Commercial Bank and MAS Intimates are part of a growing and a very progressive conservation initiative.</p> <p>Restored Area: 3km</p> <p>Nests Protected: 139</p> <p>Hatchlings Released: 10,224</p> <div>    </div> <ul style="list-style-type: none"> Targets 15.5 & 15.7 Take urgent action to protect and prevent the extinction of threatened species. Targets 15.1, 15.2 & 15.5 Ensure the conservation, restoration – promote implementation of sustainable management of forests and take urgent action to reduce degradation. Targets 17.7, 17.16 & 17.17 Promoting the development, transfer dissemination and diffusion of environmentally sound technologies, enhancing global partnership and encouraging effective public-private and civil society partnerships. 						
<p>'Life to Our National Parks'</p> <p>In 2025, DIMO partnered with Biodiversity Sri Lanka (BSL) and the Federation of Environmental Organizations (FEO) on 'Life to Our National Parks' at Lunugamwehera National Park. The initiative targets the removal of two invasive plant species—'Podisingamara' Eupatorium odoratum and 'Gandapana' Lantana camara. By employing local labour for the removal process, the project supports community livelihoods. The invasive species will be dried and burned on-site to prevent regrowth.</p> <p>Restored Area: 15 hectares</p> <div>   </div> <ul style="list-style-type: none"> Targets 13.1 & 13.3 Strengthen resilience and adaptive capacity while improving education, awareness raising. Targets 15.1, 15.2, 15.5 & 15.8 Ensure the conservation, restoration – promote implementation of sustainable management of forests and take urgent action to reduce degradation. Introducing measures to reduce the impact of invasive alien species. Targets 17.7, 17.16 & 17.17 Promoting the development, transfer dissemination and diffusion of environmentally sound technologies, enhancing global partnership and encouraging effective public-private and civil society partnerships. 						

CREATING HARMONY – ONE STEP AT A TIME



Delivering Value & Fulfilling Purpose

DIMO is known for representing world-renowned brands such as Mercedes-Benz, TATA Motors, Komatsu, Black & Decker and many others. By offering reliable and high-performance vehicles, machinery, products along with genuine parts and skilled after-sales service, we deliver tangible value for our stakeholders. Our reputation is built on the reliability and prestige of the brands we associate, the comprehensive solutions we provide, the technological advancements and strong support and our contribution to the national economy.

We empower progress and development in the country through long-standing relationships with multiple stakeholders and by building sustainable partnerships - for business, for community and for conservation. At DIMO, we are committed to ethical and responsible operations throughout our operations. This commitment to doing business the right way reflects a deeper purpose beyond just profit generation. We consider it critical to train and develop our employees to build a skilled workforce: investing in local talent aligns with our purpose of national capacity building.


DIMO's leadership plays a crucial role in driving DIMO's Sustainability Agenda 2030. Our sustainability initiatives are comprehensive and deeply integrated into our business strategy. Driven by the CEO and the 4 Pillar Heads (page 120 and 128), the Agenda is committed to creating long-term value for all our stakeholders while contributing towards a sustainable future.

Below is how DIMO creates change in our work culture to bring the best integrated solutions within departments, within businesses – creating a resilient community driven by visionary leadership.

Virtuous Leadership	At DIMO
 Visionary Commitment	<p>Championing Sustainability at the top. Starting with the Board of Directors and the Group CEO, consistently making sustainability a core value, integrating ESG and making it a strategic priority in decision making and resource allocation.</p> <p>Articulating a clear-cut vision and purpose through DIMO Sustainability Agenda 2030, with its three pillars provides a strong foundation. Aligned with global frameworks like IFRS, UNSDGs and the company's purpose of 'fuelling dreams and aspirations' of the communities we serve.</p> <p>Integrating sustainability in strategic planning ensures that sustainability considerations are integrated in all aspects, from product development and supply chain management to market expansion and risk management. DIMO already aims to generate 50% of its revenue from sustainable products and services by 2030 which demonstrates clear integration.</p> <p>The leadership recognizes sustainability is not just a way to mitigate negative impacts, but is a strategic approach and opportunity to innovate, enhance customer experience, secure brand loyalty and foster long-term competitiveness.</p>
 Embedding Sustainability into Organisational Culture	<p>'DIMO Ability' initiative, an internal campaign showcases employee engagement as well as leadership roles within a sustainable workplace.</p> <p>Regular communication on sustainability related topics with employees, highlighting DIMO's goals, initiatives and progress through various media, engagement and activities. Conducting trainings and awareness to educate employees on sustainable practices relevant to their job role is key. DIMO Nature Club is a good example of engaging employees in conservation efforts and supporting community wellbeing.</p> <p>Empowering employees and encouraging employee participation in sustainability initiatives, creates a platform for them to contribute ideas and drive change from the ground up. The volunteerism promoted by DIMO Nature Club exemplifies this and programs like 'Powerfully You' which empowers women in the workplace.</p> <p>Recognizing and rewarding sustainable behaviour can bring significant changes. Mechanisms such as celebrating DIMO Nature Club's anniversary and recognizing members on their commitment to conducting school programs and engaging in other conservation and community wellbeing efforts demonstrates leadership and contributes significantly to DIMO's sustainability goals.</p>

Virtuous Leadership	At DIMO
 <p>Driving Sustainable Practices Across Operations</p>	<p>Establishing clear, measurable and time-bound key performance indicators is what drives sustainable practices across all operations. DIMO's Sustainability Agenda has 7 KPIs that cut across business, employees, community and the environment, visualizing the journey for 2030, setting a clear path.</p> <p>Implementing strategies to minimize waste, maximise resource efficiency and promote the reuse and recycling of materials across DIMO's value chain, promotes a circular economy within the group.</p> <p>The management systems in place throughout our business promotes standardization in environment management, occupational health and safety, certified quality assurance in our service while we ensure that we are conscious of our carbon footprint.</p> <p>Encouraging and investing in research and development of sustainable products, services and operational processes inspires continuous improvement. Our focus on electric vehicles, our own formula customization in Agri Fertilizer and innovative idea generation for vehicle service promotes investing in sustainable technologies and innovation.</p> <p>Integrating sustainability criteria into our supplier selection through our 'Supplier Code of Conduct' encourages our partners to adopt environmentally and socially responsible practices. DIMO's focus on transparency and social accountability in its agricultural supply chains is a positive step for sustainable supply chain management.</p> <p>Implementing measures to reduce energy consumption – promoting renewable energy sources like DIMO's energy solar PV systems and optimizing water usage, specifically in our vehicle service – where we reuse our wastewater for vehicle undercarriage washing. These actions not only contribute to energy and resource efficiency but also align with the Sustainability Agenda KPIs.</p>
 <p>Engaging Stakeholders & Building Partnerships</p>	<p>DIMO's collaboration with partners is what creates success stories. Partnering with other organisations; NGOs, government agencies, research institutes, other corporate entities to advance sustainability initiatives and sharing best practices, brings out the best results. Our biodiversity and environment projects are a few examples of working with different stakeholders including the community.</p> <p>It is not just collaboration externally; collaboration internally within departments is a key factor for a successful sustainable implementation within the organisation. We collaborate with many departments at DIMO to bring the best expertise from Power Tools, Vehicle Service and Technical Education for the community.</p> <p>This enhances our sustainability efforts and access to innovative solutions.</p> <p>Regularly reporting on DIMO's sustainability performance, progress towards targets and vision to all stakeholders; investors, customers, employees and the public demonstrate transparency in our communication and our commitment in our journey.</p> <p>DIMO's customer experience involves educating customers on sustainability aspects and encouraging them to make more sustainable choices through our excellent customer engagement.</p> <p>DIMO's community KPI for 2030 is very ambitious. Our continuity in investing in community development aligns with our 2030 KPI and strategy in creating a resilient community. Our focus is specifically on education and health care. Even our biodiversity restoration projects, working on climate and conservation, helps communities to thrive within a natural ecosystem while protecting it.</p>

CREATING HARMONY – ONE STEP AT A TIME

Virtuous Leadership	At DIMO
 <p data-bbox="134 720 284 768">Governance & Accountability</p>	<p data-bbox="393 466 1495 525">Defining clear roles and responsibilities for sustainability management across different levels and departments within DIMO is important as the Sustainability Agenda needs to be driven across the group.</p> <p data-bbox="393 541 1495 630">The agenda is driven by the Group CEO with the support of the Pillar Heads. There is 4 Pillar Heads identified within the 3 Pillars to give the right leadership. Each Pillar has representatives of teams that represent the relevant departments or teams that contributes their expertise in driving the agenda.</p> <p data-bbox="393 646 1495 766">DIMO has an anti-harassment policy, code of conduct, ethical labour practices, and management systems in place to ensure ethical business conduct. We also make sure that our new businesses onboarding mechanism as well as our suppliers onboarding mechanisms are practiced through our criteria for onboarding and through our supplier code of conduct.</p> <p data-bbox="393 783 1495 871">Our monthly meetings with Pillar Heads, monthly Management updates, and monthly Employee Council updates have established a system for regular monitoring and evaluation of sustainability initiatives and their impact to business, society and environment.</p> <p data-bbox="393 888 1495 976">We have allowed our employees to give feedback in most of our activities and our new environmental Power BI Dashboard will visualize our data for better decision making. This allows us to adjust facilitate continuous improvement.</p>

CONSOLIDATED STATEMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE

Table 57: Statement of Environmental, Social and Governance (ESG) Performance

For the year ended on 31st March	Note	2024/25	2023/24	2022/23
Environmental Performance				
Resources				
Non-renewable energy consumption for operations (GJ)	2.1	18,241	50,795*	42,883
Generation of Renewable Energy (GJ)	2.2	17,431	11,605	11,415
Water consumption for operations (m ³)	2.3	74,648	69,915	50,964
Total treated wastewater (m ³)	2.3	9,098	2,524	3,012
Total treated wastewater reused (m ³)	2.3	3,279	1,770	917
Waste				
Non-hazardous waste (kg)	2.4	716,156	428,088	156,327
Hazardous waste (kg)	2.4	83,929	81,000	66,903
Non-hazardous waste (Units)	2.4	659,879	650,899	314,498
Hazardous waste (Units)	2.4	35	624	758
Emission				
Carbon emitted for operations (tons CO ₂ e)	2.5	121,750	4,888	3,604
Biodiversity				
Land restoration (hectares)	2.6	27.03	10.83	7.63
Social Performance				
People & Employees				
Total employees as at 31st March	3.1	1,994	1,933	1,737
Employee retention rate (%)	3.1	96.99	-	-
Employee turnover (%)	3.1	19.14	18.64	22.05
Female employees as a percentage of total employees (%)	3.2	14	14	12
Number of permanent jobs created for trainees		84	-	-
Number of promotions	3.2	199	-	-
Total number of female employees in decision making roles	3.2	64	59	54
Employee engagement score (out of 5)	3.3	4.27	4.20	4.20
Employee Trust Index (out of 100)	3.4	87	81	84
Total number of injuries and occupational diseases	3.5	12	12	9
Average training hours per employee	3.6	15.92	20.1	10.87
Investment in training (Rs.000)	3.6	13,180	24,438	1,149
Employee volunteer hours	3.6	5,139	5,037	967
Total employee benefits distributed (Rs. 000)	3.8	5,865,395	5,570,827	4,470,904
Customers and Society				
Customer Satisfaction Index (%)	3.7	91	91	89
Duty and tariff paid (Rs. 000)	3.8	10,359,762	5,756,450	2,696,486
Investment in Sustainability Initiatives (Rs. 000)	3.8	69,976	31,174	16,965
Number of apprenticeships provided for technical education	3.9	936	814	794
Governance Performance				
Values and Ethics				
Employees trained on DIMO's code of conduct	4.1	764	455	182
Number of whistle-blowers cases reported and solved	4.2	2	0	3
Anti-harassment helpline cases reported and solved	4.3	17	17	6
Management Systems				
Number of board meetings held	4.4	16	-	-
Female representation of board	4.4	1	-	-
Number of audit committee meetings	4.5	4	-	-
Number of total audits conducted on management systems	4.5	3	2	2
Number of major non-compliances reported in Management Systems	4.5	0	0	0
Data Privacy and Security				
Employee trained on data privacy	4.6	764	455	182



Supplementary Information

<https://www.dimolanka.com/2024-2025-dimo-annual-report/url.php?id=35>



NOTES TO THE CONSOLIDATED STATEMENT OF ESG PERFORMANCE

SECTION 01 – BASIS OF PREPARATION

General Reporting Standards and Principles

This ESG statement is prepared for Diesel & Motor Engineering PLC (DIMO) and for the subsidiaries over which DIMO exercises management control. Information pertaining to joint ventures is included where relevant. More information about Group entities can be viewed on page 9.

The Sustainability KPIs that were launched in 2022/23 with the DIMO Sustainability Agenda 2030 – state our long term and short term strategic KPIs. The indicators reported in the ESG statement are those that are material to the Group and reported based on the guidelines provided below:

- GRI Standards issued by the Global Sustainability Standards Board (GSSB)
- International Integrated Reporting Framework (International <IR> Framework) 2021. The company is a Sustainability Alliance Member of the International Sustainability Standards Board (ISSB).
- Sustainability Accounting Standards Board (SASB) Standards that play an important role in the IFRS Foundation's Climate-related Disclosures Exposure Draft and General Requirements for Sustainability-related Disclosures Exposure Draft, 2018-10 version.
- The Greenhouse Gas Protocol Corporate Standard published by World Resource Institute (WRI) and World Business Council for Sustainable Development (WBCSD) is used to measure and report on the Group's carbon footprint.
- The Code of Best Practices in Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka and The Securities and Exchange Commission of Sri Lanka in 2017.

- The SLFRS S2 standards will become mandatory for DIMO for the reporting period beginning on or after 1st of April 2025. In preparation for this requirement, DIMO has voluntarily disclosed selected information aligned with the standards.
- ISO 14064-1:2018 specification with guidance at organisation level for quantification and reporting of greenhouse gas emissions and removals.

DIMO applies reporting principles highlighted in the GRI standards, SASB and <IR> Framework to ensure the quality of information presented. DIMO has opted for adoption of SLFRS S1 and S2. Key principles followed in the preparation of ESG statements and related information are highlighted below.

Materiality

Considers how DIMO's operations affect environment and society at large (inside-out) and how environment and social issues impact DIMO's financial performance (outside-in), gauging DIMO's value creation ability in the short, medium, and long term. The sources of inputs for this determination are the material issues identified through key stakeholders, key risks and opportunities arising out of risk management discussions. Our risk management, capital reports, segment reports on pages 35 to 98, evaluate the key risks and opportunities and what may be anticipated arising out of these.

Stakeholder Inclusiveness

An independent market survey is carried out every year on perceptions of DIMO stakeholders on products, customer experience and sustainability overall. By reviewing our stakeholder need assessment through our management systems annually helps identify key aspects and new stakeholders. Refer page 100 to 104 for more information about stakeholder engagement.

Accuracy, Completeness, and Verifiability of Data

Accuracy, completeness, and the verifiability of information is ensured by the accredited management systems that are audited annually by an independent external party. They are:

- ISO 14001:2015 Environmental Management System
- ISO 9001:2015 Quality Management System
- ISO 45001: 2018 Occupational Health and Safety Management System
- ISO 14064-1:2018 Organisational Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals

Comparability

Indicators presented in this statement are calculated based on guidelines presented in the GRI and SASB sustainability standards. All updates and revisions to the above-mentioned new data that is reported is due to improvements of ESG reporting that was not measured in previous years. guidelines were applied where necessary. In preparation for this requirement, DIMO has voluntarily disclosed selected information aligned with SLFRS S2 standards. The new upgrade is the adoption of qualitative data in line with SLFRS S1 and S2.

SECTION 02 – ENVIRONMENTAL PERFORMANCE

2.1 Non-renewable Energy & Electricity Consumption

Table 58: Non-renewable energy consumption in operations at DIMO

Description	Source	Unit	Consumption			
			2024/25	Change (%)	2023/24	2022/23
Generators	Diesel	GJ	629.01	151%	250.51*	6,396
Boilers	Diesel	GJ	321.65			
	Kerosene	GJ	305.46		-	-
Vehicles	Petrol	GJ	1,604.46	-96%	39,636	32,452
Diesel for Vehicles	Diesel	GJ	6,217.14	248%	1,786	-
Forklifts & Other	Diesel	GJ	37.97	-98%		
	Acetylene	GJ	3.89	-100%		
Electricity	Grid Electricity	GJ	9,121.74	0%	9,123	4,035
Total		GJ	18,241.32	-64%	50,795.15*	42,883

*Restated - Energy consumption figure was corrected using more accurate energy factors.

An Analytical Review

DIMO's energy consumption consists of the consumption of power and fuel for its operations. This is in addition to the renewable energy generated internally, and the hydro-power and coal-generated power obtained via the national grid. All other energy sources were non-renewable sources such as petrol and diesel. The measurement is calculated based on meter readings and invoices.

Energy consumption increased during the 2024/25 financial year due to the considerable amount of data captured this year, including diesel and petrol for operations.

2.2 Renewable Energy Generation

Table 59: Renewable energy generation at DIMO

Location	Unit	Capacity (kW)	Energy Generation (GJ)		
			2024/25	2023/24	2022/23
DIMO Embilipitiya Solar PV Plant	Ground Mounted	1,000	5,153	5,019	5,070
DIMO Beliatta Solar PV Plant	Ground Mounted	2,409.75	1,847	-	-
DIMO Head Office	Rooftop Mounted	574.15	2,432	-	-
DIMO 800, Mercedes Benz Showroom	Rooftop Mounted	700	2,074	2,722	2,753
DIMO Weliveriya	Rooftop Mounted	807	1,811	2,864	2,894
DIMO Siyambalape	Rooftop Mounted	237	609	947	698
DIMO Anuradhapura	Rooftop Mounted	207.64	753	-	-
DIMO Kurunegala	Rooftop Mounted	384.96	1,714	-	-
DIMO Jaffna	Rooftop Mounted	197.20	960	-	-
DIMO Engineering Solutions	Rooftop Mounted	21.09	78	53	-
Total	Rooftop Mounted	6,539	17,431	11,605	11,415

An Analytical Review

DIMO's renewable energy generation reached 17,551 GJ in 2024/25, marking a 51% increase from the previous year. With a total installed capacity of 6,539 kW across rooftop and ground-mounted systems, key contributors include Embilipitiya, DIMO Head Office, and DIMO 800. Newly added or recently reported sites such as Beliatta and DIMO Head Office significantly boosted output.

DIMO has developed a comprehensive decarbonization plan addressing all three emission scopes, reinforcing its commitment to climate action across the entire value chain.

Non-renewable energy consumption to generate one million turnover

0.36 GJ
(2023/24 – 1.18 GJ)

Emission consumption to generate one million turnover

2.43 tCO₂e
(2023/24 – 0.11 tCO₂e)

Water consumption to generate one million turnover

1.49 m³
(2023/24 – 1.60 m³)

NOTES TO THE CONSOLIDATED STATEMENT OF ESG PERFORMANCE

SECTION 02 – ENVIRONMENTAL PERFORMANCE

2.3 Water Consumption

Table 60: Water consumption for operations

Description	Unit	Consumption			
		2024/25	Change (%)	2023/24	2022/23
Municipal Water	m ³	47,684	(4)	49,501	34,854
Ground Water	m ³	23,411	32	17,675	15,193
Total Treated Wastewater Reused	m ³	3,279	30	2,524	917
Rainwater Harvesting	m ³	274	28	214	-
Total Water Consumption	m³	74,648	7	69,914	50,964

An Analytical Review

DIMO's main water source is municipal water. Water used at the Colombo Head Office, Siyambalape, Anuradhapura, Kurunegala, THF-Kurunegala and DIMO 800 MB centre involves an Effluent Treatment Plant (ETP) for treating wastewater as per local environmental regulations.

There is an increase in the percentage of reused treated water and harvested rainwater.

2.4 Waste and Effluents

Table 61: Waste generated from operations

Description	Hazardous/Non-Hazardous	Disposal Method	Units	Consumption			
				2024/25	Change (%)	2023/24	2022/23
Municipal Water	m ³	47,684	(4)	49,501	34,854	11,471	14,298
Ground Water	m ³	23,411	32	17,675	15,193	624	758
Total treated wastewater reused	m ³	3,279	30	2,524	917	31,360	41,640
Rainwater Harvesting	m ³	274	28	214	-	35	57
Total Water Consumption	m³	74,648	7	69,914	50,964	8,032	9,760
Batteries	Hazardous	Recycle	Units	4	0	8	
Saw Dust	Hazardous	Incinerate	kg	-	-	6,700	
Saw Dust	Non-Hazardous	Reuse	kg	210,945	29,142	-	
Cardboard Boxes	Non-Hazardous	Recycle	kg	56,387	31,234	14,873	
Metal Scrap	Non-Hazardous	Recycle	kg	87,072	55,871	9,142	
Food/Organic Waste	Non-Hazardous	Reuse	kg	38,239	35,840	22,982	
Pallets	Non-Hazardous	Reuse	kg	95,858	63,243	51,900	
Plastic	Non-Hazardous	Recycle	kg	7,176	4,905	2,514	
Polythene	Non-Hazardous	Recycle	kg	65,520	36,552	19,296	
Filters	Non-Hazardous	Recycle	Units	13,702	10,581	12,751	
Metal Dust	Non-Hazardous	Reuse	kg	2,360	1,812	10,497	
Tyres	Non-Hazardous	Recycle	Units	603	394	544	
A4 Paper	Non-Hazardous	Recycle	kg	8,555	21,089	11,828	
Gunny Bags	Non-Hazardous	Reuse	Units	645,420	638,735	301,195	
Glass Bottles	Non-Hazardous	Recycle	kg	-	28	-	
Fruit Waste	Non-Hazardous	Recycle	kg	144,000	148,400	-	
Plastic Cans	Non-Hazardous	Recycle	kg	-	1,189	-	

An Analytical Review

Waste is collected and segregated using colour coded bins placed around DIMO's premises. Waste is measured as the sum of all the waste disposed at different locations based on weight logs and invoices received for paid waste disposal and collectors. Waste is disposed for reusing, recycling, or for energy recovery by incineration through suppliers approved by the Central Environmental Authority (CEA).

2.5 Emission

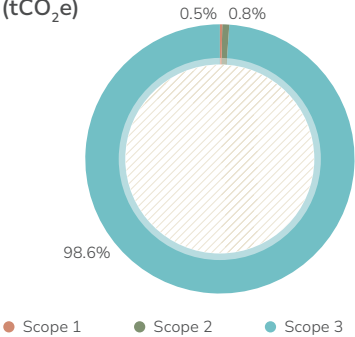
Table 62: Group-level GHG Emissions 2024-25

		2024/25		
Total Group Level GHG Emissions			121,751	
Scope 1	Stationary	Generators	44.24	
		Boilers	51.88	
		Acetylene	1.51	
		Fertilizer Use	9.48	
	Mobile	Vehicles	555.1	
		Off-road vehicles (Forklifts)	2.94	
	Fugitive	Fire Extinguishers	0.40	
Total Scope 1 Emissions			666	
Scope 2	Purchased Electricity	Grid Electricity	1,029.24	
Total Scope 2 Emissions			1,030	
Scope 3	1. Purchased Goods & Services	Purchased Goods	3.59	
		Purchased Services	14.94	
		Raw Materials	24,247.16	
		Imports	6,062.29	
	2. Capital Goods	Capital Goods	390.84	
		3. Fuel & Energy Related Activities	Upstream emissions of purchased fuels	227.14
		T&D Losses	105.54	
	4. Upstream transportation and distribution	Freight Emissions	24,251.63	
		Internal Transportation & Distribution	365.98	
		Downstream Delivery	16.16	
	5. Waste generated in operations	Waste Disposal	3.03	
		6. Business Travel	Air Travels	208.19
		Employee Fuel Cards & Reimbursements	2,884.69	
	7. Employee Commute	Employee Commute	2,437.57	
		8. Upstream leased assets	Leased Assets	37.88
	9. Downstream Transportation and Distribution	NA		
		10. Processing of Sold Products	NA	
	11. Use of Sold Products	Passenger Vehicles	4,832.40	
		Commercial Vehicles	1,704.22	
		Retail	0.18	
		Agri Fertilizer	50,442.66	
		Refrigerant Gases for Customers	608.69	
		Construction Machineries	1,197.70	
		Commercial Vehicles	1.21	
		Construction Machineries	0.43	
		Retail	11.31	
	13. Downstream Leased Assets	NA		
		14. Franchises	NA	
		15. Investments	NA	
	Total Scope 3 Emissions			120,056

NOTES TO THE CONSOLIDATED STATEMENT OF ESG PERFORMANCE

SECTION 02 – ENVIRONMENTAL PERFORMANCE

Graph 46:
Scope Percentage of Total Emissions
(tCO₂e)



An Analytical Review

The methodology of measurement of the emissions follows the WBCSD/WRI Greenhouse Gas Protocol's Corporate Standard (Revised Edition). Reporting is under Scopes 1, 2 and 3, according to the nature of business at DIMO.

An year on year comparison of DIMO's emission is not reported or mentioned in this report due to more comprehensive data and information being available this year, and therefore not directly comparable with previous years. The accuracy of data is ensured by ISO 14064-1: 2018, verification by the Sri Lanka Climate Fund (SLCF).

Figure 21: GHG Verification Opinion



2.6 Biodiversity

Table 63: Number of hectares restored

Project	Number of Hectares Restored			
	2024/25	% Change	2023/24	2022/23
'Life to Reef' – Coral Restoration at Rumassala	3.5	-	3.5	3.5
'Life' Project at Kanneliya	1	-	1	1
Mangrove Restoration at Galle	7.4	19	6.2	3
Marine Turtle Conservation at Panama	0.13	-	0.13	0.13
Life to Our National Park at Lunugamvehera	15	-	-	-
Total	27.03	150	10.83	7.63

An Analytical Review

DIMO Sustainability Agenda 2030 – the Biodiversity KPI is 1:1 restoration. This is measured through the increased number of hectares restored during the year, which totalled 33.18 hectares of DIMO owned land area (2022 baseline).

A total of 27.03 hectares were restored across five biodiversity projects. This growth is largely attributed to the new "Life to Our National Park at Lunugamvehera" initiative, which by itself contributed 15 hectares. Ongoing efforts such as Mangrove Restoration at Galle, Marine Turtle Conservation at Panama, and providing fertilizer to Kanneliya 'Life' project maintained a steady progress during 2024/25.

SECTION 03 – SOCIAL PERFORMANCE

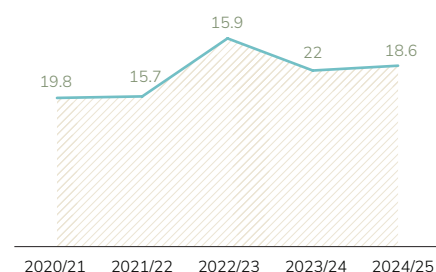
3.1 Number of Employees and Employee Turnover

Table 64: Employee composition as at 31st March;

	% Change	2024/25	2023/24
Contract Female		29	11
Contract Male		109	69
Permanent Female		252	261
Permanent Male		1,604	1,592
Grand Total		1,994	1,933

Graph No 47: Employee Turnover in last five years

Graph 47: Employee Turnover



An Analytical Review

The number of employees is recorded as all employees except those undergoing internships and apprenticeships as at the year-end.

The employee retention rate is calculated by dividing the number of employees remaining at the end of the financial year by the number of employees at the beginning of the year.

The rate of employee turnover is measured as the number of employees who left the Group during the financial year including those whose contracts were terminated, divided by the average number of employees for the financial year.

In 2024/25, the employee turnover rate was 19.14%, showing a slight increase compared to 18.64% in the previous year. However, it remains lower than the peak of 22.04% recorded in 2022/23. The organisation also achieved a strong employee retention rate of 96.99%, reflecting continued efforts in employee engagement and retention strategies.

3.2 Employee Diversity

Table 65: Employee diversity as at 31st March 2025

Age Group	Directors		Senior Mgt.		Middle Mgt.		Executive		Clerical/ Supervisory		Manual		Non-Ex-Contract		Total Employees	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F
<20	-	-	-	-	-	-	-	-	3	-	1	-	2	-	6	-
21-30	-	-	-	-	21	7	165	77	138	24	177	2	20	9	521	119
31-40	-	-	9	3	140	24	276	48	62	9	110	0	11	-	608	84
41-50	1	0	21	5	104	18	155	9	39	10	75	-	3	1	398	43
51<	8	1	16	2	40	4	54	8	19	14	21	-	22	6	180	35
Total	9	1	46	10	305	53	650	142	261	57	384	2	58	16	1,713	281

An Analytical Review

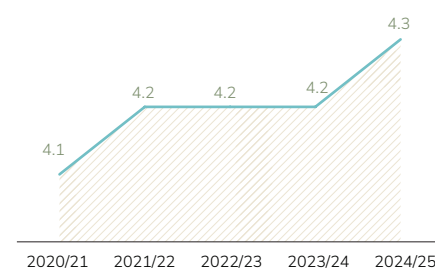
Employee diversity is a measure of total female employees as a percentage of total male employees. Senior management includes all employees of the senior manager designation and above, while middle management consists of employees above the assistant manager designation but below senior manager. Both middle management and senior management employees are considered employees in decision-making capacities.

During the financial year 2024/25, a total of 199 employees were promoted based on their performance. Additionally, 64 female employees held decision-making roles, reflecting the organization's continued commitment to gender diversity and merit-based advancement.

3.3 Employee Engagement Score

Graph No 48: Employee engagement score during the last five years

Graph 48: Employee Engagement Score



An Analytical Review

The employee engagement survey is conducted internally and is open to all employees. The survey includes 12 questions based on the internationally recognised Gallup Q12 Employee Engagement Questionnaire. The survey is carried out by the HR division, with proper mechanisms in place to ensure the integrity and independence of the results.

NOTES TO THE CONSOLIDATED STATEMENT OF ESG PERFORMANCE

SECTION 03 – SOCIAL PERFORMANCE

The employee engagement score has shown a consistent upward trend over the past five years, increasing from 4.1 in 2020/21 to 4.3 in 2024/25. The latest score reflects the highest level of engagement recorded during the period, indicating ongoing improvements in workplace culture, communication, and employee satisfaction.

3.4 Employee Trust Index

Table 66: Employee Trust Index – comparison with the averages of Sri Lanka's Best Workplaces (Large)

Statement	DIMO (%)	2024 Sri Lanka's Best Workplaces (Large) (%)
I'm proud to tell others that I work here	93	95
People here are treated fairly regardless of their race	92	93
When you join the company, you are made to feel welcome	92	94
I feel good about the ways we contribute to the community	92	93
This is a physically safe place to work	91	93

An Analytical Review

The Employee Trust Index is an independent survey carried out by Sri Lanka's Great Place to Work Institute. The survey is open to all employees and this year DIMO recorded a response rate of 81.5% of all employees. The trust model consists of five aspects, namely credibility, respect, fairness, pride, and camaraderie.

Over the past few years, the Employee Trust Index has shown consistent positive progress, reaching 87% in 2024/25 financial year. This upward trend reflects the growing confidence employees have in the organisation and underscores the effectiveness of DIMO's people-centric employment practices.

3.5 Employee Health and Safety

Table 67: Employee injuries and lost working days

Injuries/Diseases/ Fatalities/ Lost working days/ Absenteeism	2024/25		2023/24		2022/23	
	Rate	Total No	Rate	Total No	Rate	Total No
Injuries	0.28%	11	0.43%	12	0.52%	9
Occupational Diseases	0.0002%	1	-	-	-	-
Lost Working Days	0.02%	72.5	0.02%	168	0.02%	82
Work Related Fatalities	-	-	-	-	-	-

An Analytical Review

An injury is defined as a non-fatal or fatal injury arising out of, or during, work. Injury rate is calculated based on the frequency of injuries, relative to the total time worked by all workers during the reporting period.

An occupational disease is defined as disease arising from a work situation or activity, or from a work-related injury (Example - stress or regular exposure to harmful chemicals).

Lost working days are the number of days that work cannot take place (and are thus 'lost') because of a worker or workers being unable to perform their usual work due to an occupational disease or accident.

Injuries and occupational diseases are recorded based on the logs maintained by the medical officer of each respective location.

In 2024/25, workplace safety showed notable improvement with a reduction in injuries and a 56.8% decrease in lost working days compared to the previous year. While zero fatalities were maintained, one case of occupational disease was reported.

64

Females in Leadership Roles
(2023/24 – 59)

4.27

Employee Engagement Score
(2023/24 – 4.2)

3.6 Employee Training and Development

Table 68: Average Training Hours per Employees for 2024/25

Category	Gender	No. of Employees	No. of Training hrs	Per employee training hrs per year
Board of Directors	M	4	24	6
	F	1	9	9
Senior Management	M	34	660	19.41
	F	5	129	25.80
Middle Management	M	25	176	7.04
	F	6	27	4.50
Junior Management	M	144	2,651	18.41
	F	32	510	15.94
Executive	M	171	2,861	16.73
	F	59	896	15.18
Clerical/ Supervisory	M	51	488	9.57
	F	2	38	19
Sales	M	4	19	4.75
	F	-	-	-
Manual	M	18	365	20.28
	F	-	-	-
Total	M	451	7,244	16.06
	F	105	1,609	15.32
	Total	556	8,853	15.92

An Analytical Review

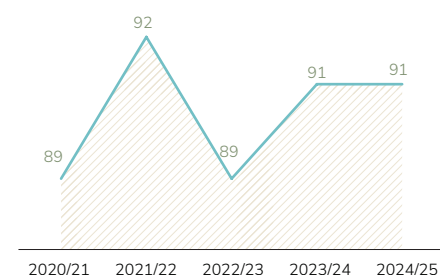
Training hours per employee are calculated based on total hours of training provided to each employee category and the total number of employees trained. Employee training hours are measured based on training logs maintained by the HR Division.

The focus of the year was to increase the number of employees being trained and to increase training hours with new training programs.

3.7 Customer Satisfaction Index

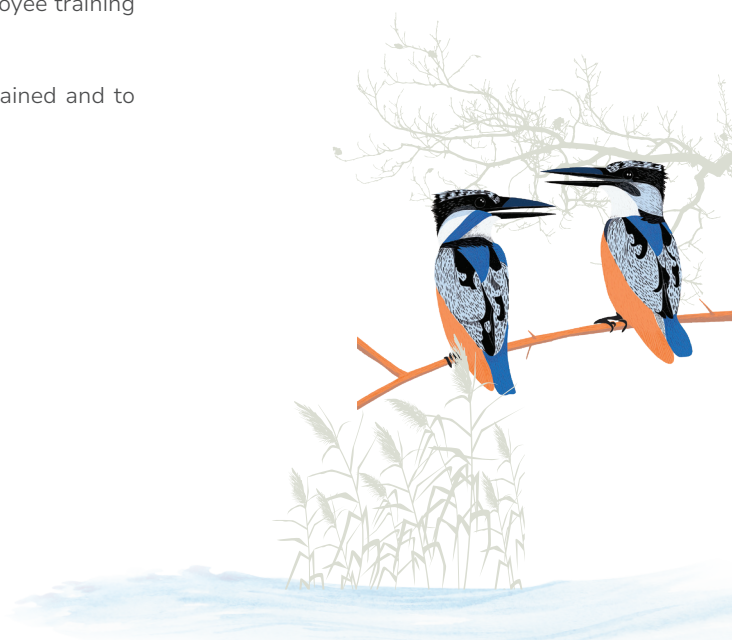
Graph No 49: Customer Satisfaction Index

Graph 49: Customer Satisfaction Index



An Analytical Review

Customer satisfaction is measured using a questionnaire filled out by customers at each business unit level, which is then consolidated at segment level. For each product and service type, the questionnaire addresses areas such as delivery time, employee interaction levels, and quality, covering all types of customers. The dedicated Customer Experience division of the Group conducts the survey via telephone, email, and where relevant one-one interviews.



NOTES TO THE CONSOLIDATED STATEMENT OF ESG PERFORMANCE

SECTION 03 – SOCIAL PERFORMANCE

3.8 Statement of Monetised Value Added and Distributed

Table 69: Statement of monetised value created and distributed

For the period of (Rs. '000)	Group			
	2024/25		2023/24	
Gross Turnover	50,174,979		43,644,295	
Other income	455,364		575,243	
Less: Cost of Material and Services bought in	(31,870,576)		(29,296,138)	
Monetised Value Created	18,759,766		14,923,400	
Distribution of Value Added				
Employees	32.04%	5,865,395	37.33%	5,570,827
Government	56.63%	10,367,475	38.75%	5,782,299
Lenders	14.49%	2,652,099	20.05%	2,992,174
Investment of Social & Environmental Progress	0.38%	70,028	0.21%	31,174
Shareholders	0.25%	46,157	0.75%	112,119
Retained in the Business	(3.79%)	(694,522)	2.91%	434,807
Depreciation Set Aside	2.67%	489,451	3.04%	454,321
Profit Retained	(6.47%)	(1,183,973)	(0.13%)	-19,514
	18,306,632		14,923,400	

An Analytical Review

The statement of monetised value created and distributed measures the financial value created by the Group and how the financial value thus created is distributed among different stakeholders, thereby facilitating economic and social progress. Financial transactions recorded in the accounting system are the basis for this calculation.

Table 70: Duty and Tariffs Breakdown

(Rs. 000)	2024/25	2023/24	2022/23
Duty on Imports	8,377,250	4,300,000	2,002,326
Corporate Income Tax	78,961	148,073	175,974
Other Taxes Including Value Added Tax	1,911,263	1,876,442	518,186
Group Total	10,367,475	6,324,515	2,696,486

An Analytical Review

Duty on imports is the custom tariff the Group pays when clearing goods imported into Sri Lanka. Corporate income tax is the direct tax paid to the government on the taxable income for the financial year. The basis on which these taxes are calculated is disclosed from page 240 to 242 in financial statements. The amounts are extracted from the financial accounting system and recorded based on invoices.

Investments for Sustainability Initiatives

(Rs. '000)	2024/25
Investment for environmental initiatives	7,274
Investment for social initiatives	62,702
Group Total	69,976

An Analytical Review

Investments for sustainability initiatives include investments made by DIMO in both environmental initiatives and social initiatives. Additionally, investments in the free automobile course which is conducted by DIMO Academy of Technical Skills (DATS) has been included in the cost of social initiatives.

DIMO promotes volunteerism through DIMO Nature Club engaging employees for conservation and community wellbeing.

Volunteer Hours

5,139

(2023/24 - 5,037)

222

DATS Enrolled Students

(2023/24 - 116)

714

Internships

(2023/24 - 599)

3.9 Apprenticeships Provided for Technical Education

Table 71: Number of trainees enrolled during the year

	2024/25		2023/24		2022/23	
	F	M	F	M	F	M
DATS (Graduates)	-	33	2	49	4	37
DATS (Certificate course completed students)	-	-	-	65	-	-
Universities/Technical Institute	188	526	154	445	118	560
Other (DATS Trainings)	3	186	-	99	4	71
Total	191	745	156	658	126	668

In 2024/25, a total of 936 trainees (191 female and 745 male) were enrolled in various apprenticeship programs, marking a 14.99% increase from 814 trainees in 2023/24. Female participation increased significantly from 156 to 191, highlighting progress in gender inclusion within technical education pathways. This growth reflects the organization's continued commitment to technical education and skill development.

An Analytical Review

Apprenticeships for technical education include paid and unpaid internships for youth who have completed, or are following, vocational or technical education courses. Many of these enrolments are for apprenticeships at DIMO's vehicle service workshops. The basis of measurement are logs maintained by the HR division and DATS admin.

SECTION 04 – GOVERNANCE PERFORMANCE

4.1 Training on Values and Ethics

An Analytical Review

Demonstration of values and ethics by employees is defined by standards of leadership and DIMO's code of conduct. Every recruit undergoes training on the code of conduct and the standards of leadership. The measurement is based on logs maintained by the HR division.

4.2 Whistle-blower Cases Reported and Solved

An Analytical Review

DIMO's Whistle-blower Policy encourages employees to raise their concerns related to, but not limited to, unlawful acts, illegal acts, acts that are below DIMO's standards and any harassment related act, directly to the Group Chief Executive Officer, Chairman or the Head of Internal Audit. Such cases reported and solved are the basis for this measurement.

4.3 Anti-harassment Helpline Cases Reported and Solved

An Analytical Review

As part of DIMO's Respectful Workplaces Program, we have established an Anti-Harassment Helpline. It is managed by an IFC-trained independent consultant who receives complaints and conducts inquiries in a confidential, impartial, and credible manner, in accordance with the IFC Survivor-Centered approach. Following inquiries, the Consultant advises and recommends innovative and creative initiatives inspired by international standards and best practices and tailored to the organisation's needs, geared at both individual relief and systemic change.

4.4 Board Meetings

At DIMO, the Board of Directors plays a pivotal role in steering the company's strategic direction, with ESG

considerations integrated into boardroom deliberations. Regular meetings are held to ensure oversight on key matters, including sustainability, ethical business conduct, and risk management. The Board remains committed to transparency, accountability, and fostering responsible governance practices that align with both local regulatory requirements and global ESG standards.

4.5 Management Systems

Management systems are the processes, procedures and methodology in place with defined KPIs to ensure that the desired results are delivered in each area managed by the system.

NOTES TO THE CONSOLIDATED STATEMENT OF ESG PERFORMANCE

SECTION 04 – GOVERNANCE PERFORMANCE

Table 72: DIMO’s Management Systems

Management System	Areas Governed	Accredited
Environmental Management System	Consistent with the organization's environmental policy, the intended outcomes of an environmental management system include the enhancement of environmental performance, fulfilment of compliance obligations, and achievement of environmental objectives.	ISO 14001:2015
Quality Management System	Needs to demonstrate the ability to consistently provide products and services that meet customer needs within applicable statutory and regulatory requirements. Aims to enhance customer satisfaction through the effective application of the system, including processes for improvement of the system and the assurance of conformity to applicable statutory and regulatory requirements.	ISO 9001:2015
Occupational Health and Safety Management System	Consistent with the organization's OH&S policy, the intended outcomes of an OH&S management system include continual improvement of OH&S performance, fulfilment of legal requirements and other requirements, achievement of OH&S objectives.	ISO 45001: 2018
GHG Emission Inventory & Verification	Greenhouse gas and climate change management and related activities	ISO 14064: 1 (2018)

An Analytical Review

Environmental and social factors are integrated into daily business operations and decision making through the management systems. To ensure the proper operation of the management systems, one internal and one independent external audit are carried out every year. A dedicated team – the DIMO Compliance team - is employed to ensure delivery of this mandate.

Non-compliances reported in these management systems during independent audits are extracted from audit reports.

4.6 Data Privacy & Security

An Analytical Review

Governance of Information Security rests with a separate Information Security unit attached to the Internal Audit division. The division consists of information security experts and works with the intention of safeguarding information assets of the company.

Data privacy of customers is ensured by controlling the access to customer databases in the ERP system.

Periodic audits are conducted to ensure that data security mechanisms are working properly. These include general control audits, internal and external vulnerability assessments, audits of firewalls, audits of access points and end point security audits.

Each employee recruited to DIMO is educated on the data privacy policy during their orientation.

INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF DIESEL & MOTOR ENGINEERING PLC ON ESG STATEMENT



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Conclusion

We have performed a limited assurance engagement on whether the Sustainability Indicators in the Integrated Annual Report of Diesel & Motor Engineering PLC for the year ended 31st March 2025 has been prepared in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards and the Sustainability Accounting Standards Board (SASB) Framework ('Multiline and Specialty Retailers & Distributors', 'Agricultural Products', 'Engineering & Construction Services' and 'Solar Technology Project Developers').

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Indicators in the Integrated Annual Report of Diesel & Motor Engineering PLC for the year ended 31st March 2025 (summarized in the table below) are not prepared, in all material respects, in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards and the Sustainability Accounting Standards Board (SASB) Framework ('Multiline and Specialty Retailers & Distributors', 'Agricultural Products', 'Engineering & Construction Services' and 'Solar Technology Project Developers').

This conclusion on the Sustainability Indicators in the Integrated Annual Report of Diesel & Motor Engineering PLC for the year ended 31st March 2025 does not extend to any other information that accompanies the integrated report. We have read the other information, but we have not performed any procedures with respect to the other information.

Basis for conclusion

We conducted our engagement in accordance with Sri Lankan Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka (ICASL). Our responsibilities under this standard are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics).

Our firm applies Sri Lanka Standard on Quality Management 1 (SLSQM 1), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and,

Limited Assurance Sustainability Indicators	Integrated Annual Report Page
Financial and ESG Highlights	10
Consolidated ESG Statement	183 to 194
Information provided on following	
Financial Capital	66 to 71
Manufactured Capital	72 to 75
Human Capital	76 to 80
Intellectual Capital	81 to 88
Social & Relationship Capital	89 to 94
Natural Capital	95 to 98

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Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA (UK), R. G. H. Raddella ACA, Ms. D. Corea Dharmaratne

INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF DIESEL & MOTOR ENGINEERING PLC ON ESG STATEMENT

accordingly, maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Criteria Used as the Basis of Reporting

The criteria used as the basis of reporting is the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards and the Sustainability Accounting Standards Board (SASB) Framework ('Multiline and Specialty Retailers & Distributors', 'Agricultural Products', 'Engineering & Construction Services' and 'Solar Technology Project Developers').

Intended purpose of our Report

We have been engaged by the Directors of Diesel & Motor Engineering PLC ("the Company") to provide limited assurance on the Sustainability Indicators in the Integrated Annual Report of Diesel & Motor Engineering PLC for the year ended 31st March 2025 (the "Integrated Report"), prepared in accordance with Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards and the Sustainability Accounting Standards Board (SASB) Framework ('Multiline and Specialty Retailers & Distributors', 'Agricultural Products', 'Engineering & Construction Services' and 'Solar Technology Project Developers').

Restriction on use or distribution of our Report

This report has been prepared for the Directors of Diesel & Motor Engineering PLC for the purpose of providing an assurance conclusion on the Sustainability Indicators in the Integrated Annual Report

of Diesel & Motor Engineering PLC for the year ended 31st March 2025 and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Company, or for any other purpose than that for which it was prepared.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Diesel & Motor Engineering PLC, for any purpose or in any other context. Any party other than Diesel & Motor Engineering PLC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Diesel & Motor Engineering PLC for our work, for this independent assurance report, or for the conclusions we have reached.

Board of Directors and Management's responsibility

The Board of Directors and Management are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the Sustainability Indicators in the Integrated Annual Report of Diesel & Motor Engineering PLC for the year ended 31st March 2025 that are free from material misstatement, whether due to fraud or error.
- selecting suitable criteria for preparing the Sustainability Indicators in the Integrated Annual Report of Diesel & Motor Engineering PLC for the year ended 31st March 2025 and appropriately referring to or describing the criteria used; and
- preparation and fair presentation of the Sustainability Indicators in the Integrated Annual Report of Diesel

& Motor Engineering PLC for the year ended 31st March 2025 in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards and the Sustainability Accounting Standards Board (SASB) Framework ('Multiline and Specialty Retailers & Distributors', 'Agricultural Products', 'Engineering & Construction Services' and 'Solar Technology Project Developers').

- preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities.
- ensuring that staff involved with the preparation and presentation of the Sustainability Indicators in the Integrated Annual Report of Diesel & Motor Engineering PLC for the year ended 31st March 2025 are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

Inherent Limitations in Preparing the Limited Assurance Sustainability Indicators

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Sustainability Information and not be detected.

Our engagement is not designed to detect all internal control weaknesses in the preparation of the Sustainability Information because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the

Sustainability Indicators in the Integrated Annual Report of Diesel & Motor Engineering PLC for the year ended 31st March 2025 are free from material misstatement, whether due to fraud or error;

- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and;
- reporting our conclusion to the Board of Directors.
- Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Sustainability Indicators in the Integrated Annual Report of Diesel & Motor Engineering PLC for the year ended 31st March 2025 that is sufficient and appropriate to provide a basis for our conclusion.

Our procedures selected depended on our understanding of the Sustainability Indicators in the Integrated Annual Report of Diesel & Motor Engineering PLC for the year ended 31st March 2025 and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- interviews with senior management and relevant staff at corporate and selected site level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- enquiries of management to gain an understanding of the Company's processes for determining material issues for the Company's key stakeholder groups;

- enquiries of relevant staff at corporate and selected site level responsible for the preparation of the Sustainability Indicators in the Integrated Annual Report of Diesel & Motor Engineering PLC for the year ended 31st March 2025;

- enquiries about the design and implementation of the systems and methods used to collect and report the Sustainability Indicators in the Integrated Annual Report of Diesel & Motor Engineering PLC for the year ended 31st March 2025, including the aggregation of the reported information;

- comparing the Sustainability Indicators in the Integrated Annual Report of Diesel & Motor Engineering PLC for the year ended 31st March 2025 to relevant underlying sources on a sample basis to determine whether all the relevant information has been appropriately included in the Report;

- reading the Sustainability Indicators in the Integrated Annual Report of Diesel & Motor Engineering PLC for the year ended 31st March 2025 presented in the Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of the Company;

- reading the remainder of the Report to determine whether there are any material misstatements of fact or material inconsistencies based on our understanding obtained as part of our assurance engagement.

A limited assurance engagement is restricted primarily to enquires and analytical procedures. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than

the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Diesel & Motor Engineering PLC.



CHARTERED ACCOUNTANTS

Colombo
5th June 2025