



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF DIESEL & MOTOR ENGINEERING PLC ON SUSTAINABILITY INDICATORS IN THE INTEGRATED ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH 2025

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')

Limited Assurance Sustainability Indicators	Integrated Annual Report Page
Financial and ESG Highlights	10
Statement of Environmental, Social and Governance Performance	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

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.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

C. P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T. J. S. Rajakarier FCA
W. K. D. C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R.W.M.O.W.D.B. Rathnadiwakara FCA

W. W. J. C. Perera FCA
G. A. U. Karunaratne FCA
R. H. Rajan FCA
A.M.R.P. Alahakoon ACA

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

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, 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.

A handwritten signature in blue ink, appearing to be 'KPMG' or a similar stylized mark.

CHARTERED ACCOUNTANTS

Colombo

5th June 2025