



# Sustainability Agenda 2030

DIMO Annual Report 2025/2026



# PURPOSE DRIVEN STRATEGY

## CREATING VALUE THROUGH SUSTAINABILITY

DIMO's sustainability journey reflects a purposeful shift from responsibility to value creation, guided by the Sustainability Agenda 2030 and strengthened by disciplined execution. Through focused action across resilient business, living planet and resilient community priorities, the Group continues to align growth with decarbonisation, circularity, biodiversity restoration, inclusive leadership and community impact. This snapshot presents how DIMO is progressing beyond commitments to measurable outcomes that support long term stakeholder value and its role as a future focused Perfect Partner.

### REFLECTIONS



Video



"We look at risks and opportunities that are associated with sustainability that may or could impact our future cash flows or future ability to create value in the short, medium and long-term. Due to this, our perception of sustainability has evolved to be from something that we embrace due to corporate responsibility to a path that creates value to our shareholders."

**Suresh Gooneratne,**  
Director/Chief Financial Officer

### FULFILLING & REIMAGINING OUR STRATEGIC MANDATE

We recognise that true leadership requires a dual focus; the disciplined execution of our Agenda up to 2030 and the bold vision of being the corporate leader in sustainability looking beyond. By executing our Sustainability Agenda 2030, we are honouring our commitments to all our stakeholders, ensuring operational excellence and delivering the tangible value that has defined our reputation for decades. This is the bedrock of our stability, a relentless drive to meet our targets and how we uphold very high standards in our solutions provided.

Refer page 168 sustainability agenda 2030 Governance Structure

### DIMO SUSTAINABILITY AGENDA 2030

#### BEING A RESILIENT BUSINESS

Sustainable Entrepreneurship & Innovative Product Design

Ethical Business Conduct

Sourcing & Circularity

**50% Achieve**  
Revenue Generated through Sustainable Products & Services

#### CREATING A RESILIENT COMMUNITY

Improving Employee Wellbeing

Meaningful Employment through Diversity

Creating Opportunities & Partnerships for a Thriving Community

**40%**  
Women in Decision Making Roles

Creating a Positive Impact on **1 Million Individuals**

#### CONSERVING A LIVING PLANET

A Conscious Footprint to Minimize Impact

Restore & Enhance

**100%**  
Use of Treated Water

**Zero** Landfill

**1:1** Restoration

**42%**  
Reducing Carbon Emission Scope 1 & 2

**51.6%**  
Per unit LKR Value added of Scope 3



Video

<https://www.dimolanka.com/2025-2026-dimo-annual-report/url.php?id=12>

# PURPOSE DRIVEN STRATEGY

In an era of rapid environmental and technological shifts, fulfilment alone is not enough. We have reimagined our strategy, as we have journeyed over four years and it is well rooted. Now we have aligned the Sustainability Agenda 2030 with the global transition towards a circular, low carbon economy. This is not merely a refresh of our goals, but a fundamental reimagining of

what DIMO represents as a corporate entity. We are expanding our definition of success to include not just financial milestones, but our contribution to national resilience, social equity and environmental restoration and rehabilitation.

This continuous cycle of realization in reinvention ensures that DIMO remains both

grounded and visionary. We have identified emerging opportunities in green technology and sustainable infrastructure. We are not just adapting to the future, we ensure that as we fulfil business objectives, we are simultaneously building the capacity of our communities, including both in competency of the employees and wellbeing of our immediate communities around us.

**TABLE 05: OUR PERFORMANCE**

DIMO Sustainability Agenda 2030	Being a Resilient Business	Conserving a Living Planet				Creating a Resilient Community	
	Business	Emission	Water	Waste	Biodiversity	Employees	Community
<b>Long Term 2030</b>	Achieve 50% revenue generated through Sustainable Products & Services	Reducing carbon emission from 2024/25* baseline (Scope 1 & 2 - 42%, Scope 3 - 51.6% of per unit LKR value added SBTi Targets)	100% Reuse of treated water	Zero Landfill	1:1 Restoration	40% Women in decision making roles	Creating a positive impact in 1 million individuals
<b>Short Term 2025/2026</b>	Achieve 32% revenue generated through Sustainable Products & Services	Reducing carbon emission from 2024/25* baseline (Scope 1 & 2 - 7%, Scope 3 - 8.6% of per unit LKR value added SBTi Targets)	60% Reuse of treated water	Zero Landfill	1:1 Restoration	20% Women in decision making roles	Creating a positive impact in 30,000 individuals
<b>Our Progress 2025/2026</b>	47%*	Scope 1 - 17%** Scope 2 - (-16%) Scope 3 - 68%	22.96%	Reused 50%*** Recycled 46% Energy Recovery 4%	38.03 hectares	19%	58,887
<b>Our Progress 2024/2025</b>	27%	-1,754%	36%	Reused 62% Recycled 32% Energy Recovery 6%	27.03 hectares	15%	34,734
<b>Our Progress 2023/2024</b>	24%	26%	14%	Reused 41% Recycled 51% Energy Recovery 8.6%	10.83 hectares	14.5%	8,752
<b>Our Progress 2022/2023</b>	29%	23.3%	30%	Reused 57% Recycled 22% Energy Recovery 21%	7.6 hectares	12%	5,276
<b>Our Progress 2021/2022</b>	27%	14.4%	38%	Reused 43% Recycled 33% Energy Recovery 24%	4.5 hectares	10%	2,330

\*Revenue from sustainable products and services saw a year-on-year increase, largely underpinned by passenger vehicle sales contributing 36% to the total revenue generated through our sustainable portfolio.

\*\*Emission baseline changed to 2024/25 - DIMO did a comprehensive carbon footprint. This year and going forward, the reduction is through SBTi for all 3 scopes.

\*\*\* Achieved Zero Waste to Landfill Certification from Control Union Inspections (Pvt) Ltd for four primary facilities (Head Office, DIMO 800, Weliveriya, and Siyambalape), successfully diverting 99.87% of operational waste away from landfills.

➔ \*Refer ESG Statement & Notes page 234

The ultimate measure of our success lies in our ambitious 2030 targets that bridges the gap between purpose and performance. DIMO is committed to a carbon neutral future (DIMO Decarbonisation Plan page 90 and a towards a zero waste to landfill (certificate of zero waste to landfill page 89).

Sustainability Glossary

<https://www.dimolanka.com/2025-2026-dimo-annual-report/url.php?id=13>



# THE ADAPTIVE VALUE NETWORK

Our strategic operating context is no longer defined only by market share or through industrial outputs. It is very well defined by our ability to thrive within a complex, interconnected value ecosystem, highlighting our vision in becoming a resilient business case. As reflected in our material matters, while we are going beyond our operational impact - we execute a stronghold on innovation within our business model, value chain stability and incorporating sustainability; attracting and retaining talent is of paramount importance as well.

We recognise that true business resilience is inextricably linked to the wellbeing of the communities we serve and work with. By transitioning from a traditional operational model to a sustainable value architecture, we ensure that it will serve as catalysts for long-term prosperity than short-term gains. We started our journey with a lean management tool to not just map our value chain but also map it in a way that each business segment is part of the exercise of a truly valuable journey.

The modern landscape of business is undergoing a fundamental shift as we are driven by an evolving global regulation, there is a resource scarcity and a heightened demand for corporate transparency. DIMO views this shift not as a hurdle but as a strategic frontier. As we align our core competencies with our Sustainability Agenda 2030, we are proactively future proofing our portfolio. This involves integrating environmental stewardship and social equity directly into our decision-making processes. This will ensure that our 'operating context' remains a fertile ground for innovation and ethical growth.

Our commitment to sustainable value creation translates into a relentless focus on efficiency, decarbonisation and social empowerment across all our business segments. We understand that our licence to operate is granted by our stakeholders and it is important that we strive to harmonize our commercial objectives with the broader needs of the planet. By fostering a future-

ready culture that prioritizes circularity and responsible resource management, DIMO is not just reacting to the world around us, we are actively architecting a legacy of enduring impact for generations to come.

## NAVIGATING WHAT MATTERS

DIMO's material matters are identified through a double materiality lens, recognising both the external risks and opportunities that shape enterprise value and the Group's impact on its stakeholders. These matters connect sustainability, strategy, risk and stakeholder expectations, helping DIMO focus on areas such as climate resilience, business model innovation, financial stability, talent, data security and value chain sustainability. By navigating what matters with clarity and precision, DIMO strengthens its ability to break through barriers, protect entrusted capitals and create sustainable value with confidence.

Figure 07:



# PURPOSE DRIVEN STRATEGY

## THE ADAPTIVE VALUE NETWORK

Our material matter is anchored in the Sustainability Agenda 2030, reflecting a double materiality approach that balances financial resilience with social and environmental stewardship. Being a Resilient Business our focus is on ethical entrepreneurship and circularity with a critical strategic target in deriving 50% of group revenue in sustainable products and services through electric mobility and renewable by energy by 2030. This complements 'Creating a Resilient Community' that prioritises inclusive leadership, and aims at 40% of leadership roles being held by women, and empowering youth through vocational

education. Conserving a Living Planet' addresses the urgency and necessity of climate action; through our decarbonisation plan with science-based targets, we have committed towards a rigorous target in reduction of all three scopes of emissions. The commitment towards a zero-landfill plan and a 1:1 restoration with a 100% reuse of wastewater ensures a vigorous plan for a conscious footprint. These are not check tick boxes, these are strategic value drivers that allow DIMO to navigate the post-recovery economic landscape of Sri Lanka (DIMO Impact Report - ESG page 234).

We view risk management (page 200 to 208) as an essential component of our sustainable value architecture. We have moved beyond traditional mitigation to a model of strategic resilience; identified potential disruptions like economic shifts, supply chain vulnerabilities or climate impacts. Our risk stewardship is grounded in transparent internal controls and ethical business conduct. By diversifying our business domains into essential sectors like agriculture and healthcare, we have structurally reduced our dependency on single revenue streams effectively.

**TABLE 06: DOUBLE MATERIALITY: GRI & SDG INTEGRATION**

Material Matter	Why Material Matters?	Link to SDGs	Link to GRI	Impact Materiality	Financial Materiality
Macro-Economic Resilience & Financial Stability	Sudden macroeconomic policies in Sri Lanka, such as stringent government vehicle import restrictions, local currency devaluations, and volatile foreign exchange fluctuations, directly impact.	8 9	GRI 201: Economic Performance GRI 203: Indirect Economic Impacts GRI 207: Tax	● ● ○ ○	● ● ● ● ●
Business Model Innovation, Digital Transformation & Market Competitiveness	Modern global brands demand that their local networks possess advanced digital infrastructure and highly innovative data ecosystems to execute predictive maintenance, manage secure IP data, and capture strict ESG metrics.	8 9 17	GRI 201: Economic Performance GRI 205: Anti-Corruption	● ● ● ○	● ● ● ● ●
Data Security & Customer Privacy	When a business relies heavily on interconnected clouds and data analytics to optimize inventory, process client orders, and track supply logistics, an unexpected cyber disruption is catastrophic.	9 17	GRI 418: Customer Privacy GRI 417: Marketing & Labelling (Customer Information)	● ● ● ●	● ● ● ● ○
Climate Change Mitigation, Adaptation, Resilience & Energy Transition	Global markets and local consumer preferences are rapidly pivoting away from high-carbon industries. As a traditional leader in internal combustion engine vehicles and heavy machinery, the business faces severe transition risks if it remains anchored to fossil-fuel technologies.	7 9 11 13	GRI 305: Emissions GRI 302: Energy	● ● ○ ○	● ● ● ● ●

Material Matter	Why Material Matters?	Link to SDGs	Link to GRI	Impact Materiality	Financial Materiality
Talent Attraction, Development & Retention and OHS, Employee Wellbeing	Relies on a specialized workforce. Losing this tier of talent to overseas markets directly threatens operational capacity and relationships with global principals.	3 4 5 8	GRI 205: Anti-Corruption GRI 401: Employment GRI 403: Occupational Health & Safety GRI 404: Training & Education GRI 405: Diversity & Equal Opportunity GRI 406: Non-discrimination GRI 402: Labour/Management GRI 406: Non-discrimination	●●○○	●●●○
Waste, Water, Effluent & Pollution Management	Status as a responsible steward of Sri Lanka's natural capital.	6 12 14 15	GRI 303: Water and Effluents GRI 306: Waste	●●●●	●●○○
Stakeholder Engagement, Value Chain Sustainability & Resilience	Business model hinges on smooth, uninterrupted international trade and logistics. Global supply chain disruptions, geopolitical shifts, or import restrictions in Sri Lanka directly threaten its core revenue.	8 12 16 17	GRI 204: Procurement Practices GRI 308: Supplier Environmental Assessment GRI 301: Materials	●●●○	●●●○
Community Health & Public Safety	Defective machinery, substandard automotive parts, or poor maintenance frameworks pose direct, fatal risks to public road safety.	3 11	GRI 413: Local Communities GRI 416: Customer Health & Safety GRI 403: Occupational Health and Safety	●●●○	●●○○
Energy Management	Unmanaged energy consumption exposes massive cost spikes, directly eroding its operating margins.  Efficiency is synonymous with cost insulation.	7 12 13	GRI 302: Energy	●●○○	●●○○
Emission & Climate Change	Unmitigated carbon emissions contribute to macro-environmental degradation	7 13 14 15 17	GRI 305: Emissions GRI 302: Energy GRI 101: Biodiversity	●●●○	●●○○



\*The Impact Materiality and Financial Materiality has been derived using the guidelines/framework presented on page 144.

# OUR OPERATING ENVIRONMENT

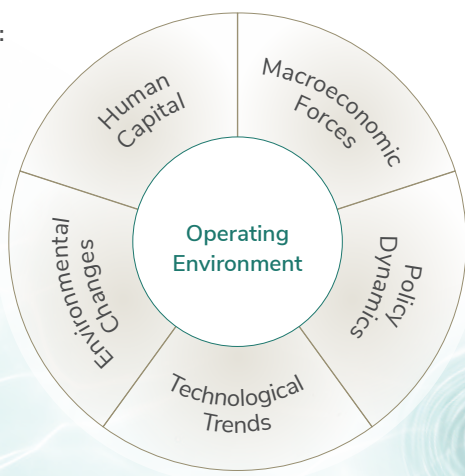
## THRIVING IN A SHIFTING LANDSCAPE

DIMO's operating environment continued to shift across macroeconomic, regulatory, technological, environmental and human capital dimensions, creating both barriers and new pathways for value creation. In a year marked by economic recovery, easing restrictions, evolving policy direction and rising demand for sustainable and digital solutions, the Group responded with focused strategy, disciplined adaptability and market relevant action. By looking beyond volatility to identify underlying opportunities, DIMO strengthened its ability to deploy resources with precision, support stakeholder aspirations and build confidence as a future focused, responsible corporate partner.

During the last financial year, the company operated amid continued global volatility alongside ongoing local economic transformation. As Sri Lanka's economy showed signs of stabilization following the crisis, the easing of restrictions including the removal of the vehicle import ban marked a significant shift in the operating landscape. At the same time, supply chain realignments, fluctuations in interest and exchange rates, and the accelerating demand for green technologies continued to influence our strategic priorities.

Throughout the year, DIMO actively responded to these evolving conditions adapting where necessary and, at times, leveraging challenges as catalysts for innovation and new opportunity creation. This section outlines how macroeconomic dynamics, regulatory changes, and technological advancements shaped our operating environment and the actions we took to move forward with resilience and purpose.

Figure 08:



### 1 MACROECONOMIC FORCES SHAPING THE BUSINESS

#### Global Economy

In 2025, the global economy continued to experience moderate but uneven growth, shaped by lingering effects of earlier inflationary cycles, geopolitical tensions, and shifting trade dynamics. While major economies showed signs of stabilization as inflation eased and monetary policies gradually softened, growth remained constrained by high debt levels, cautious consumer spending, and fragmented global supply chains. At the same time, investment in digital transformation and sustainable technologies gained momentum, creating new avenues for expansion.

Renewed geopolitical tensions following the onset of the current Middle East war could significantly affect global economic prospects, depending on the war's severity and duration, while heightening global uncertainty across multiple dimensions.

#### Sri Lanka Economic Recovery in 2025

In 2025, the economy of Sri Lanka continued to strengthen its recovery momentum, supported by sustained macroeconomic stability and the ongoing implementation of policy and structural reforms. Despite elevated global uncertainties particularly relating to trade dynamics and geopolitical developments as well as the impact of adverse weather conditions and natural disasters toward the latter part of the year, domestic economic activity demonstrated notable resilience. Enhanced macroeconomic stability and continued policy coherence supported stronger investor sentiment, fostering a more stable environment for growth while enhancing the economy's capacity to build resilience against future shocks.

#### GDP Growth and Inflation

Real GDP growth estimated at 5% (CBSL), marking a turnaround from the contractions experienced in prior years. Inflation returned to positive territory from August 2025, following a period of deflation, primarily reflecting the moderation of energy-related price declines alongside an increase in food prices.

#### Interest Rates

Easing monetary conditions, evidenced by lower interest rates, contributed to a significant increase in credit extended to the private sector. Accordingly, the overnight policy rate was reduced from 8.00% in December 2024 to 7.75% by December 2025.

#### Exchange Rate Dynamics & External Sector Growth

Under a flexible exchange rate regime, the Sri Lankan Rupee experienced a modest depreciation during the year, while foreign exchange reserves improved from USD 6 billion to approximately USD 7 billion (End 2025 – CBSL), aided by multilateral support, increased tourism inflows and workers' remittances.

**2 NAVIGATING POLICY DYNAMICS WITHIN A SHIFTING OPERATING ENVIRONMENT**

**Impact to DIMO & Our Response**

The recovery in GDP growth in Sri Lanka supported a gradual revival in economic activity, particularly across sectors such as construction, transportation, and agriculture. This improvement contributed to increased demand for DIMO’s vehicles, agricultural equipment, and engineering solutions. In response, the Group strengthened its market presence, enhanced customer engagement, and aligned its product offerings to support the recovery in economic activity.

Easing inflation, following a period of elevated price levels, helped restore consumer purchasing power and business confidence, although cost pressures remained in certain areas. DIMO continued to focus on cost optimization, pricing discipline, and operational efficiencies to strengthen profitability while remaining competitive in the market.

Declining interest rates, reflecting more accommodative monetary conditions, improved access to credit and supported private sector expansion, enhancing affordability for high-value purchases such as vehicles and machinery. In response DIMO partnered with financial institutions to offer flexible financing solutions, enabling customers to invest with greater ease.

Exchange rate depreciation increased import costs, which were managed through prudent pricing, supplier engagement, and inventory planning. The removal of vehicle imports restrictions created renewed opportunities in the automotive sector, and DIMO responded by optimizing its portfolio and reinforcing its value proposition amid rising competition.

The Group also capitalized on growing demand for sustainable solutions by expanding its presence in renewable energy and green mobility. Overall, DIMO’s agile and proactive approach enabled it to navigate macroeconomic challenges while positioning for continued growth.

**Table 07 – Key Economic Indicators (CBSL)**

	2025/26	2024/25
GDP Growth	5.0	5.4
Inflation	2.1	(1.7)
Year-end exchange rate (Rs/ USD)	315.19	296.31
AWPR (%)	9.86	8.43
Fiscal deficit (% of GDP)	(2.3)	(6.8)

In today’s complex business environment, regulatory frameworks play a decisive role in shaping corporate strategy, particularly for diversified conglomerates like DIMO. Operating across sectors such as automotive, agriculture, engineering solutions, and healthcare, DIMO must continuously adapt to evolving government policies, compliance requirements, and international standards. Rather than viewing regulation as a constraint, forward looking organizations increasingly treat it as a strategic compass which is guiding investment, innovation, and market positioning.

**Impact to DIMO & Our Response**

For DIMO, policies related to import controls, taxation, and foreign exchange management directly affect its core businesses. During early 2025, lifting of vehicle import ban has expanded product availability and strengthened revenue streams of DIMO. Changes in tax structures influence pricing strategies and overall cost competitiveness. At the same time, foreign exchange regulations affect the company’s ability to manage international transactions, source import supplies, and maintain stable margins.

Within the context of navigating policy dynamics, supportive government policies and incentives for renewable energy have enabled DIMO to expand its presence in the sector, opening new avenues for sustainable revenue generation while aligning with national energy priorities.

Environmental and sustainability regulations further reinforce the need for transformation. As expectations around climate responsibility intensify, DIMO’s operating environment increasingly favours sustainable technologies and practices. By proactively embracing these shifts, the company strengthens its competitive positioning while contributing to national and global sustainability goals.

Governance and compliance frameworks also play a crucial role in shaping the operating environment. Strengthened standards enhance transparency and accountability, requiring organizations to elevate their internal processes. For DIMO, this fosters stronger stakeholder confidence and supports its ambitions for sustained growth and international collaboration.

The implications of the operating context are assessed against DIMO’s strategic priorities, enabling the Group to align capital deployment, customer solutions, partnerships and operational controls toward areas with the highest relevance for value creation. This disciplined linkage converts external shifts into focused strategic action, supporting resilience, competitiveness and long term stakeholder value.

# OUR OPERATING ENVIRONMENT

## 3 EMERGING AND TRANSFORMATIVE TECHNOLOGY TRENDS

Technology acts as a catalyst for progress, driving innovation, enabling faster growth, and redefining industries. It equips businesses to adapt to changing market conditions, anticipate evolving customer needs, and seize new opportunities for transformation. In today's digital landscape, technology is no longer just a support function but a critical foundation for achieving long-term, sustainable success.

### Technological Advancements and Evolution

Advancements in technology continue to redefine how businesses operate, compete, and grow in an increasingly digital world. Rapid developments in areas such as automation, data analytics, artificial intelligence are transforming traditional business models into more agile, efficient, and customer-centric systems. These technologies enable organizations to streamline operations, enhance decision-making through real-time insights, and deliver more personalized and value-driven solutions.

### Cybersecurity Risks in a Digital Era

Digitalisation enhances efficiency and connectivity, but it also increases exposure to cyber threats. As businesses rely more on digital systems and data, they become more vulnerable to risks such as data breaches, ransomware, and system disruptions. This makes strong cybersecurity measures and continuous monitoring essential to protect operations and maintain trust.

### Impact on DIMO & Our Response

In the automotive and mobility sector, technology is used for advanced vehicle diagnostics and fleet management systems. These tools help monitor vehicle performance in real time, improve maintenance accuracy, and reduce downtime for customers. With the shift toward electric mobility, DIMO also engages in technologies related to EV systems and charging infrastructure.

In urban infrastructure, our automated car parking systems optimize space in high-density areas, addressing the critical need for efficient city planning.

In the renewable energy sector, DIMO leverages solar power technologies, energy storage systems, and smart energy management platforms. These solutions enable efficient generation, monitoring, and distribution of clean energy, aligning with sustainability goals.

Within agriculture, DIMO adopts precision farming technologies. This includes GPS-guided equipment, data-driven irrigation systems, and digital platforms that track crop health, soil conditions, and yield patterns. These technologies help farmers improve productivity while using resources more efficiently.

We respond to cybersecurity threats through a comprehensive approach that combines advanced security technologies, strong governance practices, and employee awareness. The company utilizes protective systems such as firewalls, continuous monitoring, and vulnerability assessments to safeguard its digital infrastructure, while enforcing strict access controls and data protection policies. At the same time, regular staff training helps reduce human-related risks like phishing, and robust backup and recovery mechanisms ensure business continuity in the event of an incident. Together, these measures enable DIMO to effectively prevent, detect, and respond to evolving cyber risks.

## 4 ADAPTING TO ENVIRONMENTAL CHANGE WITHIN OUR OPERATING LANDSCAPE

As environmental challenges intensify, building climate resilience has become a strategic priority for forward-looking organizations. For DIMO, navigating environmental change involves proactively adapting to climate-related risks while contributing to sustainable solutions. Rising temperatures, extreme weather events, and shifting regulatory expectations require businesses to reassess operations, supply chains, and long-term investments.

### Extreme Weather Events

Extreme weather events such as Cyclone Ditwah highlight the growing impact of climate change on operating environments and business continuity. Such events can disrupt supply chains, damage infrastructure, and affect customer operations. For companies like DIMO, these incidents underscore the importance of climate resilience and preparedness.

Rising temperature will impact on solar power generation positively in short-term by generating more power and it will negatively impact in the long-term because excessive heat damages the cells of the solar panels.

Global weather events can significantly disrupt business operations, often with immediate and costly consequences. As examples hurricanes in the United States have shut down manufacturing plants and retail operations for extended periods. Droughts in agricultural regions reduce crop yields, impacting food supply chains and increasing raw material costs for related industries.

### Impact on DIMO & Our Response

Climate change affects DIMO across multiple dimensions, given its diversified presence in automotive, engineering, agriculture, and renewable energy. Increasing temperatures, irregular rainfall, and extreme weather events can disrupt supply chains, delay project execution, and damage infrastructure. For example, floods or storms may affect logistics and service operations, while heat stress can reduce efficiency in equipment and energy systems. At the same time, climate related regulations and the global shift toward decarbonisation are reshaping customer demand, particularly toward cleaner mobility and renewable energy solutions.

In response, DIMO is actively strengthening its climate resilience by integrating sustainability into its core strategy. This is also evident in the Sustainability Agenda 2030 of DIMO. The company is expanding its renewable energy portfolio, including solar and energy efficient solutions, to support the transition to low-carbon systems. It also promotes sustainable practices in agriculture through precision technologies that optimize resource use and reduce environmental impact. Internally, DIMO focuses on risk management, business continuity planning, and adopting greener technologies across operations. These efforts allow the company not only to mitigate climate related risks but also to leverage the transition toward sustainability as a pathway for innovation and growth.

In 2025/26, 47% of DIMO's revenue was generated through sustainable products and services, reflecting the Group's continued focus on sustainable growth. During the year, DIMO also strengthened its environmental and community initiatives through eco-guiding training workshops conducted in partnership with the Wildlife Conservation Society Galle for field guides at the Sinharaja Forest Reserve, while continuing its long-term forest restoration and mangrove planting efforts in Kanneliya and Galle.

people (CBSL), and employment levels gradually recovered as the economy stabilised after previous shocks. Further, the unemployment rate declined from 4.3% to 3.9% (CBSL) indicating better absorption of workers into the economy and a slow recovery in job creation. There was also increasing emphasis on digital and technical skills, with growing demand for IT, data, cybersecurity, and other technology related competencies as industries continued to digitise.

### Impact on DIMO & Our Response

In 2025, changes in Sri Lanka's human capital landscape such as growing demand for digital and technical skills, skill mismatches, and talent migration, directly influenced our operations. As industries became more technology driven, the need for highly skilled employees in areas like engineering, renewable energy, and digital solutions increased, while competition for qualified talent also intensified.

During the last financial year there is an increase of 12% in new recruits reflects strong organisational growth and rising business confidence. For DIMO this expansion in workforce demonstrates its ability to scale operations and respond effectively to increasing market demand across its diversified sectors. It also highlights the company's commitment to creating employment opportunities and attracting fresh talent, which strengthens its overall human capital base.

In addition, we foster an inclusive and supportive work environment by promoting workplace diversity, addressing stereotypes, enforcing strong anti-harassment policies, and encouraging transparent and open communication across all levels of the organization.

## 5 HUMAN CAPITAL AS A DRIVER OF ORGANISATIONAL ADAPTABILITY

Human capital strongly influences an organization's operating environment by shaping productivity, innovation, and overall performance. A skilled and well-trained workforce helps businesses adapt to change, improve efficiency, and respond effectively to market demands.

In 2025, Sri Lanka's human capital landscape showed both improvement and structural challenges. On the positive side, the labour force expanded by approximately 8.5 million



# DIRECTING CAPITALS TOWARDS STRATEGIC PRIORITIES

At DIMO, value creation is driven by the purpose led strategy that directs the capitals towards the opportunities that matter most, while strengthening those capitals to sustain resilience, relevance, and long term stakeholder value. Accordingly, through the strategy, capitals are built, nurtured and directed towards realizing strategic priorities. This approach helps DIMO to look beyond surface conditions, respond with focus, and create stronger outcomes with greater agility and impact.

Table 08:

Strategic Priority	Related Strategic Pillar	Financial Capital 	Manufactured Capital 	Human Capital 
Diversify Business	Diversification	Improve revenue resilience across targeted growth domains.	Optimize shared assets across multiple business domains.	Build versatile talent across DIMO's business portfolio in line with short, medium and long term growth plans.
Expand Essential Presence	Diversification	Strengthen recurring income enhancement from resilient essential markets.	Ensure Group's brick and mortar presence in capturing diversified market opportunities	Build capability to enable essential presence, in line with shifting market demands and expansion strategies.
Embrace Sustainable Practices	Diversification	Protect long term returns through responsible growth.	Improve operational efficiency through sustainable systems and assets.	Strengthen purpose, accountability, and responsible business behavior across organization.
Elevate Brand Experience:	Differentiation	Invest in building brand experience to reinforce loyalty and trust.	Direct and align all physical presence and equipment capabilities to differentiate DIMO's brand experience.	Strengthen commitment to brand experience across all layers of the organization.
Empower Talent Growth:	Differentiation	Invest in talent growth to sustain planned growth.	Stimulate talent effectiveness through timely investments as well as ensuring optimum returns from investment of assets through empowered talent.	Strengthen talent acquisition, capability building and engagement towards achieving short, medium and long term strategy.
Deepen Key Partnerships:	Differentiation	Secure mutually beneficial partnerships while ensuring sustainable returns.	Enhance service readiness for partner led solutions.	Build teams that enrich and foster key partnerships, as well as leverage key partnerships to channel global expertise.
Foster Learning Culture:	Collaboration	Improve execution quality and long term value creation.	Investment in state of the art facilities enabling a learning culture.	Build future ready capability and adaptability through cross learning and collaboration.
Accelerate Digital Transformation:	Collaboration	Invest on purposeful digital transformations to build a futuristic, efficient and well governed organization.	Prioritize digitally and technologically advanced facilities and machinery in line with market trends.	Develop digital capabilities across all layers to drive inclusive digital transformation to stay abreast with market demand.
Manage Climate Risk:	Collaboration	Protect value from climate disruption and transition in the short, medium and long term.	Guide climate aware assets, facility and project choices.	Build an organization with knowledge and awareness on climate risk and committed on mitigation of impact, in all its' strategies and actions.



Social and Relationship Capital	Intellectual Capital	Natural Capital
Broaden trusted relationships across diverse stakeholder groups to enable presence in diverse business segments.	Strengthen DIMO's ability to transfer market insight, technical know-how, and business learning across targeted growth domains.	Enable portfolio diversification towards solutions and sectors that support more responsible resource use over time.
Deepen relevance to all stakeholders in diverse market domains.	Advance and cultivate intellectual capital to anticipate market shifts, strengthen capabilities, and establish an essential presence in growth driving domains.	Support expansion into essential domains through solutions that encourage efficient use of natural resources.
Build trust through credible and responsible business practices.	Build sustainability into brand identity, organizational knowledge, innovation, and decision frameworks that would drive purposeful diversification.	Reduce environmental burden through improved resource efficiency, lower emissions, and more responsible operating practices.
Deepens trust through brand equity anchored on consistent brand experience.	Strengthen customer insight, brand knowledge, technology, and service intelligence to deliver a differentiated DIMO experience.	Embed natural resource stewardship into the brand identity and experience across all stakeholders.
Develop talent to strengthen stakeholder trust and experience to ensure long term relationships.	Retain institutional knowledge and build future capabilities needed to nurture unique identity and deliver DIMO's strategic ambitions.	Promote responsible behavior and sustainability awareness through empowered and engaged talent.
Harness the strengths of key partnerships to augment relationships, as well as leverage on trusted relationships built, to strengthen strategic partnerships.	Uphold brand equity of key partnerships, harness channel partner expertise and innovation, to differentiate in line with strategic aspirations.	Enable access to more sustainable technologies, products, and practices through strong principal partnerships.
Encourage knowledge sharing across teams and businesses to elevate meaningful relationships with stakeholders.	Accelerate knowledge creation, retention, and transfer across teams and business domains enhancing intellectual capital.	Build organizational awareness on natural resources stewardship, through continuous learning and collaboration.
Make strategic use of digital transformation to elevate purposeful engagement and relationships with stakeholders.	Strengthen digitalization for futuristic business models and robust management practices across the Group.	Improve resource efficiency through smarter systems, reduced waste, and more digitally enabled operations.
Act as a climate aware organization to strengthen relationships with stakeholders as well as encourage and influence stakeholders towards climate aware behaviour leveraging relationships.	Strengthen DIMO's ability to transfer market insight, technical know-how, and business learning, to identify, mitigate and respond to climate risk across targeted growth domains.	Enable portfolio diversification towards solutions and sectors that support more responsible usage of natural resources over time.