



Strategy & Resources

DIMO Annual Report 2025/2026



PURPOSE DRIVEN STRATEGY

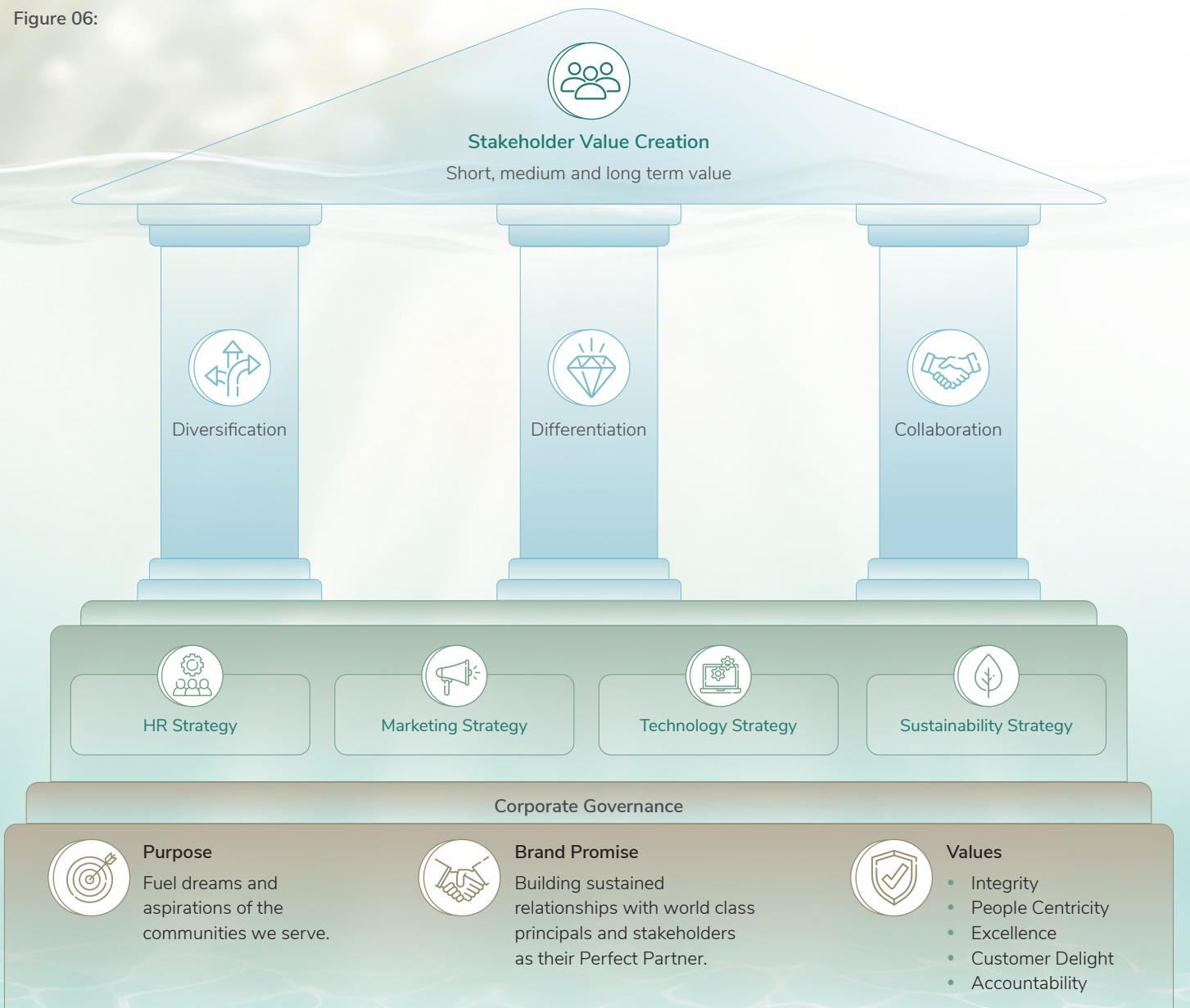


Strategy & Resource Allocation Section

<https://www.dimolanka.com/2025-2026-dimo-annual-report/url.php?id=10>

Deeply grounded in purpose, our strategy is shaped by a clear belief that every business decision must contribute to meaningful value creation. It guides how we navigate complexity, respond to challenges and look beyond short-term volatility to identify where the Group can create the greatest impact across its diverse businesses. This approach enables DIMO to direct capital, capabilities and partnerships with focus and discipline towards the opportunities that matter most, strengthening agility, resilience and stakeholder value across the short, medium and long term.

Figure 06:





PURPOSE

Our purpose is to fuel dreams and aspirations of the communities we serve.

This purpose remains the anchor of DIMO's strategic direction. It guides the way we select growth paths, allocate resources, build partnerships, strengthen capabilities, and define the impact we seek to create through our businesses. It also frames our responsibility to create value in a way that is commercially resilient, socially meaningful, and environmentally responsible.



BRAND PROMISE

We are building sustained relationships with world-class principals and stakeholders as their Perfect Partner.

Our Brand Promise brings our purpose to life in a practical and meaningful way. It guides how we build trust, work together, and create value for stakeholders while also reminding us to act responsibly towards nature and reduce the impact of our operations as part of being the Perfect Partner.



VALUES

**Integrity | People-Centricity | Excellence | Customer Delight
| Accountability**

These values are the foundation of execution. They influence corporate strategy, decision making, behaviour, partnership standards, stakeholder experience, and accountability across the Group. As DIMO advances its transformation, the values remain essential for aligning growth with trust, discipline, and long term value creation.



PURPOSE DRIVEN STRATEGY

TABLE 02: STRATEGIC PILLARS AND STRATEGIC AMBITIONS

Strategic Pillar	Strategic Ambition
<p>Diversification: Strengthens DIMO's ability to look beyond short term distortions and pursue growth with clear focus. It enables the Group build a more balanced portfolio across business domains, customer needs, and revenue streams, while staying open to change, future ready, and responsive as conditions evolve.</p>	<p>A resilient and futuristic product portfolio designed to create value for our stakeholders while withstanding market pressures and capitalizing on emerging opportunities.</p>
<p>Differentiation: Differentiation reflects DIMO's ability to compete with acuity, clarity, and distinct value, breaking barriers. It is advanced through superior customer experience, a stronger brand, sharper talent capabilities, and trusted relationships with global principals and stakeholders.</p>	<p>Continuous Organic growth, enhancing value creation and enriched experience for stakeholders, standing out as their unique preferred partner</p>
<p>Collaboration: Collaboration enables DIMO to align capabilities across the Group and beyond. It supports shared learning, digital integration, innovation, and coordinated responses to climate and operating challenges, allowing DIMO to act with greater agility and amplified force.</p>	<p>Be the Partner of Choice to all stakeholders, through enhanced partnerships to innovate and create enriching new value propositions</p>

STRATEGIC ENABLERS

DIMO's strategic enablers provide the enterprise-wise capabilities required to turn intent into delivery. They make the strategic priorities executable, scalable, and measurable across business units and functions.

Group HR Strategy: DIMO's HR strategy focuses on attracting the right talent, building future-ready capabilities, and purposefully

engaging employees to create sustainable value aligned with the Corporate Strategy.

Group Marketing Strategy: To strengthen DIMO's brand equity by consistently delivering our 'Perfect Partner' promise through meaningful stakeholder experiences and responsible communication, thereby building trust, enabling differentiation and supporting sustainable value creation and strategic growth.

Group IT Strategy: Leverage digital and technological advancements to transform stakeholder experience, enhance business processes, and create new revenue streams that drive sustainable growth.

Group Sustainability Strategy: Integrate ESG principles into strategy, decision making, products, processes, and reporting so that DIMO creates short, medium and long term value responsibly and credibly.

Sustainability Agenda 2030

Being a Resilient Business

- 1 Sustainable entrepreneurship & innovative product design
- 2 Ethical business conduct
- 3 Sourcing & circularity

Creating a Resilient Community

- 4 Improving employee wellbeing
- 5 Meaningful employment through diversity
- 6 Creating opportunities & partnerships for a thriving community

Conserving a Living Planet

- 7 A conscious footprint to minimize impact
- 8 Restore & enhance



TABLE 03: PRIORITY EXECUTION THROUGH FOCUS AND AGILITY

Strategic Priority	Related Strategic Pillar	Why it matters	Short Term and Long Term Plans	Activities of 2025/26	Material Risks
Diversify Business Domains 1	Diversification	<p>Broadening DIMO's portfolio, so the Group can look beyond surface level market distortion and identify value across a wider set of business domains.</p> <p>It reflects a disciplined approach to growth, where DIMO does not rely on a single stream of opportunity but positions itself where underlying demand and long term potential are strongest.</p>	<p>Short term Strengthening selected domains and improving portfolio balance.</p> <p>Long term Aims to build a more resilient portfolio that can adjust to shifting conditions and sustain value creation.</p>	<p>Relocated DATS to a larger facility in Peliyagoda and expanded technical education capacity.</p> <p>Installed and commissioned approximately 25MW. ground mounted solar power under a Power Purchasing Agreement</p>	<ul style="list-style-type: none"> • Volatile local & global economic circumstances • Shift to generation, storage and consumption of new energy for mobility, households, corporate and government institutions
Expand Essential Presence	Diversification	<p>Increasing DIMO's presence in essential goods and services while extending into the right geographies and market spaces.</p> <p>It reflects the Group's ability to recognize where surviving demand lies and move closer to the sectors and communities where its relevance can extend over time.</p>	<p>Short term Strengthening presence in priority sectors, locations, and customer segments</p> <p>Long term Build a broader and more dependable market base that supports continuity, scale, and stronger stakeholder relevance.</p>	<p>Expanded Swaraj tractor service support and spare parts access across key agricultural regions.</p> <p>Initiated reach to retail channels locally and to foreign markets, with value added food products, to strengthen consumer reach and broaden market access locally and to set foot in the global market space.</p>	<ul style="list-style-type: none"> • Geopolitical tensions & escalations, tariff-wars and sanctions • Volatile local & global economic circumstances
Embrace Sustainable Practices 1 2 3 6	Differentiation and Diversification	<p>Making sustainability part of how DIMO's value chain operates, creating sustainable value to its stakeholders.</p> <p>It reflects the Group's commitment to making decisions that strengthen resilience, efficiency, trust, and long term competitiveness.</p>	<p>Short term Embedding sustainability priorities into operations, decisions, and reporting practices.</p> <p>Long term Improve resilience, use resources more efficiently, and build lasting advantage through Sustainability Agenda 2030.</p>	<p>Conducted Sustainability 'Pocket Meetings' with business teams to embed sustainability into everyday action.</p> <p>➔ Refer page 39</p>	<ul style="list-style-type: none"> • Extreme natural weather-related phenomena • Shift to generation, storage and consumption of new energy for mobility, households, corporate and government institutions

PURPOSE DRIVEN STRATEGY





Strategic Priority	Related Strategic Pillar	Why it matters	Short Term and Long Term Plans	Activities of 2025/26	Material Risks
				Digitized financial and operational processes to reduce paper use and printing dependency. Production of Organic Processed Fruits and Food products for foreign markets	
Elevate Brand Experience:	Differentiation	<p>Improving how customers and stakeholders experience DIMO so that the Group becomes more trusted, more distinctive, and preferred.</p> <p>It reinforces the importance of delivering value consistently so that every interaction strengthens DIMO's position as the Perfect Partner.</p>	<p>Short term Enriching customer experience, and brand consistency across all touchpoints.</p> <p>Long term Build stronger brand equity, deeper loyalty, and achieve a more clearly differentiated market positioning.</p>	<p>New TATA passenger vehicle showrooms were opened in Colombo, Kandy, and Batticaloa to expand customer access and strengthen DIMO's nation-wide retail presence.</p> <p>Expansion of Engine Care facility with European machinery and diagnostic capability.</p> <p>Installed a customer experience framework to ensure "One DIMO Standard" that will enhance customer experience</p>	<ul style="list-style-type: none"> Aggressive competition from local contractors, traders, and low-cost foreign suppliers
Empower Talent Growth: 4 5	Differentiation	<p>Building the people, leadership depth, and capabilities DIMO needs to perform well in a changing environment.</p> <p>It reflects the Group's belief that lasting progress depends on people who are engaged, adaptable, and ready to grow with the business.</p>	<p>Short term Attracting, developing and engaging talent while optimizing performance.</p> <p>Long term Build strong leadership pipelines, deeper specialist capabilities and more future ready talent.</p>	<p>Carried out the annually conducted 'Elevate' leadership development programme.</p> <p>Invested in Learning and development in up-skilling teams on new technology (eg:- EV related) and other soft skill development.</p> <p>Invested in engagement programmes and activities</p>	<ul style="list-style-type: none"> Attrition of experienced and technically competent personnel

Strategic Priority	Related Strategic Pillar	Why it matters	Short Term and Long Term Plans	Activities of 2025/26	Material Risks
Deepen Key Partnerships:	Collaboration	<p>Strengthening DIMO's relationships with world class principals and other strategic stakeholders to support growth, trust, and shared value.</p> <p>It reflects a partnership approach where alignment and mutual benefit create stronger access to expertise, innovation, and long term opportunity.</p>	<p>Short term Alignment, collaboration and commercial movement with key partners.</p> <p>Long term Accessing new markets, innovations and technologies leveraging the key partnerships.</p>	<p>Design, supply and installation of LED Flood Lights to SSC</p> <p>Siemens and DIMO completed Sri Lanka's largest grid substation at Habarana, strengthening the national transmission network.</p> <p>DIMO's 65 year partnership with TATA Motors was strengthened through the launch of 10 new commercial vehicles.</p>	<ul style="list-style-type: none"> • Inability to raise long-term funds for strategic investments • Geopolitical tensions & escalations, tariff wars and sanctions
Foster a Learning Culture: 4 5	Collaboration	<p>Creating a culture where knowledge, skills, and experience are continuously developed and shared across the Group.</p> <p>It reflects DIMO's belief that learning plays a key role in strengthening agility, decision making and long term value creation.</p>	<p>Short term Encourage learning, collaboration and capability to share across teams and cultures.</p> <p>Long term Building an organization where continuous learning improves adaptability, innovation and strategic execution.</p>	<p>Built AI and analytics capabilities across the Tribe to strengthen future ready decision making and collaboration.</p> <p>Hosted quiz events for Tribe members to encourage learning and broaden knowledge exposure.</p> <p>Conducted school training programmes with voluntary participation of DIMO teams, to extend knowledge sharing beyond DIMO, into the wider community.</p>	<ul style="list-style-type: none"> • Attrition of experienced and technically competent personnel • Data breaches, phishing scams or social engineering attacks

PURPOSE DRIVEN STRATEGY

Strategic Priority	Related Strategic Pillar	Why it matters	Short Term and Long Term Plans	Activities of 2025/26	Material Risks
Accelerate Digital Transformation:	Differentiation and Collaboration	<p>Building a more connected, data-led, and digitally enabled businesses that improves speed, visibility, and governance across the Group.</p> <p>It reflects DIMO's effort to make systems, information, and processes work together more effectively so the organization can move with greater confidence and efficiency.</p>	<p>Short term Focus on integration, automation, analytics and digital customer experience.</p> <p>Long term Building more intelligent, scalable, resilient and future ready business infrastructure.</p>	<p>Improvement and enhancements through digitalization and ERP optimization in terms of financial controls and reporting, analytics, warehouse management and digital infrastructure.</p> <p>Strengthened the digital transformation journey by formalising SAP business continuity arrangements and executing the first structured disaster recovery drill.</p>	<ul style="list-style-type: none"> Data breaches, phishing scams or social engineering attacks Aggressive competition from local contractors, traders, and low-cost foreign suppliers
Manage Climate Risk: 7 8	Collaboration	<p>Bringing climate related considerations into DIMO's strategy, risk management, and value chain decisions so the Group can protect value and respond responsibly.</p> <p>It reflects the need to recognize environmental shifts early, respond in a measured way, and strengthen resilience over time.</p>	<p>Short term Embedding climate considerations into risk management process and business operations.</p> <p>Long term Strengthen transition readiness,</p>	<p>Mangrove and forest restoration initiatives to protect natural habitats.</p> <p>Identification of material climate risks and deployment of targeted strategic measures.</p> <p>Development of a structured decarbonization plan to reduce the corporate carbon footprint.</p>	<ul style="list-style-type: none"> Extreme natural weather-related phenomena Shift to generation, storage and consumption of new energy for mobility, households, corporates and government institutions

TABLE 04: THE ENABLERS BEHIND FOCUSED EXECUTION

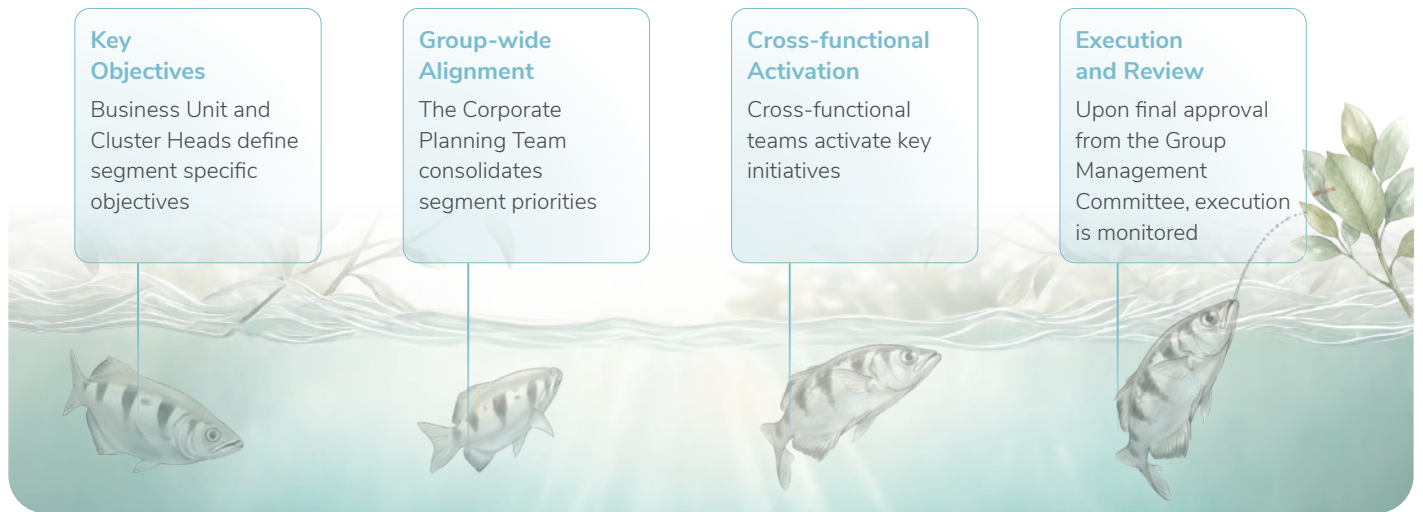
Enabler	Objective	Opportunities	Future Outlook
 <p>Group HR Strategy</p>	<p>Strengthen people capability to drive performance and sustain organizational success through stronger organizational design, capability building, engagement, leadership development, and alignment of people priorities with business strategy.</p>	<p>Opportunity exists to strengthen employer brand, increase internal capability mobility, use digital people data for better decisions, and create a more agile workforce aligned to future growth domains.</p>	<p>The HR agenda continues to build a workforce that is adaptive, capable, engaged, and ready to support enterprise transformation, collaboration, and long-term value creation.</p>
 <p>Group Marketing Strategy</p>	<p>Drive sustainable competitive advantage by embedding exceptional customer experience across DIMO's diversified businesses, strengthening brand relevance, and aligning customer insight, reputation, and value propositions to the Perfect Partner promise.</p>	<p>Opportunity exists to deepen loyalty, expand into new and niche markets, strengthen cross segment brand coherence, and use customer insight to shape higher relevance offerings.</p>	<p>The marketing agenda continues to evolve from communication support to strategic value creation by improving preference, trust, and advocacy across DIMO's portfolio.</p>
 <p>Group IT Strategy</p>	<p>Leverage digital technologies to improve the quality, cost efficiency, delivery, security, and experience of products, services, and internal operations across the Group.</p>	<p>Opportunity exists to redesign workflows, improve real time visibility, automate routine activity, enhance customer and employee experience, and create better decision support through data and analytics.</p>	<p>The technology agenda continues to build a secure, connected, and insight driven enterprise that improves productivity, scalability, governance, and future readiness.</p>
 <p>Group Sustainability Strategy</p>	<p>Embed ESG principles into strategy, business model, capital allocation, and decision making so that sustainability supports resilience, accountability, innovation, and long term stakeholder value creation.</p>	<p>Opportunity exists to improve brand equity, unlock responsible growth, increase the contribution of sustainable products and services, strengthen stakeholder trust, and reinforce DIMO's market leadership in responsible business practices.</p>	<p>The sustainability agenda continues to move from programme mode to enterprise mode, shaping how DIMO grows, competes, reports, and creates value through 2030 and beyond.</p>

PURPOSE DRIVEN STRATEGY

STRATEGY MOBILIZATION

The Acceleration Plan provides the execution discipline required to convert strategic intent into coordinated action. It aligns business level priorities with Group direction, clarifies ownership, supports timely decision making, and ensures that resources are channeled toward the initiatives that matter most.

For 2025/26, the plan continued to function as the operating bridge between strategic priorities, enablers, and measurable delivery. It supported both resilience and readiness by helping the Group move with focus in an environment that remains dynamic and opportunity rich.



RESOURCE ALLOCATION

DIMO translates its purpose driven strategy into focused action by allocating the right capitals to the right business segments aligned with the level of dependency the relevant business has on each capital, hence the focus required on it to achieve it's strategic priorities. Guided by diversification, differentiation and collaboration, the Group directs resources based on market opportunity, strategic fit, capability needs and stakeholder value. This enables DIMO to deploy resources with precision, strengthen execution and create sustainable value while fuelling dreams and aspirations of the communities it serves.

Business Segment	Capitals						Main Strategic Focus
	Financial	Manufactured	Human	Intellectual	Social & Relationship	Natural	
Mobility	●	●	●	●	●	●	Differentiation Diversification
Automotive Engineering Solutions	●	●	●	●	●	●	Differentiation
Agriculture	●	●	●	●	●	●	Diversification
Retail	●	●	●	●	●	●	Differentiation Collaboration
Power Engineering & Building Technological Solutions	●	●	●	●	●	●	Diversification Collaboration
Infrastructure Engineering	●	●	●	●	●	●	Differentiation Collaboration
Healthcare	●	●	●	●	●	●	Diversification Collaboration

● High dependency ● Moderate dependency ● Low dependency

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
Long Term 2030	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
Short Term 2025/2026	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
Our Progress 2025/2026	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
Our Progress 2024/2025	27%	-1,754%	36%	Reused 62% Recycled 32% Energy Recovery 6%	27.03 hectares	15%	34,734
Our Progress 2023/2024	24%	26%	14%	Reused 41% Recycled 51% Energy Recovery 8.6%	10.83 hectares	14.5%	8,752
Our Progress 2022/2023	29%	23.3%	30%	Reused 57% Recycled 22% Energy Recovery 21%	7.6 hectares	12%	5,276
Our Progress 2021/2022	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:



- Material Matters**
- Macro-Economic Resilience & Financial Stability
 - Business Model Innovation, Digital Transformation & Market Competitiveness
 - Data Security & Customer Privacy
 - Climate Change Mitigation, Adaptation, Resilience & Energy Transition
 - Talent Attraction, Development & Retention and OHS, Employee Wellbeing
 - Waste, Water, Effluent & Pollution Management
 - Stakeholder Engagement, Value Chain Sustainability & Resilience
 - Community Health & Public Safety
 - Energy Management
 - Emission & Climate Change

- Material Risks**
- Volatile local & global economic circumstances
 - Data breaches, phishing scams or social engineering attacks
 - Shift to generation, storage and consumption of new energy for mobility, households, corporates and government institutions.
 - Extreme natural weather-related phenomena
 - Geopolitical tensions & escalations, tariff-wars and sanctions
 - Aggressive competition from local contractors, traders, and low-cost foreign suppliers.
 - Inability to raise long-term funds for strategic investments
 - Attrition of experienced and technically competent personnel

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	●●●○	●●○○

Key to SDGs



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

OUR OPERATING ENVIRONMENT

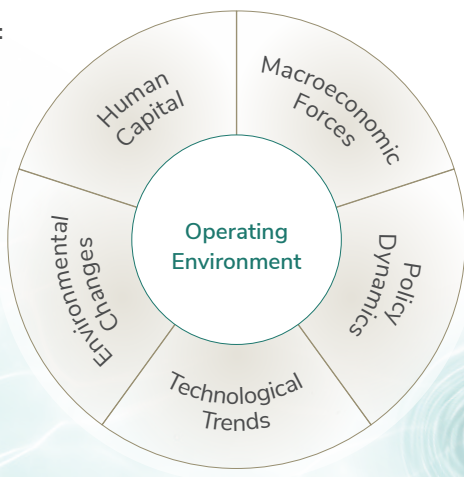
THRIVING IN A SHIFTING LANDSCAPE

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.

FINANCIAL CAPITAL

STRATEGY LED CONFIDENCE

OUR APPROACH



BEING A RESILIENT BUSINESS

Sustainable Entrepreneurship & Innovative Product Design

Ethical Business Conduct

Sourcing & Circularity

50% Achieve

Revenue Generated through Sustainable Products & Services



Financial Capital remains central to DIMO's ability to pursue market opportunities with discipline, strengthen resilience and create sustainable value for stakeholders. During the year, the Group converted improved market conditions and focused strategic execution into stronger revenue and profitability. As DIMO progresses on its growth trajectory, focus is directed towards liquidity management, prudent funding and focused capital allocation as strategic priorities for growth and reinforcing stakeholder confidence.



Video



"It's very important that we take this sustainability agenda for the business pillar seriously because it's our livelihood that is going to be at stake. In all our sectors we've looked at the full value chain where we have assessed where we can have lesser impact on the environment and also on all our other stakeholders where we really increase our sustainability scope from 26% to 50% by 2030."

Rajeev Pandithage
Executive Director
Business Pillar Head – Sustainability Agenda 2030



Financial Capital is a critical enabler of DIMO’s ability to deliver sustainable value over the short, medium, and long term. It underpins our capacity to invest in growth, maintain operational stability, and respond to evolving market conditions. Managing this capital requires effective control over key material matters such as liquidity management, cost efficiency, capital structure optimization, and return on investment, while addressing risks such as interest rate volatility, foreign exchange rate fluctuations, and funding constraints.

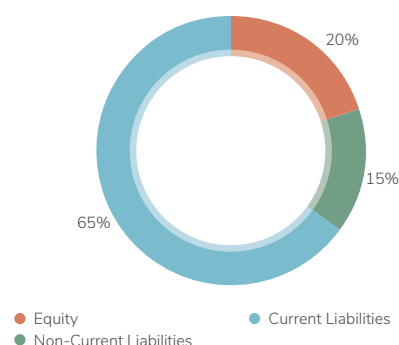
Our financial strategy centres on maintaining a resilient capital base, ensuring prudent capital allocation, and delivering sustainable returns to stakeholders. This is supported by disciplined financial stewardship, robust governance practices, and continuous monitoring of key performance indicators (KPIs) such as profitability, liquidity ratios,

gearing levels, and cash flow generation. Looking ahead, we remain focused on strengthening liquidity buffers, optimizing working capital, and enhancing financial flexibility to support future growth.

At DIMO, Financial Capital is more than just numbers, it is the foundation that enables us to innovate, grow, and create long-term stakeholder value. During the year, our disciplined approach to financial management, combined with efficient capital allocation and a focus on sustainable returns, supported the Group in navigating a complex macroeconomic environment while reinforcing overall resilience. A key priority was safeguarding our financial strength by securing adequate financial resources to ensure uninterrupted operations and healthy liquidity levels. These efforts have positioned the Group to manage uncertainties while continuing to pursue strategic opportunities.

This section provides an analysis of the key metrics of Financial Capital, encompassing both qualitative insights and quantitative performance indicators. A summary of the key financial highlights is presented below.

Figure 09:
Capital Structure



Total Equity

Rs. 16,861 Mn
(2024/25: Rs. 15,438 Mn)

General Reserves & Retained Earnings

Rs. 8,686 Mn
(2024/25: Rs. 7,191 Mn)

ROCE

9%
(2024/25: 1%)

Paid as Cash Dividend during the Year

Rs. 92 Mn
(2024/25: Rs. 46 Mn)

Total Liabilities

Rs. 65,908 Mn
(2024/25: Rs. 41,265 Mn)

Short Term Borrowings

Rs. 38,993 Mn
(2024/25: Rs. 24,549 Mn)

Ended the year with a net cash position

Rs. 3,650 Mn
(2024/25: Rs. 3,055 Mn)

Stated Capital

Rs. 621 Mn
(2024/25: Rs. 621 Mn)

Long Term Borrowings

Rs. 8,494 Mn
(2024/25: Rs. 3,374 Mn)

Asset Growth Rate

46%
(2024/25: 43%)

➔ More financial ratios are presented on page 197.

FINANCIAL CAPITAL

KEY MATERIAL TOPICS

Liquidity Management

The Group continued to maintain a focus on liquidity management to ensure financial stability and operational resilience amidst evolving market conditions. Through proactive cash flow forecasting, disciplined working capital management, and optimized treasury operations, the Group maintained healthy liquidity buffers throughout the year. Cash and cash equivalents stood at Rs. 3,650 million, while continuous monitoring of receivables, inventory, and short-term obligations enabled the Group to effectively meet its financial commitments and support business growth initiatives.

Cost Efficiency

Cost efficiency remained a key priority for the Group, supported by stringent cost control measures, operational streamlining, and continuous productivity improvements across business segments. The implementation of process optimization initiatives, enhanced resource utilization, and prudent expenditure management contributed significantly to improving operational margins (Operating Expense to Gross Profit Ratio 25/26 – 76%, 24/25 – 98%). These efforts enabled the Group to mitigate the impact of inflationary pressures and external economic challenges while sustaining profitability and operational effectiveness.

Optimizing Capital Structure

We focused on optimising our capital structure to strengthen financial sustainability and enhance agility. This involved maintaining an appropriate balance between debt and equity (Debt to Equity ratio 25/26 – 2.82:1, 24/25 – 1.81:1), actively managing financing costs, and ensuring prudent leverage levels to support growth while mitigating risks in a challenging macroeconomic environment.

Return on Investment

The Group remained focused on enhancing shareholder value through improved profitability, disciplined capital allocation, and operational efficiencies. As a result of the strong recovery in earnings during the year, the Group recorded a notable improvement in Return on Equity (ROE) (25/26 – 10%, 24/25 – -8%), reflecting the effective utilization of shareholders' funds to generate sustainable returns. The improvement in profitability, supported by cost optimization initiatives and strengthened operational performance, contributed positively towards enhancing overall investor confidence and long-term value creation.

TABLE 09: FINANCIAL CAPITAL: RISK IDENTIFICATION AND MITIGATION

Material Risk	Specific Exposure	Strategic Response
Volatile local & global economic circumstances	Fluctuations in interest rates	<ul style="list-style-type: none"> Continuous monitoring of debtors and inventory to reduce reliance on working capital funding. Encouraging cash-based sales, with credit extended only where necessary. Maintaining an optimal mix of fixed and floating rate borrowings.
Inability to raise long-term funds for strategic investments	Sustaining a surplus liquidity position	<ul style="list-style-type: none"> Strengthening cash collection processes and improving inventory turnover. Negotiating favourable credit terms with suppliers. Maintaining adequate cash buffers and committed credit lines.
Inability to raise long-term funds for strategic investments	Non-availability of funds for growth and expansion	<ul style="list-style-type: none"> Securing long-term credit facilities aligned with investment horizons. Conducting feasibility and cash flow impact assessments prior to investment approvals.

Material Risk	Specific Exposure	Strategic Response
Volatile local & global economic circumstances	Foreign Exchange Volatility	<ul style="list-style-type: none"> Close monitoring of exchange rate movements and exposure. Pricing adjustments and cost control measures to mitigate adverse impacts.
Inability to raise long-term funds for strategic investments	Credit risk	<ul style="list-style-type: none"> Strengthening credit evaluation and approval processes. Continuous monitoring of receivables and aging. Implementing strict collection policies and follow-ups.

Group's Financial Results: Nurturing Financial Capital

With the gradual normalization of the operating environment and the easing of regulatory restrictions, the Group recorded a strong recovery across its key business segments during the year. The Group strengthened operational performance and enhanced profitability, supported by the automobile sales activities and the continued resilience of its diversified portfolio. This positive momentum reflects the underlying strength, adaptability, and long-term sustainability of the Group's business model, underpinned by robust operational capabilities and strategic agility.

Revenue: Growth Across Strategic Segments

Driving Return on Investment

During the year, the Group recorded a revenue of Rs. 103,634 million (2024/25: Rs. 50,175 million), generated through seven business segments. Revenue contribution by each business segment and revenue generated by each business segment are shown in Figure 10 & Figure 12 respectively.

To systematically evaluate our impact, we developed a proprietary scorecard to assess the sustainability of our offerings; products and services achieving a score of 75/100 or higher are classified as sustainable. Revenue from these qualifying categories reached Rs. 48,713 million, a figure significantly bolstered by the growth in the mobility segment. A detailed breakdown of this

performance by business sector is illustrated in Figure 11 below.

- The Group achieved a robust overall revenue growth of 107% (from Rs. 50,175 million to Rs. 103,634 million), driven primarily by Mobility (2025/26 - Rs. 41,141 Million, 2024/25 - Rs. 3,483 Million) and Agriculture (2025/26 - Rs. 28,310 Million, 2024/25 - Rs. 17,197 Million). These high-growth segments highlight the success of recent strategic investments and evolving market demand.
- Power Engineering & Building Technological Solutions reported a revenue decline of 4% (41% increase in 2025), marking it as the only segment with negative revenue growth. This decline may be due to delays in project execution and funding challenges in the sector.

Figure 10: Segmental Revenue Contribution

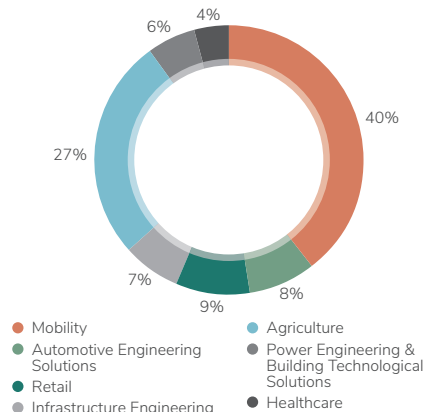


Figure 11: Revenue from Sustainable Products & Services (Total: Rs. 48,713 Mn)

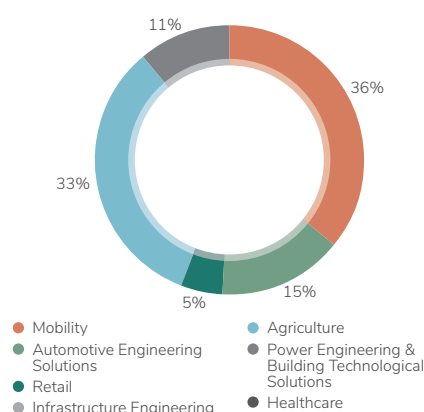
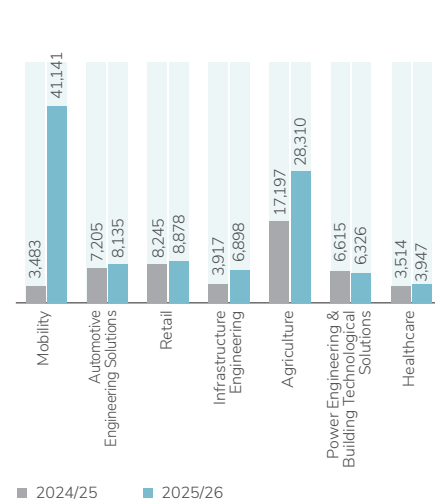


Figure 12: Segment Revenue (Rs. million)



FINANCIAL CAPITAL

- Automotive Engineering Solutions, Healthcare and Retail sectors historically mature segments posted moderate yet positive growth rates of 13%, 12% and 8% respectively (19%, 56% and 19% respectively in 2025). This reflected stability and resilience, particularly in sectors sensitive to consumer and rural market dynamics, while still contributing significantly to total revenue.

Table 10 summarizes the revenue growth, and Table 11 summarizes the asset growth across our key business segments, reflecting the diverse performance dynamics and capital allocation trends within the Group during the year under review.

Table 10 – Revenue Growth of the Segments

Segment	Revenue Growth (2025/26)	Revenue Growth (2024/25)
Mobility	1,081%	18%
Automotive Engineering Solutions	13%	19%
Retail	8%	19%
Infrastructure Engineering	76%	-10%
Agriculture	65%	5%
Power Engineering & Building Technological Solutions	-4%	41%
Healthcare	12%	56%

Table 11 – Asset Growth of the Segments

Segment	Asset Growth (2025/26)	Asset Growth (2024/25)
Mobility	987%	74%
Automotive Engineering Solutions	27%	18%
Retail	4%	9%
Infrastructure Engineering	-11%	34%
Agriculture	76%	-12%
Power Engineering & Building Technological Solutions	78%	84%
Healthcare	-5%	63%

Strategies identified for Revenue Growth

The Group's medium to long-term strategies to achieve growth in revenue and profits are presented in the Strategy and Resource Allocation section on pages 33 to 38.

Gross Profit: Growth Through Core Strengths

Driving Return on Investment

The Group recorded a Gross Profit of Rs. 19,827 million in 2025/26 compared to Rs. 11,394 million in the previous year, reflecting a significant increase driven by improved revenue performance, enhanced margins, and stronger contributions across key business segments. The Gross Profit Margin declined from 23% to 19% year-on-year, primarily attributable to a shift in

the revenue mix. The increased contribution from the Mobility segment, which carries comparatively lower margins despite its significant share of turnover, resulted in the overall reduction of the Group's gross profit margin. Unlike the previous year, where pricing strategies partially offset the impact of exchange rate fluctuations, the current year saw reduced flexibility in passing cost escalations to the market. Amid these pressures, the Group maintained its strategic focus on safeguarding margin quality across its diversified portfolio.

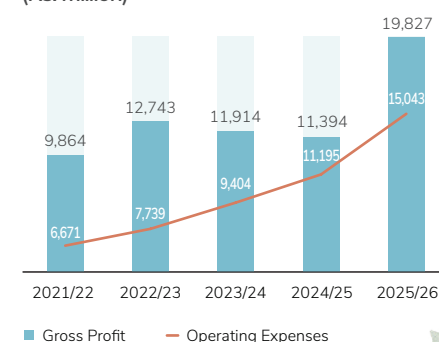
Operating Expenses: Managing Costs for Progress

Cost Efficiency

The Group incurred operating expenses amounting to Rs. 15,043 million in 2025/26 (2024/25: Rs. 11,195 million), representing approximately 76% of the total Gross Profit for the year. This increase reflects the continued investment in strategic initiatives and inflationary cost pressures impacting administrative and distribution functions.

Group's Gross Profit and Operating Expenses over the last five years are given in Figure 13.

Figure 13: Gross Profit vs Operating Expenses (Rs. million)



Management remains focused on optimising resource allocation through a dedicated and centralised supply chain function, aimed at enhancing operational efficiencies and protecting gross profit margins. Concurrently, significant emphasis is placed on maintaining cost discipline through rigorous expense management, process optimisation, and targeted productivity enhancement initiatives. The Group is also accelerating its digital transformation agenda to strengthen its medium and long-term operational efficiency and achieve sustainable cost advantages, while continuing to reinforce its commitment to delivering enhanced value to stakeholders.

Finance Expenses: Funding Strategic Growth

Cost Efficiency

The Group’s net finance expenses increased by 14% to Rs. 2,976 million (2024/25: Rs. 2,600 million) during the year, compared to the previous financial year.

One of the reasons for the increase in net finance expense was the 34% increase of interest expenses on short-term and long-term borrowings to Rs. 3,343 million (2024/25: Rs. 2,489 million). The interest cover of the Group stood at 1.59 times in comparison to 0.24 times in 2024/25.

The Group recorded a net foreign exchange gain of Rs. 433 million for the year ended 31st March 2026 (2024/25: Rs. 84 million loss), primarily due to the depreciation of the Sri Lankan Rupee against the US Dollar during the year. According to the selling rates published by the Central Bank of Sri Lanka, the USD was quoted at Rs. 300.48 at the beginning of the year and Rs. 319.31 at the end of the year.

Amid ongoing exchange rate volatility, the Group consistently reviewed and adjusted its pricing strategies, with the objective of limiting foreign exchange exposure and partially offsetting related losses through timely and targeted commercial actions.

Taxation: Contributing through discipline and compliance

Cost Efficiency

DIMO has consistently upheld its role as a responsible corporate citizen by ensuring the timely and compliant payment of all due taxes, thereby contributing to the nation’s economic development. For the year under review, the Group recorded an income tax expense of Rs. 503 million (2024/25: Rs. 640 million reversal). The effective tax rate, inclusive of deferred tax effects, decreased to 25% in 2025/26 compared to 33% in the previous year. This variance stems primarily from the reported profit before tax of Rs. 2,047 million in 2025/26, versus a loss before tax of Rs. 1,948 million in 2024/25, which significantly influenced the effective tax computation.

The reconciliation between accounting profit and taxable income is available in Note 4.6.3 to the Financial Statements. A summarised computation of deferred tax is provided in Note 4.6.2 to the Financial Statements.

Profitability: Restoring Sustainable Returns

Return on Investment

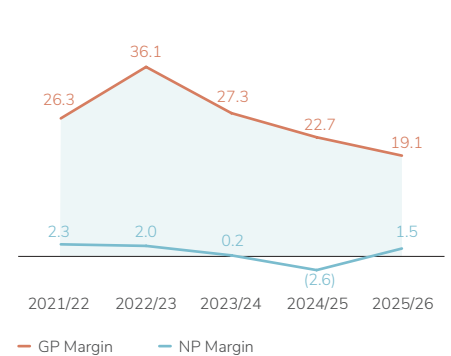
The profit before tax stood at Rs. 2,047 million (2024/25: Rs. 1,948 million loss) for the year under review, an increase of 205%. This improvement was primarily driven by the recovery in revenue across key business segments such as Mobility, supported by improved demand conditions and the easing of operational constraints that impacted the prior-year.

Furthermore, the Group benefited from the implementation of stringent cost control measures, enhanced process efficiencies, and targeted productivity improvement initiatives during the year. The stabilisation of exchange rates, together with proactive pricing adjustments, also contributed towards mitigating the foreign exchange losses experienced in the previous year. Collectively, these factors supported the Group’s strong recovery in profitability.

The profit after tax increased by Rs. 218% to Rs.1,544 million from Rs. 1,308 million loss in the previous year.

The movement of the Group’s Gross profit margin and Net profit margin over the last five years is depicted in Figure 14.

Figure 14: Gross Profit vs Net Profit (%)

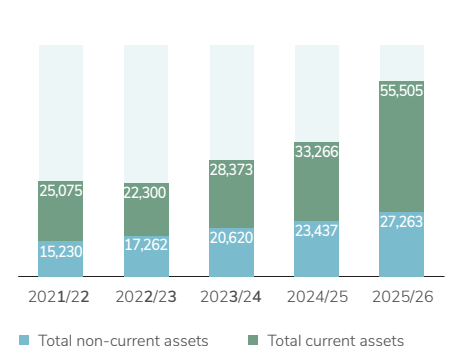


Group’s Financial Position: Strength Through Strategy

The Group was able to maintain a desirable financial position with a total asset base of Rs. 82,768 million and total liabilities amounting to Rs. 65,908 million as at 31st March 2026. (Rs. 56,703 million total assets and Rs. 41,265 total liabilities as at 31st March 2025)

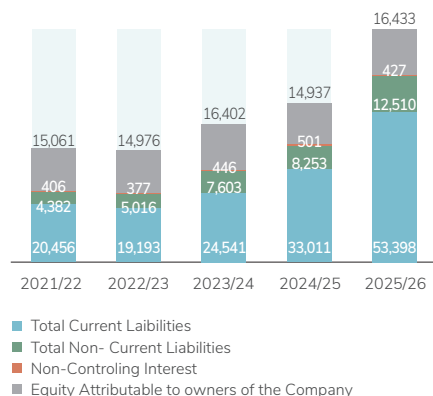
The summary of the Group’s financial position is illustrated in Figure 15 and 16.

Figure 15: Total Assets (Rs. million)



FINANCIAL CAPITAL

Figure 16:
Total Liabilities and Equity (Rs. million)



Prudent and disciplined management of monetised assets including property, plant and equipment, inventory, receivables, cash and cash equivalents remains fundamental to enhancing profitability, strengthening liquidity, and sustaining long-term financial stability.

As depicted in Figure 15, the Group's Non-Current Assets increased by 16% to Rs. 27,263 million (as at 31st March 2025: Rs. 23,437 million) mainly due to the increase of property, plant and equipment.

The Group's total current assets increased by 67% to Rs. 55,505 million as at 31st March 2026 (2024/25: Rs. 33,266 million), primarily driven by higher balances in Inventory, Trade and Other Receivables, Other Current Assets, and Cash and Cash Equivalents. This contributed to a 46% year-on-year growth in total assets (2024/25: 16% increase).

The Board, together with the management team, continues to maintain close oversight of the Group's cash position and liquidity profile to ensure the timely availability of funds for both operational needs and strategic initiatives. Towards this end, the Group has established a dedicated treasury function responsible for securing appropriate funding facilities, optimising working capital, and ensuring the efficient allocation and

deployment of financial resources across the Group. This disciplined approach supports financial resilience, enhances liquidity management, and enables the Group to effectively respond to evolving business and market conditions.

Liquidity and Working Capital: Continued Strategic Focus

Liquidity Management

Effective liquidity management continues to remain a cornerstone of the Group's financial stability and long-term sustainability. The Group adopts a prudent and disciplined approach to liquidity risk management through the strategic alignment of debt maturities, receivables collection cycles, projected cash flows, and operational funding requirements. This approach enables the Group to maintain adequate financial flexibility while ensuring the uninterrupted continuation of business operations and strategic initiatives.

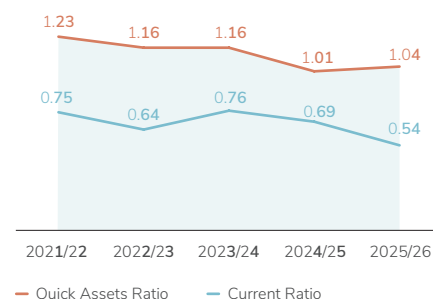
Capital investments, including acquisitions of Property, Plant and Equipment and other long-term strategic assets, are generally financed through dedicated medium to long-term funding arrangements, thereby minimising pressure on short-term working capital resources and maintaining a balanced funding structure.

To further strengthen financial resilience, the Group maintains a well-diversified funding base supported by strong relationships with financial institutions, significant undrawn committed banking facilities, and healthy cash reserves. These resources provide sufficient capacity to meet immediate funding obligations, manage unforeseen market disruptions, and support the Group's short to medium-term liquidity and growth requirements in a dynamic operating environment.

Maintaining a healthy current ratio and quick asset ratio continues to be a key focus in the Group's liquidity management strategy. As illustrated in Figure 17, the Group recorded

a current ratio of 1.04 times and a quick ratio of 0.54 times as at 31st March 2026 (1.01 and 0.69 as at 31st March 2025), reflecting its commitment to preserving short-term financial stability.

Figure 17:
Liquidity Ratios



The Group's net current assets increased to Rs. 2,107 million as at 31st March 2026, compared to Rs. 254 million as at 31st March 2025. This increase was primarily driven by a 154% increase in inventories and 34% increase in trade and other receivables coupled with a 19% rise in cash and cash equivalents and a 2% increase in other current assets. Further details on the Group's liquidity movements are available in the Consolidated Statement of Cash Flows on page 274.

The Group's average cash conversion cycle improved to 128 days during the financial year 2025/26, compared to 181 days in 2024/25, reflecting a significant enhancement in working capital efficiency. This improvement was primarily driven by focused efforts to optimise inventory levels through effective stock management, alongside strengthened debtor collection and credit control processes. In parallel, the Group continues to actively engage with suppliers to negotiate more favourable credit terms and payment arrangements, further supporting effective liquidity management and enhancing overall cash flow efficiency.

The cash conversion cycle is primarily funded through short-term borrowings, ensuring uninterrupted operational flows. As at 31st March 2026, the Group maintained unutilised committed banking facilities of Rs. 28,621 million (31st March 2025: Rs. 11,822 million), providing a strong liquidity buffer to support short- to medium-term funding needs.

Cash Flow: Lifeline for Growth

Liquidity Management

The Group Treasury continues to play a critical role in safeguarding and optimising the Group’s liquidity position through disciplined, proactive, and strategically aligned cash flow management practices. By continuously monitoring cash flows, funding requirements, banking facilities, and prevailing market conditions, the Treasury function ensures the prudent allocation and efficient utilisation of financial resources across the Group’s operations. This structured and forward-looking approach enables the Group to maintain adequate liquidity levels to support operational requirements, strategic investments, and debt servicing obligations while preserving financial flexibility. In addition, continuous monitoring of financial markets and economic developments supports the identification and mitigation of potential financial risks, including liquidity pressures, interest rate fluctuations, and foreign exchange exposures. Through these initiatives, the Group Treasury contributes significantly towards maintaining financial stability and supporting sustainable business growth in an increasingly dynamic and challenging economic environment.

As at 31st March 2026, the Group’s cash and cash equivalents amounted to Rs. 3,650 million, compared to Rs. 3,055 million recorded in the previous financial year. Cash and cash equivalents comprise cash in

hand, balances held with banks, and highly liquid short-term investments with original maturities of three months or less, net of outstanding bank overdrafts. The Group continues to maintain an appropriate level of liquid resources to ensure operational continuity, meet short-term financial commitments, and support ongoing business activities effectively.

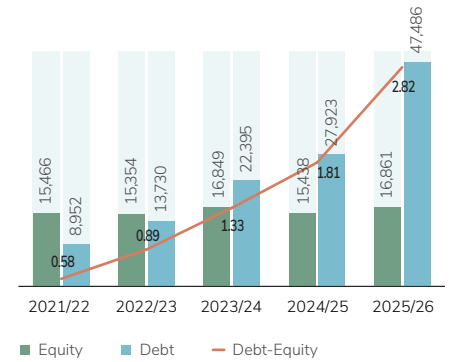
Net cash flow from operating activities recorded an outflow of Rs. 14,720 million for the year ended 31st March 2026, primarily due to the increase in Inventory and trade and other receivables. This compares to an outflow of Rs. 3,791 million in the previous financial year (2024/25)

Net cash flow from financing activities reflected an inflow of Rs. 19,029 million for the year ended 31st March 2026, primarily attributable to an increase in short-term borrowings. This compares to an inflow of Rs. 5,650 million in the previous financial year (2024/25)

Capital Structure and Leverage: Foundation for Financial Agility

As at 31st March 2026, the Group’s capital structure comprised equity of Rs. 16,861 million, long term debt of Rs. 8,494 million and short term debt of Rs. 38,993 million, resulting in a gearing ratio increase to 74%, up from 64% the previous year. (As at 31st March 2025: equity Rs. 15,438 million and debt Rs. 27,923 million). The higher gearing reflects the Group’s strategic leverage to finance ongoing operations and investments. Despite the increased leverage, the Group remains committed to disciplined capital management, prioritising cost optimisation, financial flexibility, and sustainable long-term value creation. Figure 18 clearly depicts the year-on-year debt-equity movements of the organization.

Figure 18: Debt Equity Movements (Rs. million)



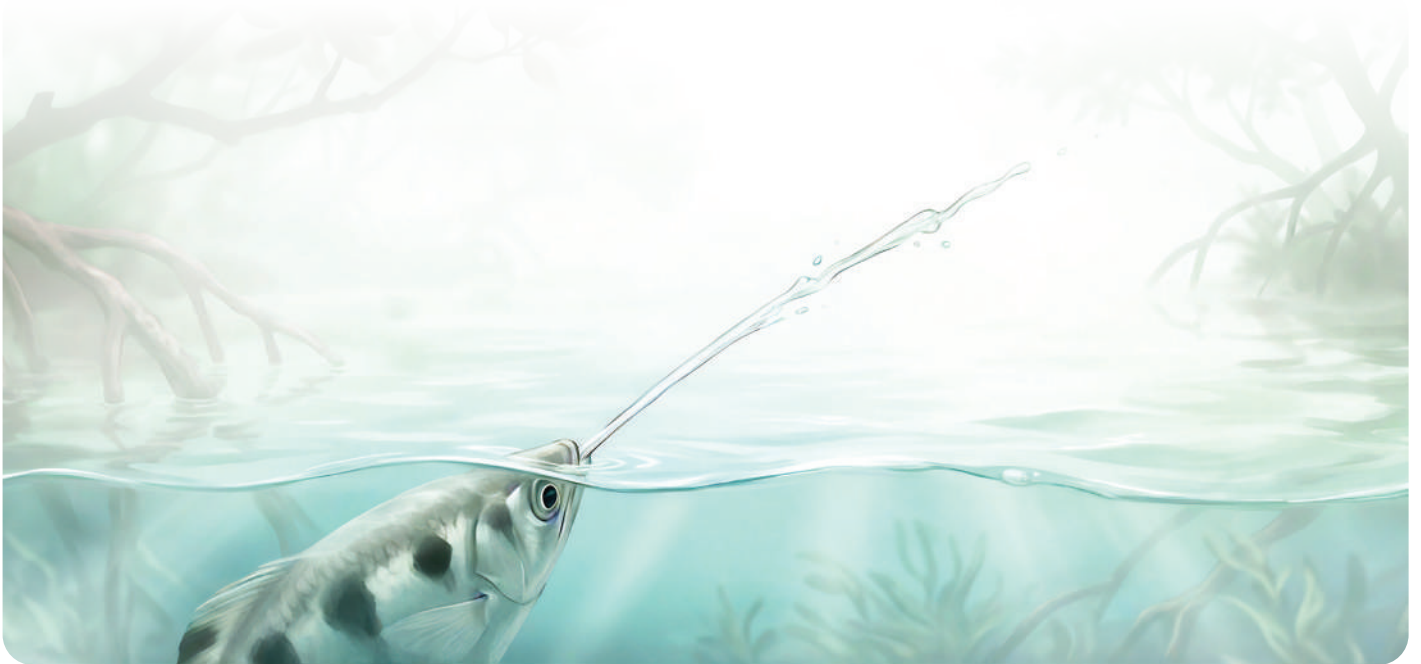
Stock Market Performance: Market Confidence in Strategic Direction

The market performance of Diesel & Motor Engineering PLC’s share demonstrated strong growth during the financial year ended 31st March 2026. The share price reached a high of Rs. 2,990.00 in October 2025 and traded within a range of Rs. 900.00 to Rs. 2,990.00 during the year. The closing price as at 31st March 2026 was Rs. 1,402.25, representing a substantial increase compared to Rs. 920.75 at the end of the previous financial year.

➔ Shareholder value creation through financial capital is discussed on page 194 to 199 in the “Investor Relation” section of the Annual Report.

MANUFACTURED CAPITAL

Manufactured Capital plays a vital role in DIMO's value creation process by enabling the Group to deploy its physical infrastructure, technology, machinery and operational assets with precision towards areas that support growth, reliability and stakeholder value. Through disciplined investments in facilities, capacity, service networks and sustainable infrastructure, DIMO strengthens its ability to move beyond operational and market barriers while responding to evolving customer and industry needs. This capital reinforces the Group's brand promise as the Perfect Partner by enhancing customer experience, supporting safer and more efficient workplaces, improving business performance and contributing to responsible community outcomes. In doing so, Manufactured Capital helps DIMO fuel dreams and aspirations while building a future ready operating platform that sustains trust short, medium and long-term value creation.



DIMO's Manufactured Capital continued to evolve during the year, reinforcing the Group's ability to deliver sustainable value through a resilient and future-ready operational ecosystem. Strategic investments in infrastructure, capacity expansion, technology integration, and renewable energy strengthened the Group's operational capabilities while supporting long-term business growth across diversified sectors.

The Group's extensive network of workshops, service facilities, warehouses, manufacturing plants, showrooms, and branch operations across the island remains

a key enabler of operational excellence and customer accessibility. These facilities, supported by modern engineering technologies and advanced operational systems, continue to enhance productivity, service quality, and supply chain efficiency while strengthening DIMO's market presence and brand equity.

Figure 19:

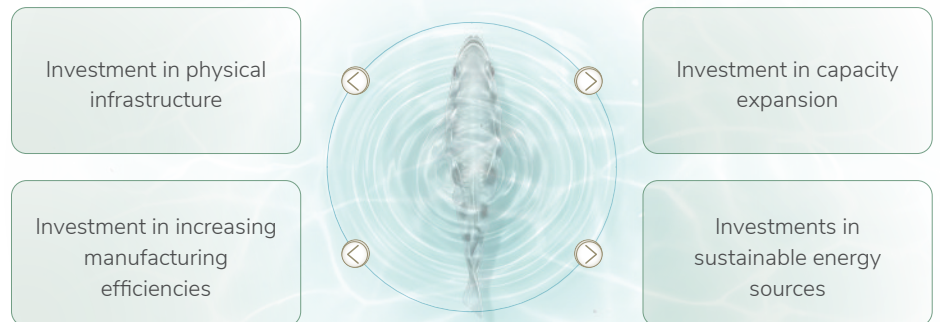


Figure 20:
CAPEX Additions - Segment Wise (LKR '000)

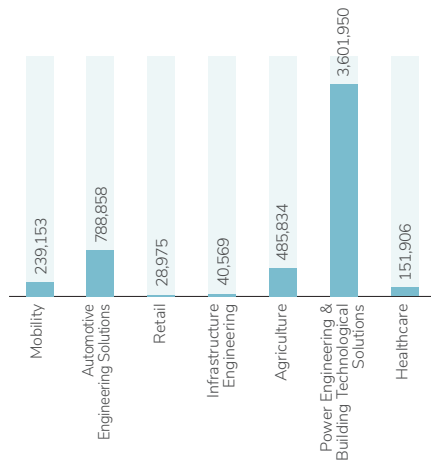
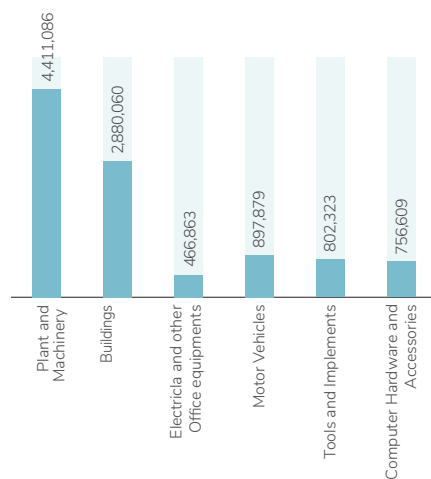


Figure 21:
PPE by Type (LKR'000)



DRIVING GROWTH THROUGH OPERATIONAL EXCELLENCE

During the year, the Group adopted a focused approach towards optimizing and expanding its physical asset base by investing in infrastructure enhancements, manufacturing efficiencies, and capacity-building initiatives. Investments were directed towards modernizing facilities, improving operational workflows, and strengthening engineering capabilities to meet evolving customer expectations and market demands.

During the year DIMO continued to strengthen its operational capabilities through investments in advanced machinery, processing facilities, and operational technologies aimed at improving manufacturing efficiency, minimizing operational waste, and enhancing overall productivity. These investments supported the Group's focus on operational excellence, local value creation, and long-term business sustainability while contributing to diversified revenue streams..

In line with the Group's Sustainability Agenda 2030, DIMO also accelerated investments in renewable energy and environmentally responsible infrastructure. The expansion of solar power generation initiatives and sustainable operational practices demonstrates the Group's commitment to building a low-carbon and resource-efficient operational model while enhancing long-term resilience.

INVESTMENTS IN PHYSICAL INFRASTRUCTURE

DIMO's investments in physical infrastructure reflect the Group's commitment to building a resilient and future ready operational ecosystem that supports sustainable value creation and long-term strategic growth.

During the financial year, DIMO invested approximately Rs. 400 million in infrastructure development initiatives aimed at strengthening operational capabilities, enhancing customer accessibility, and supporting long-term business growth. These investments focused on expanding

and upgrading the Group's branch network, workshops, warehouses, and operational facilities across key business sectors.

The significant investment in Manufacturing capital during the year included capacity expansion in Electrical Panel Building, Mercedes Bens workshop bay expansion, expansion of DIMO Academy for Technical Skills (DATS) and opening of new TATA showrooms in Kurunegala, Galle and Altair tower. And also, DIMO invested in a fertilizer warehouse to streamline supply chain operations and reinforce its agricultural sector offerings.

Investment in DIMO Academy for Technical Skills (DATS)

In 2025 we relocated our new DIMO Academy for Technical Skills (DATS) facility in Peliyagoda. This marks a transformative step in the company's ongoing commitment to enhancing vocational education and fostering globally competitive technical professionals in Sri Lanka. The cutting-edge facility features advanced laboratories equipped with modern diagnostic tools, mechatronic technologies, and control systems. High-tech workshops blend traditional practices with innovative approaches, such as electric and hybrid vehicle systems. Additionally, dynamic smart classrooms, simulation areas replicating industrial environments, and digital libraries create an immersive learning experience. Dedicated student resource centers further support academic and career development.



MANUFACTURED CAPITAL

INVESTMENTS IN CAPACITY EXPANSIONS

Investments in capacity expansion remained a strategic priority for the Group as DIMO continued to strengthen its manufacturing capabilities and operational scalability to support long-term value creation. During the financial year, DIMO invested Rs. 46 million in capacity expansion initiatives aimed at enhancing productivity and supporting future business growth.

During the year, DIMO completed the expansion of the Mercedes-Benz workshop bay facilities to further strengthen after-sales service capabilities and enhance operational efficiency. The expansion increased service capacity, improved workflow management, enabled the Group to deliver faster, more efficient, and customer-focused service experiences while maintaining the high standards associated with the luxury Mercedes-Benz brand.

DIMO transformed and expanded its Engine Care facility into a modern engineering complex designed to deliver both advanced technical expertise and enhanced customer convenience. Renowned for its longstanding capabilities in complex engine overhauling and precision machining, the facility has evolved from a traditionally expertise-driven workshop into a more integrated, customer-centric operation. The upgraded facility now offers improved efficiency, faster service

delivery, and a more seamless customer experience, enabling DIMO to better meet evolving market expectations while maintaining its strong engineering excellence.

INVESTMENTS IN INCREASING MANUFACTURING EFFICIENCIES

DIMO continued to invest in enhancing manufacturing efficiencies during the year through the adoption of advanced technologies, process improvements, and operational optimization initiatives.

During the year DIMO invested in a new fertilizer blending machine for our blending plant as part of ongoing efforts to strengthen manufacturing efficiency and operational capability within the agriculture sector. The investment enhanced blending accuracy, improved production efficiency, and increased the plant's capacity to deliver high-quality fertilizer solutions that meet evolving customer and market requirements.

Collectively, during the last financial year DIMO invested approximately Rs. 100 million in machinery and equipment upgrades to strengthen manufacturing efficiencies and operational performance across key business sectors. These investments enhanced technical capabilities, improved productivity and operational reliability, and further reinforced the Group's commitment to delivering high-quality engineering and manufacturing solutions.

INVESTMENTS IN SUSTAINABLE ENERGY SOURCES

Investments in sustainable energy sources have become a key component of DIMO's long-term sustainability agenda aligned with 2030 goals. In support of this vision, the company is gradually integrating renewable energy solutions such as rooftop and ground mounted solar installations, battery energy systems, and energy-efficient technologies across its operations to reduce its carbon footprint and improve resource efficiency.

During the last financial year, five ground-mounted solar power plants (25MW) commenced operations in the Anuradhapura and Galle areas and were successfully connected to the national grid, reinforcing DIMO's commitment to its 2030 sustainability agenda. And 979KW of rooftop solar projects were also carried out in 2025. These renewable energy investments support the transition towards cleaner energy sources while contributing to national efforts in reducing carbon emissions and promoting long-term energy sustainability.

These initiatives collectively demonstrate DIMO's continued commitment to advancing sustainable business practices and supporting the transition towards a cleaner and more energy efficient future.

TABLE 12: RISKS AND RESPONSES RELATED TO MANUFACTURED CAPITAL

Material Risk	Specific Exposure	Impact to Business	Strategic Response
Inability to raise long-term funds for strategic investments	Aging machinery and equipment	Increased maintenance costs, reduced operational efficiency, and potential service disruptions	Continuous investments in modern machinery, equipment upgrades, and preventive maintenance programs
Inability to raise long term funds for strategic investments	Operational downtime and infrastructure failures	Disruptions to operations, delays in service delivery, and revenue losses	Routine maintenance schedules, operational monitoring systems, and backup contingency measures
Volatile local and global economic circumstances	Rising energy and utility costs	Higher operating expenses and pressure on profitability	Adoption of renewable energy solutions, including solar power plants, and implementation of energy efficiency initiatives

Material Risk	Specific Exposure	Impact to Business	Strategic Response
Shift to generation, storage and consumption of new energy for mobility, households, corporates and government institutions	Technology obsolescence	Reduced competitiveness and inability to meet changing industry requirements	Ongoing investments in advanced technologies, automation, and process improvement initiatives
Extreme natural weather related phenomena	Health, safety, and environmental risks	Workplace incidents, regulatory non-compliance, reputational damage, and financial penalties	Strengthening occupational health and safety practices, employee training, and compliance monitoring across operations

Future outlook – Manufactured capital development

DIMO is focused to continuously strengthen its manufactured capital, to leverage market opportunities, in line with its strategic priorities, through purposeful prioritization of investments, to enhance and enrich the experience and value creation towards its stakeholders.

In the short term, the focus will remain on upgrading critical machinery and workshop equipment, enhancing preventive maintenance systems, and improving operational efficiency through better utilization of existing infrastructure. These initiatives aim to ensure reliability, reduce downtime, and optimize cost performance across operations.

In the long term, DIMO plans to invest in advanced technologies, expanded service and production facilities, and greater automation to support future business growth and evolving customer requirements. In parallel, continued investment in energy-efficient systems and renewable energy solutions will further enhance sustainability

and resilience. Collectively, these plans reflect the Group’s commitment to building a modern, efficient, and future-ready manufactured capital base.



Short Term Plans

- Upgrading machinery & equipment
- Better utilization of existing infrastructure

Medium to Long Term Plans

- Invest in advanced technologies
- Expand service & production facilities
- Process automation
- Investments in renewable energy solutions

HUMAN CAPITAL

OUR APPROACH



CREATING A RESILIENT COMMUNITY

Improving Employee Wellbeing

Meaningful Employment through Diversity

40%

Women in Decision Making Roles



Human Capital is a core input to DIMO's value creation process, enabling the Group to convert strategy, governance, stakeholder expectations and market opportunities into sustainable outcomes. Through the ACE model of Alignment, Capability building and Engagement, DIMO nurtures a skilled, ethical and future ready Tribe that strengthens execution across business segments and supports the effective use of all other capitals. By investing in talent, learning, leadership, wellbeing, diversity and employee voice, DIMO enhances its ability to go beyond barriers, deliver meaningful stakeholder value and remain a trusted Perfect Partner in fuelling dreams and aspirations.



Video



"Management accountability in driving the sustainability agenda is not an option. It is important that the management is committed to the cause. It is important that the leadership commits and include sustainability in our day-to-day activities and in our decision making. The HR agenda is very much aligned to the sustainability strategy. We drive employee wellness, employee transformation and diversity inclusion. Our objective is not just to create impact internally but a larger impact in the society".

Dilrukshi Kurukulasuriya

Executive Director/Chief Human Resources Officer
Employee Pillar Head – Sustainability Agenda 2030



Our tribe; our workforce is the most vital asset and the primary driver of making DIMO a truly great place to work. They aren't just an operating expense; they are our primary engine of value creation. By empowering highly motivated and skilled professionals, we can deliver innovative, technology-enabled solutions that provide genuine value to our clients. When motivations and personal goals of our workforce align with the organization's governance structure and ethical values, productivity naturally escalates.

DIMO tribe serves as the organizations' primary defense against operational and reputational threats. By cultivating an ethical culture and providing continuous training, the tribe ensures strict regulatory compliance, drastically minimizing legal and fraud risks. Experienced tribe members build resilience by adapting swiftly to disruptions, while proactive talent development mitigates key-man risk through structured succession planning, guaranteeing long-term business continuity.

By leveraging the unique, hands-on tacit knowledge of tribe members, DIMO delivers superior customer experiences and operational efficiencies that cannot be easily reverse-engineered allowing DIMO to establish unique market positioning and consistently attracting top-tier industry talent.

STRATEGIC LEVERS FOR PRIORITIZATION, GROWTH, LONGEVITY AND DIGITAL ADVANCEMENT

Our workforce is the primary catalyst for achieving our long-term strategic ambitions. By fostering an inclusive, collaborative, and empowering environment grounded in shared corporate values, we inspire our "tribe" to unlock their potential, growth and deliver innovative solutions. This dedication to employee-led innovation is demonstrated through recent group-wide digital transformation initiatives.

Managed through a comprehensive lifecycle framework, our talent management focuses on recruiting premier professionals, nurturing continuous development, and preserving top performers. This approach is anchored in our employee value proposition, "ACE," which frames team members as core contributors across three vital spheres: Alignment, Capability building, and Engagement. Ultimately, our respectful and highly engaging workplace culture has firmly established us as one of the nation's most prestigious and sought-after employers in the private sector.

Total Employees

2,241
(2024/25: 1,994)

Employee Engagement Score

4.23
(2024/25: 4.27)

Training Investment

Rs. 23.6 Mn
(2024/25: Rs. 13 Mn)

Female Representation

330
(2024/25: 281)



Figure 22: Key Areas of Focus



Alignment: Seamlessly Integrated into Our Culture

"Alignment" connects DIMO's workforce, culture, and systems to its long-term vision. It fosters a shared direction, enabling employees to see how their roles advance broader strategic goals. Core HR practices—from talent acquisition to diversity and inclusion—are designed to reinforce this mission, encouraging a purpose-driven culture. This alignment is vital during major changes like digital transformation. As new technologies alter workflows, keeping teams aligned, ensures seamless transitions and higher adaptability. By mitigating resistance and boosting engagement, alignment serves as a cultural anchor and a strategic driver, empowering employees to navigate a rapidly evolving business landscape confidently.

HR Governance

Our human resource policies are meticulously structured to meet both national and global benchmarks, encompassing every critical pillar of our people strategy. These guidelines serve to maintain our ethical standards and strengthen our core employee value proposition. Beyond strictly adhering to the country's labour regulations, DIMO has implemented the below internal policies to guarantee a workplace defined by safety, integrity and mutual respect.

HUMAN CAPITAL

- HR Policy
- Code of Business Ethics
- Recruitment and Selection Policy
- Harassment, Bullying & Retaliation Policy
- Whistle blowing Policy
- Grievance Handling Policy
- Trainee Policy
- United Death Donation Policy

Key HR Practices

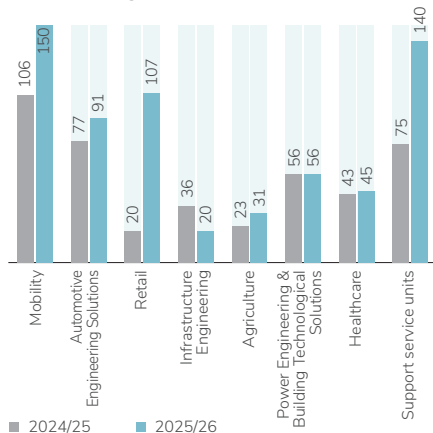
- Child Labour and Compulsory or Forced Work
- Safeguarding Employee Health and Safety
- Zero Tolerance on Corruption
- Respecting Non-Discrimination, Labour Rights, and Human Rights

Talent Acquisition for DIMO Tribe

Our HR strategy demonstrates how we translate the collective passion and ingenuity of our people into exceptional stakeholder outcomes. By aligning our talent strategies with our overarching mission, we turn individual capabilities into high-impact performance. This process drives sustainable growth and cross-industry innovation, ensuring DIMO remains architected for longevity and digitally advanced in a rapidly evolving landscape.

As a highly diversified conglomerate, DIMO's talent acquisition strategy focuses on attracting specialized expertise to drive digital

Figure 23:
Business Segment Wise Recruitment



advancement and diversification. Our talent acquisition is a thorough process that goes beyond traditional recruitment. By leveraging the cohesiveness of the "DIMO Tribe" culture and a robust Recruitment Policy, DIMO secures leadership depth and internal mobility. This proactive approach ensures a steady pipeline of high-calibre talent, architected for the organization's long-term resilience.

Figure 24:
Age Profile and Gender Composition of Newly Onboarded Employees

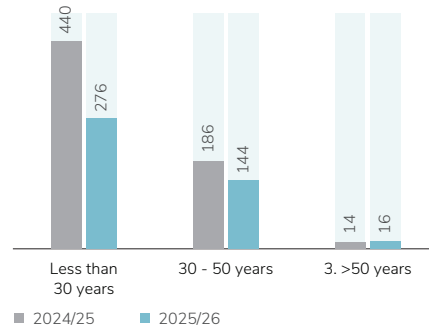
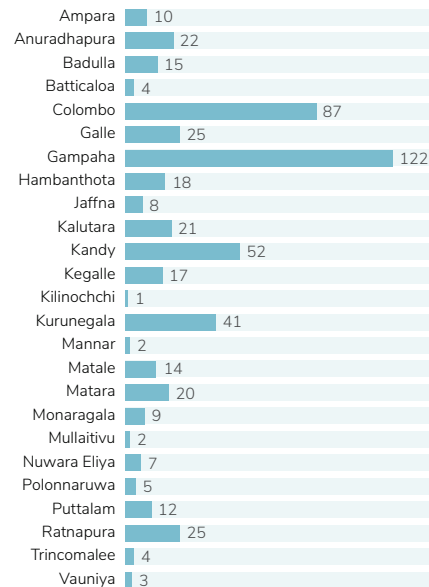


Figure 25:
District of newly onboarded employees

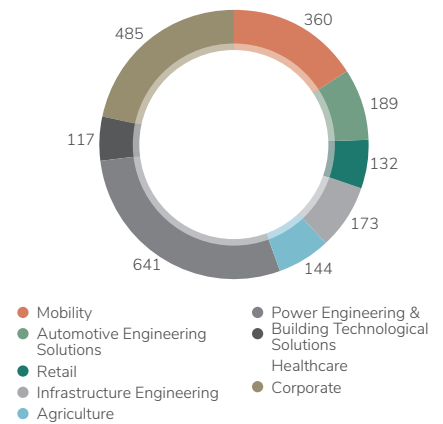


Talent Movement

The DIMO tribe grew from 1,994 to 2,241 over the past year, a reflection of strategic growth within the Mobility and Automotive

Engineering segments. DIMO manages talent by movement with a strategic focus on mitigating the operational risks of employee turnover and preserving institutional knowledge. This systemic codification ensures total operational continuity across its business segments. Furthermore, DIMO stabilizes talent mobility by upholding stringent social accountability standards, guaranteeing equitable compensation, fair practices and an inclusive workplace culture that actively drives high employee engagement, long-term retention, and widespread stakeholder trust.

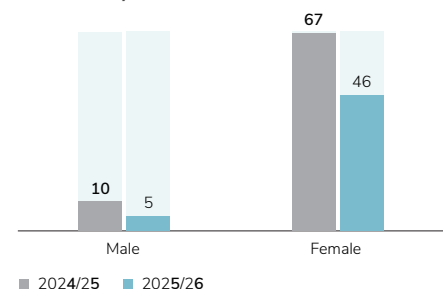
Figure 26:
Business Segment Wise Talent Movement



1.4 Personnel growth

DIMO HR strategy by design harmonize the individual aspirations of our tribe members with the strategic growth of the business. In line with this direction, both permanent and contract tribe members are empowered to pursue cross-functional career opportunities converting their life-long professional aspirations into reality.

Figure 27:
Number of internal transfers facilitated within the year



Transparent remuneration and benefit framework

DIMO's remuneration and benefit framework is built on a foundation of transparency, meritocracy, and market alignment. Guided by a formal Remuneration Policy, DIMO utilizes external market research to establish competitive salary bands, ensuring fairness across its diversified portfolio. This "Employee First" approach links compensation to performance-based metrics that support strategic, economic and ESG goals. Beyond base pay and statutory EPF/ETF contributions, the "DIMO Tribe" benefits from comprehensive other financial and non-financial benefits which support the wellbeing and long-term development of the tribe members. By integrating digital performance management and diversity targets, DIMO ensures its framework not only rewards superior performance but also fosters a secure, inclusive and future-ready workforce.

Further, competitive remuneration, performance based bonuses and increments, paid leaves, fringe benefits - educations reimbursement and financial Assistance,

financial peace of mind for life after work (EPF, ETF, Gratuity) and comprehensive medical covers (hospitalization, OPD etc.) are the key financial benefits offered by DIMO along with several non-financial benefits such as all-encompassing physical, emotional, and workplace wellness (Yoga, anti-harassment line, employee grievance handling), employee empowerment, parental leave, next-generation career progression and educational initiatives, job security and enrichment, flexibility & work-life balance and other engagement activities (festival celebrations, quizzes, women's day/men's day celebrations).

Diversity and inclusion

DIMO prioritize workforce diversity and are dedicated to cultivating an inclusive culture where equal opportunity is the benchmark. We recognize that a diverse workforce is a powerful catalyst for innovation and actively leverage this strength throughout the Group. Our commitment to a fair workplace includes a zero-tolerance policy regarding discrimination. We guarantee equitable treatment for every individual, irrespective of their race, religion, gender, region, disability, sexual orientation, or political affiliation. To uphold the safety and dignity of our team, we provide access to an independent, external anti-harassment helpline.

Persons with Disabilities

DIMO partnered with Humanity and Inclusion (HI) with the aim of inclusion at the workplace, to enhance the diverse workforce with the company by encouraging more inclusive practices with the focus on women and persons with disabilities. The assessment was for 6-7 months, targeting access to decent work opportunities for women and person with disabilities (PWD). HI assisted to strengthen the inclusive recruitment.

Steps of the Assessment

1. **Diagnosis**
 - Online Survey for Employees
 - Focus Group Discussions
 - Participatory Accessibility Audit
2. **Inclusion Improvement Plan**
 - Through interactive sessions, identifying key areas for improvement in DIMO's for inclusivity
3. **Training & Awareness**
 - Trainings for Employees
 - Exposure Visit to India
4. **Post Placement Support**
 - Coaching & Mentoring

A Workshop was held for DIMO Management by HI team to understand the importance of PWD and connecting with networks for recruitment.

Total Paid Salary
Rs. 6,236 Mn
 (2024/25: Rs. 4,923 Mn)

Gross Remuneration per Employee
Rs. 2.8 Mn
 (2024/25: Rs. 2.5 Mn)

Gratuity Paid
Rs. 128 Mn
 (2024/25: Rs. 134 Mn)

Total Paid for ETF and EPF
Rs. 668 Mn
 (2024/25: Rs. 562 Mn)


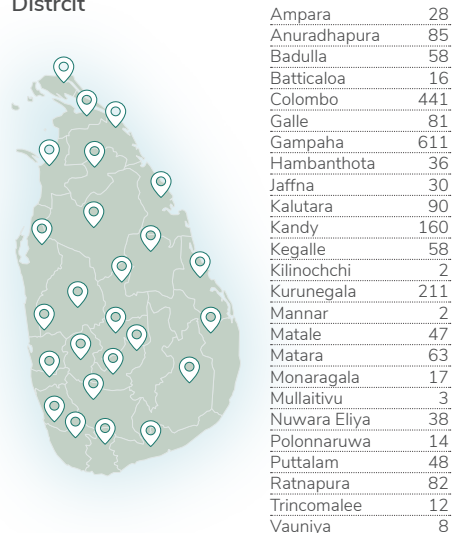



Figure 28: Employee Composition by District



Recruitment of Persons with Disabilities

03
 (2024/25: Zero)



HUMAN CAPITAL

Table 13: Generation Matrix

Each demographic possesses a distinct baseline of readiness, shaped by how the generations at DIMO view technology, career stability, and workplace communication.

Generation	Count of Generation	%	Core-future Ready	Critical Readiness Gap
Baby Boomers (>1946)	27	1%	Institutional Wisdom: High tolerance for complexity; unmatched relationship-driven leadership and contextual judgment.	Tech Drift: Vulnerable to "digital off-boarding" friction; slower to shift from legacy systems to automated workflows.
Gen X (1965 - 1981)	394	18%	Pragmatic Agility: Highly independent, results-oriented, and capable of bridging traditional business and digital execution.	The Middle Squeeze: High risk of burnout; caught between managing rigid top-down structures and fluid, flat teams.
Millennials (1981 - 1997)	1,102	49%	Purpose-Driven Strategy: Highly collaborative; naturally view skills as "the operating system of work" rather than fixed job titles.	Cognitive Scaffolding Loss: Often struggle to mentor younger staff in fully distributed or hybrid-first environments.
Gen Z (>1997)	718	32%	Digital Nativity: First generation to intuitively operate alongside AI counterparts; highly adaptable to rapid tech change.	Fluency Illusion: High confidence in tech can mask gaps in deep analytical synthesis, data ethics, and face-to-face conflict resolution.
Grand Total	2,241	100%		

Gender Pay Gap

As a signatory to the UN Women's Empowerment Principles (WEPs), DIMO maintains a strict policy of meritocracy and equal pay, meaning a male and a female employee in the exact same role with equivalent performance receive identical baseline remuneration.

Interpretation:

- 1:1 → Equal pay
 - >1 → Males earn more
 - <1 → Females earn more
- $$\text{Ratio} = \frac{\text{Average Male Basic Salary}}{\text{Average Female Basic Salary}}$$
 Basic Salary Ratio (Male : Female)

Table 14: The ratio of basic salary & remuneration of male to female for each employee category

Category	Female	Male	Male (Round up figure)
Business Unit Manager/Branch Manager/ Service Manager	1	0.9	1
Executive	1	0.9	1
Manager/Assistant Manager/ Professionals	1	1.0	1
Non-Executive	1	1.1	1
Grand Total	1	0.9	1

Strategic Actions to Narrow the Gap

1. Shattering STEM Stereotypes via DATS

Through DIMO Academy for Technical Skills (DATS), the company actively recruits and sponsors women into non-conventional roles such as auto-technicians, marine engineers and industrial automation specialists.

(UNGC Report: Sri Lankan companies advancing gender equality in the workplace; <https://unglobalcompact.org/compactjournal/sri-lankan-companies-advancing-gender-equality-workplace-story>)

2. Fostering Retention & Culture

Operates a dedicated internal Employee Resource Group (ERG), Anti-harassment Policy and a helpline focused on unconscious bias, equal opportunity and career tracking for women.

3. Accelerating Women in Leadership

Actively spot and promote female leaders into operational and decision-making roles. The Sustainability Agenda 2030: Creating a Resilient Community KPI for employees is 40% women in Leadership Roles by 2030. Currently at 19%, is a vigorous target to accelerate the vision.

Female and Male Workforce Representation -



1,911
Male



330
Female

Board Composition and Diversity



12
Male



3
Female

No. of Employees Who Took Maternity Leave (All female employees are entitled for maternity leaves)

6
(2025/26)

4
(2024/25)

No. of Resignations within 12 Months of Returning After Maternity Leave

2
(2025/26)

1
(2024/25)

No. of Female Employees in Decision Making Roles (Above Assistant Manager)

64
(2025/26)

64
(2024/25)

Gender inclusivity and empowering women

While our technical positions have traditionally been male dominated given the specific nature of our industry, we are committed to dismantling gender obstacles. We are achieving this by actively recruiting more women into mechatronics and expanding their presence within our leadership tiers.



Shashika Bowatta and Wathsala Gayathri - Senior Engineers, were honoured at the "Women in Construction" awards by the Chamber of Construction Industry Sri Lanka (CCI) – a recognition of their remarkable contributions to the engineering field.

Strengthening the Capabilities: Building the Skills that Align with Our Vision

DIMO tribe represents a strategic convergence of multi-generational engineering excellence and future-ready digital fluency. Rooted in more than 85 years of automotive expertise, employees also possess specialized technical capabilities spanning power engineering, marine engineering, renewable energy, and precision healthcare technology. This foundation is currently being augmented by a "Digitally Advanced" framework, embedding AI and data analytics into core operations. Through the DIMO Academy for Technical Skills (DATS), our team is pivoting toward high-tech, sustainable engineering fields like electric vehicle maintenance and smart agriculture. This unique capability set, architected for longevity, ensures DIMO's experts deliver world-class, diversified solutions with the precision and agility required for the next decade.

Performance Driven Culture

At DIMO, our performance management ecosystem is a vital catalyst for growth of our all employees, strategically aligning individual contributions with our long-term corporate objectives. This framework is built on a foundation of continuous feedback and measurable outcomes, encompassing a structured cycle of annual KPI alignment and goal setting, regular one-on-one sessions, and comprehensive mid-year and year-end evaluations. This entire performance management process is run on SAP Success Factors making it smooth, transparent and robust. To ensure that the DIMO tribe remains architected for longevity, we conduct annual capability assessments along with the year-end evaluations that proactively identify and bridge skill gaps. This integrated approach fosters a future-ready workforce, enhancing engagement and providing our people with the strategic guidance and resources required to consistently exceed their performance goals.

HUMAN CAPITAL

The Learning Journey

Over the past year, DIMO executed a range of formalized development initiatives designed to sharpen technical proficiency, strengthen leadership pipelines and elevate broader professional skill sets. By integrating participation in local and overseas training programs and industry forums with customized internal workshops tailored to specific competency gaps, DIMO maintains a versatile learning ecosystem. This dual-pronged strategy ensures that workforce capabilities are consistently upgraded to meet both the DIMO's long-term strategic goals and the personal growth aspirations of our employees.

No. of Hours Spent on External and Internal Training

19,288

(2024/25: 8,853)

Average Training Hours Per Employee

21.03

(2024/25: 15.92)

Average Training Hours Gender Wise



20.44

(2024/25: 16.06)

23.04

(2024/25: 15.32)

Total Training Investment

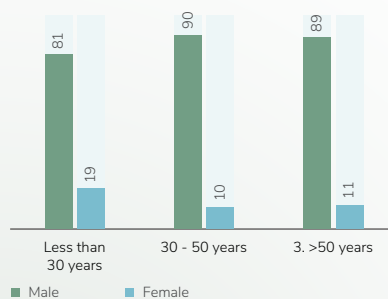
Rs. 23.61 Mn

(2024/25: Rs. 13 Mn)

Retention Initiatives

Understanding the industry wide employee attrition, DIMO deployed a retention strategy focused on transforming the tribe members into a permanent, highly skilled talent pool. This transition from a fleeting model to a career-centric approach was supported by offering more career opportunities for the graduates of the DIMO academy of technical skills, formal orientation programs for new recruits, rewards and recognition, continuous product and skill development trainings resulting in significant decline in attrition and increased loyalty.

Figure 29: Service Period Analysis (%)



Employee Retention

80.30%

(2024/25: 96.99%)

Internships

DIMO's general internship, training and Management Trainee programs are designed to attract high-calibre graduates from diverse academic backgrounds, including technical, Marketing, HR, Finance, Law, and IT which help them transition from academic life to professional life. Internships offer undergraduates hands-on experience and soft-skill development across all corporate functions. These pathways ensure long-term

organizational resilience by transforming talented novices into versatile professionals within DIMO's inclusive, award-winning workplace culture.

No. of Interns

793

(2024/25: 714)

No. of interns onboarded to permanent cadre

126

(2024/25: 84)



Future Leader Cultivation

At DIMO, we recognize that exceptional leadership is a fundamental catalyst for organizational success and the primary architect of our corporate culture. Consequently, we place strategic emphasis on cultivating leadership talent through bespoke development initiatives and our structured Management Trainee programs. By investing in these capabilities, we ensure a robust pipeline of future-ready leaders who are equipped to drive sustainable growth and long-term resilience.

"Elevate"; DIMO's signature leadership program is aimed at executive to middle management which is being rolled out across the whole group annually for both male and female tribe members. This program is tailor made and delivered to match with specific requirements of business segments including coaching sessions, strategy driven stimulating activities and intensive assessments.

"Powerfully You" is a flagship women's empowerment and leadership development initiative at DIMO, specifically designed to cultivate a robust pipeline of female leaders within the DIMO Tribe. Launched as a strategic component of the Group's diversity and inclusion agenda, the program targets

women in junior and middle management to accelerate their career progression. The initiative is built on a "Leadership x Empowerment" framework and typically includes capacity building, mentorship and strategic goal alignment. By focusing on resilience and individuality, "Powerfully You" aims to transform high-potential female employees into versatile leaders who can effectively navigate the complexities of a diversified conglomerate while maintaining a healthy work-life balance.

Our 12-month management trainee program provides structured mentorship and cross-functional exposure, grooming "future-ready" leaders for managerial roles within the DIMO Tribe.

No. of Employees Promoted
218
 (2024/25: 199)




Engagement: Driving Active Participation

Employee well-being

DIMO's wellbeing framework integrates physical safety with mental and preventive health under its "Employee First" philosophy. DIMO offers structured mental health support through counselling services and awareness initiatives such as "Mind Matter" mental health awareness session, ensuring psychological resilience across the DIMO Tribe. Preventive health is proactively managed via regular health screenings and wellness programs such as Corporate Calm Yoga program designed to mitigate long-term risks. These initiatives are bolstered by accredited Occupational Health and Safety (OHS) Management Systems which cover all DIMO employees (link: ISO 45001:2018) and inclusive medical insurance coverage. By prioritizing comprehensive care, DIMO not only maintains its "Great Place to Work" legacy but also secures the long-term vitality of its workforce, effectively architecting the organization for longevity.

Voice of employees

DIMO amplifies the "Voice of Employees" through a structured ecosystem of transparency and active listening. The central Employees' Council serves as an open monthly forum where DIMO Tribe directly engages with top management, including the Chairman and CEO, sharing personal experiences and feedback with proceedings shared group-wide via the intranet. Sustained by independent third-party assessments, DIMO's 13-year "Great Place to Work Legend" status reflects high Trust Index scores. With a formal 10-day grievance response commitment, DIMO ensures employee insights directly shape its inclusive, award-winning culture.

Table 15:


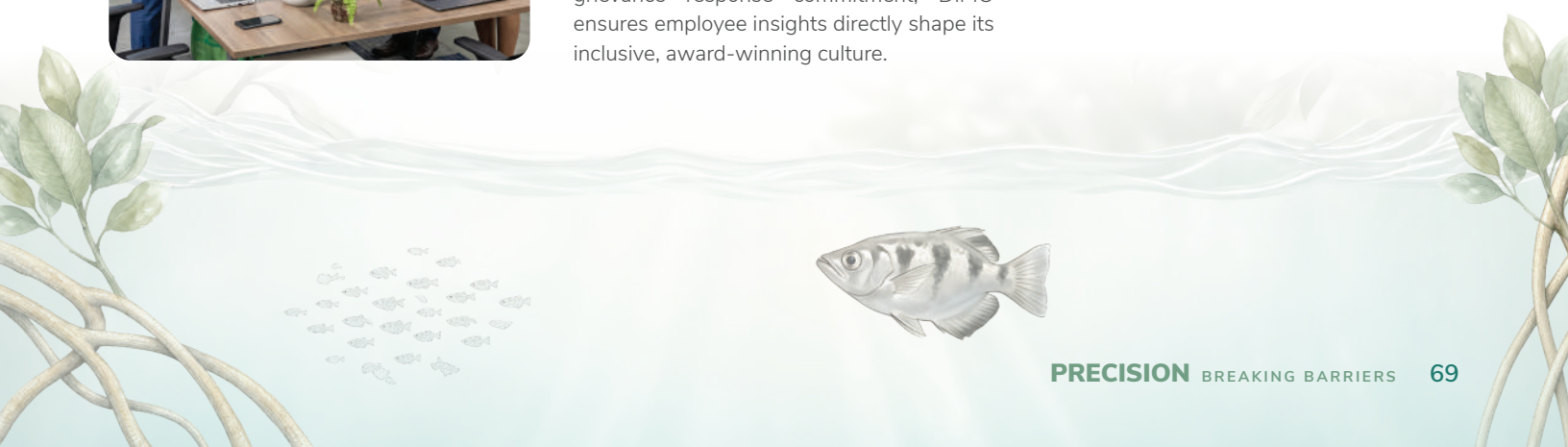
	2025/26	2024/25
Injuries	2	11
Occupational diseases	0	1
Lost working days	33	72.5
Work-related fatalities	0	0

HR Clinics Conducted
14
 (2024/25: 5)

Employee Council Meetings
 (None of our employees are covered under collective bargaining)
5
 (2024/25: 9)

Surveys Conducted
3
 (2024/25: 3)

Employee Trust Index
84%
 (2024/25: 87%)

HUMAN CAPITAL

Life at DIMO



Growth & Engagement

All about employee experience. Growth goes beyond roles and responsibilities. It is built through shared experiences, meaningful engagement and moments that bring the DIMO Tribe together. Through year-round activities, celebrations, learning opportunities and team engagement, we continue to create a workplace where our people feel connected, valued and inspired to grow. This is how we bring our Employee Value Proposition, 'Making Work Enjoyable and Rewarding' to life, at DIMO.

Programs Conducted

9

(2024/25: 7)



▶ Video

<https://www.dimolanka.com/2025-2026-dimo-annual-report/url.php?id=17>



Sustainability & Impact

Through sustainability focused initiatives, community engagement and environmental awareness activities – DIMO Tribe continues to contribute towards creating meaningful impact for society and the planet. Our Commitment is further brought to life through active employee volunteering, where our people dedicate their time and talent to uplift local communities.

Sustainability Awareness: To embed ESG principles into the daily habits of a highly diversified workforce, DIMO relies on behavioural frameworks like 'Pocket Meetings' and 'Sustainability & You' sessions, rather than passive memos.

DIMO Nature Club Initiatives

9

(2024/25: 10)



▶ Video

<https://www.dimolanka.com/2025-2026-dimo-annual-report/url.php?id=19>

Operations 8: Is a platform to empower every employee to volunteer 8 hours a year to community service. This implies any employee to volunteer on their own; mentor, teach, support, relief, planting.

DIMO Nature Club: The Club functions as the primary platform for employee-led environmental engagement. Operating entirely on corporate volunteerism, the club moves sustainability out of the boardroom and into the field. Currently having a membership of 795; field excursions, educational programs and community wellbeing are its key focuses.



Sports & Wellness

A rewarding workplace is one that supports both performance and wellbeing. At DIMO, sports and wellness activities create opportunities for the DIMO Tribe to stay active, build team spirit and celebrate healthy competition beyond the workplace. From intra-company activities to inter-company activities, these moments strengthen bonds and energize our people.

Sports Events

5

(2024/25: 4)



Video

<https://www.dimolanka.com/2025-2026-dimo-annual-report/url.php?id=18>

Rewards and Recognition

DIMO's rewards and recognition framework is structured around performance-based incentive schemes, competitive monetary bonuses, long-service milestones and flagship honors like the "Employee of the Year" awards, which are further complemented by regular experience-sharing spotlights on the internal platforms. This comprehensive approach is meticulously aligned with DIMO's core Employee Value Proposition (EVP), "making work enjoyable and rewarding" and its foundational "Employee First" corporate policy. By linking strategic, performance-driven compensation and transparent bi-annual reviews directly to measurable business targets, the Group ensures that individual triumphs actively power the company's broader growth.

These robust evaluation and appreciation systems cultivate a vibrant, high-trust culture where tribe members feel deeply valued, fairly treated and psychologically secure. Celebrating occupational longevity fosters a strong sense of institutional family and shared destiny, while high-performance incentives fuel career motivation, personal development and healthy internal innovation. This tight alignment between individual effort and meaningful organizational praise significantly minimizes voluntary turnover, maximizes employee engagement scores and firmly cements DIMO's multi-decade standing as one of Sri Lanka's top-tier employers of choice and an exemplary Great Place to Work.

Table 16: Risks and Challenges

Risks	Impact to the Business	Strategic Response
Loss of experienced employees due to overseas migration and aggressive recruitment by competitors.	Loss of institutional knowledge, disruption to project execution, reduced service quality, delays in delivery, and overdependence on a limited number of key individuals.	Improve succession planning, strengthen engagement and career progression, and align compensation and recognition for high value technical roles.
Technical skill gaps in specialized product-service solutions	Reduced ability to design, bid, execute, commission, and support advanced solutions, leading to lost opportunities and increased reliance on principals or external expertise.	Develop technical capability, close critical skill gaps, and strengthen training and subject-matter expertise.



HUMAN CAPITAL

Future outlook and strategic priorities

DIMO's future plans for its human capital are strategically designed to cultivate an agile, highly inclusive, and future-ready workforce capable of driving the group's core pillars of corporate diversification, differentiation, and deep collaboration. To position itself as an innovative employer of choice, the conglomerate is prioritizing holistic talent transformation by empowering its people through targeted upskilling programs and an equitable distribution of knowledge and technical skills development across all ten business segments. A primary operational priority involves accelerating workplace digital transformation by embracing modern HR solutions and advanced enterprise resource systems to streamline talent analytics, optimize total productivity and foster seamless cross-functional collaboration.

Concurrently, DIMO is deeply committed to advancing diversity and workplace gender equity, actively striving to elevate the representation of female professionals in critical decision-making and leadership roles across all business segments. By nurturing a supportive workplace culture anchored to psychological safety, transparency and shared accountability, we aim to consistently enhance our high employee engagement score. Ultimately, these robust forward-looking investments ensure that DIMO's human resource strategy operates as an indispensable business enabler, successfully converting individual employee capability into a distinct strategic advantage that ensures long-term corporate resilience throughout.



Short Term Plans

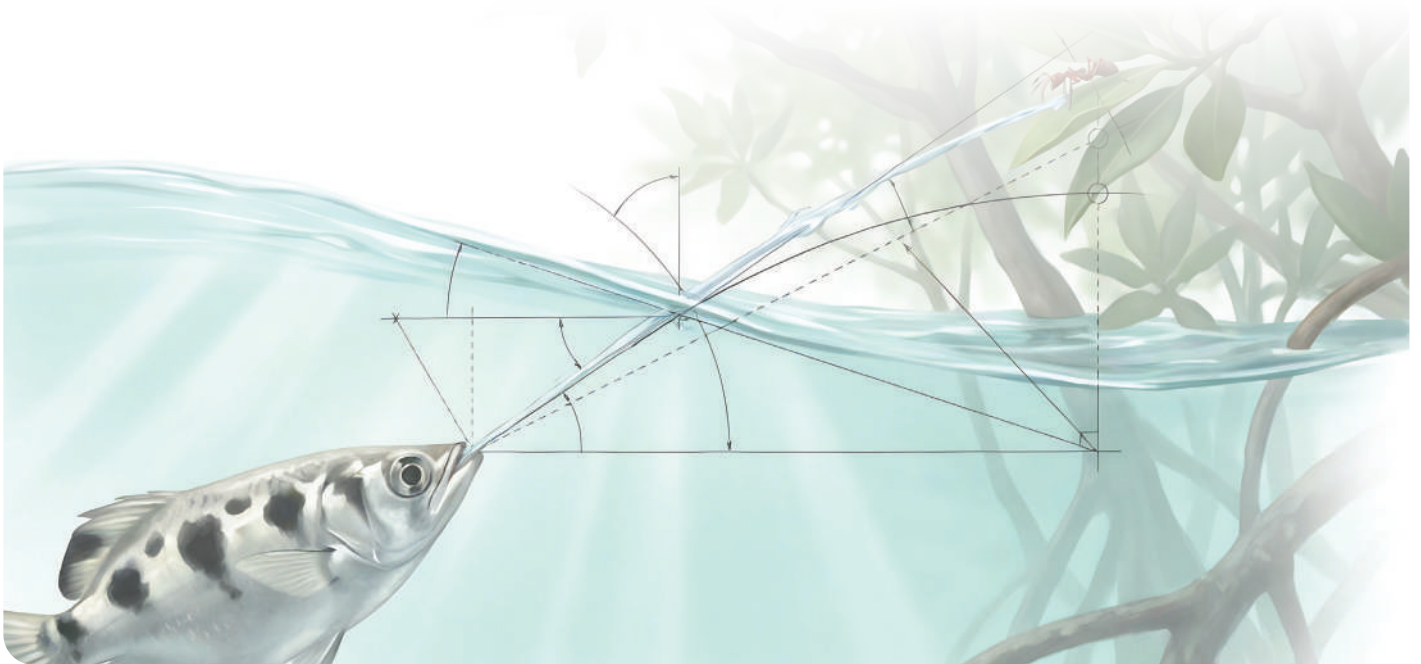
- Implement targeted upskilling programmes and distribute knowledge and technical skills development across all ten business segments.
- Accelerate workplace digital transformation through modern HR solutions and advanced enterprise resource systems to improve talent analytics, productivity and cross-functional collaboration.

Medium to Long Term Plans

- Increase the representation of female professionals in decision making and leadership roles across all business segments.
- Build a supportive workplace culture focused on psychological safety, transparency and shared accountability to sustain high employee engagement.

INTELLECTUAL CAPITAL

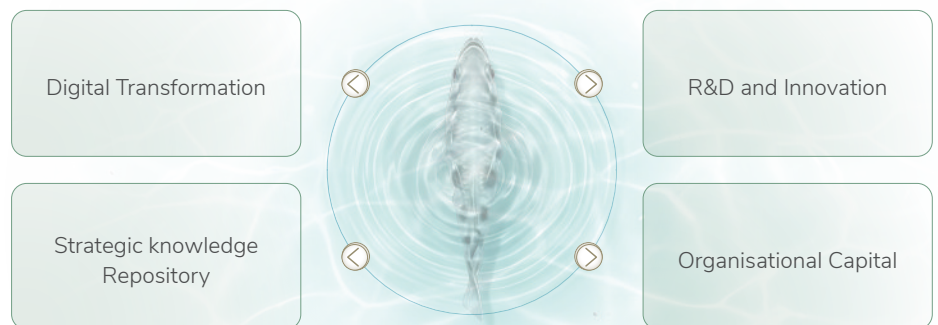
Intellectual Capital strengthens DIMO’s value creation model by converting knowledge, systems, digital capabilities, innovation, brand equity and institutional expertise into scalable organisational value. Built on more than 85 years of industry experience, this capital enables the Group to respond to market opportunities with precision, differentiate across sectors and strengthen the effective use of other capitals. Through digital transformation, R&D, strategic knowledge management and robust organisational systems, DIMO continues to build future ready capabilities that support sustainable growth, stakeholder confidence and its role as a trusted Perfect Partner.



BRAINS OVER BRICKS

DIMO’s Intellectual Capital serves as the primary engine driving our corporate diversification and differentiation strategies, converting intangible assets into sustained competitive advantages. This capital comprises our rich repository of institutional expertise, Digital capabilities, advanced systems, Purposeful certifications, Brand equity, and the unique tacit knowledge accumulated over eighty-five years of industry leadership. By systematically anchoring this knowledge base across our diversified operational segments, DIMO seamlessly transforms individual human capability into structured, scalable organizational value.

Our Intellectual Capital is a vital value creator that enables us to efficiently navigate market volatility, capture high-growth cross-industry synergies and deliver premium, best-engineered solutions with a distinct competitive edge. Our robust intellectual framework ensures DIMO remains an agile, highly adaptive, and future-ready enterprise, consistently maximizing long-term, responsible value creation across the entire Sri Lankan landscape.



INTELLECTUAL CAPITAL

TABLE 17: COMPONENTS OF DIMO'S INTELLECTUAL CAPITAL

Component	Key Attributes (85 Years of Expertise)	Contribution to Value Creation
Digital Capabilities	Continuous investment in digital tools, data analytics, and intelligent automation.	Enables future-proof agility and enhanced customer engagement.
R & D and Innovation Culture	Organizational mindset focused on creating new opportunities, continuous improvement and problem-solving.	Drives growth, supports product evolution and ensures institutional longevity.
Strategic Knowledge Repository	Deep historical intelligence on customers, products, and partners gathered over 8 decades.	Empowers data-driven decision-making and long-term foresight.
Organizational Capital	Accumulated institutional memory, intelligence and industry-specific insight.	Sharpens strategic decision-making and drives operational excellence.

Driving Value Through Digital Evolution

ICT Strategic Framework

The Technology agenda moved decisively from building foundational digital infrastructure to deploying intelligence at scale. Guided by a Board-endorsed three-year ICT Strategic Framework spanning from 2026/27 to 2028/29, the Group's technology agenda is structured around five integrated pillars;

- A strong and scalable digital core
- Customer and employee experience
- Intelligent automation and AI
- Enterprise data and insights
- A zero-trust security infrastructure.

Collectively, these pillars reposition ICT as a primary driver of business value and competitive advantage across DIMO's diverse industry verticals.

Table 18:

Digital Core	X-First (CX & EX)	Automation & AI	Enterprise Data	Zero-Trust Security
Unified SAP S/4HANA landscape as the Group's authoritative system.	Prioritizing unified Customer and Employee Experiences.	Embedding horizontal intelligence across all operations.	Transforming raw data into AI-ready intelligence.	Risk-based, resilient security architecture.

Operationalizing the Digital Core: SAP S/4HANA Optimization

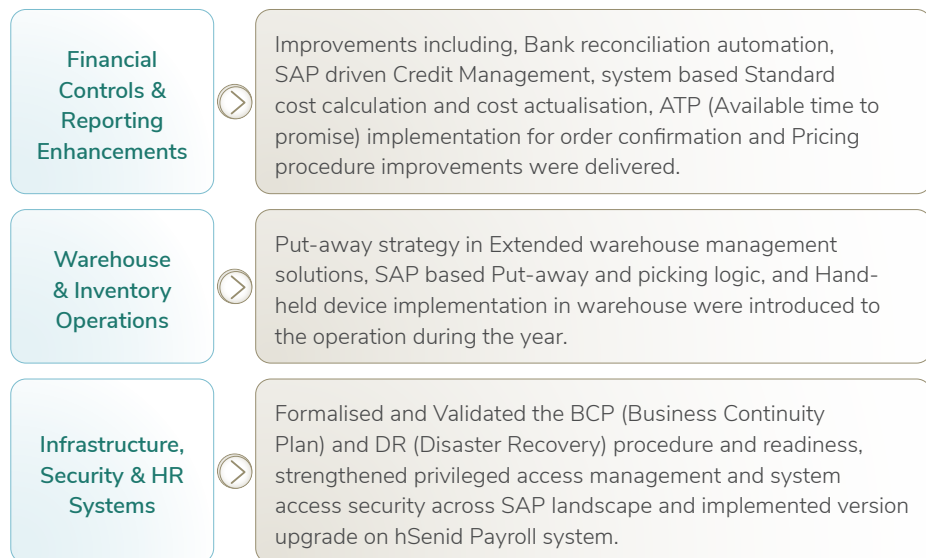
At the heart of DIMO's digital strategy is a fully integrated, industry-spanning enterprise systems landscape, one that eliminates process fragmentation, standardises operations across all business verticals, and provides a reliable, scalable platform for growth. SAP S/4HANA remains the Group's authoritative system of record across finance, supply chain, operations, and customer management, and 2025/26 saw significant investment in deepening, modernising, and hardening that foundation

Digital Progress: The Year in Review

Continuous improvement to newly implemented ERP SAP, delivered a substantive programme of system enhancements across financial controls, supply chain operations, warehouse management and infrastructure during the year, improving efficiencies, controls and information availability.



Figure 30:



Short-term plan on further development to the Digital core

Project Genesis: The Group is transitioning from Phase 01 to Phase 02, backed by investment as well as expertise and commitment of teams involved. This phase introduces SAP Analytics Cloud (SAC), Business Planning & Consolidation (BPC), Treasury Risk Management (TRM), Vistex — Sales incentives, rebates & trade promotions, Cash Management & Receivables Management and SAP Fiori, the modern tile-based user experience modules essential for architecting long-term financial resilience.

X-First: Orchestrating Customer and Employee Experience

The X-First pillar focuses on transforming fragmented, disconnected systems into a unified digital journey that mirrors our brand’s legacy of excellence. In the year of review, the Group invested in closing critical capability gaps in customer engagement and consolidating its enterprise collaboration infrastructure.

X-First (CX & EX): The year in review

Enterprise Collaboration — Microsoft 365

The Group-wide migration to Microsoft SharePoint and Teams reached a major milestone in 2025/26, with 11 business groups successfully onboarded onto a unified platform. This consolidation eliminates siloed document repositories, standardises collaboration workflows and provides the governance and search infrastructure upon which Microsoft Copilot AI capabilities will be layered.

Short Term Plan on X-First (CX & EX)

a. Automotive Customer Engagement Platform

A unified, system-connected front-end solution for the automotive business, bringing together the full customer lifecycle enabling consistency from first inquiry to long-term relationship management.

b. CRM Rollout — Retail, Projects & Smaller Business Units

SAP (C4C) module for Customer Experience is being rolled out as a tightly integrated CRM solution for retail and project-based verticals ensuring customer experience capability reaches every segment of the Group.

c. Enterprise Collaboration — Microsoft 365

The remaining segments for migration to Microsoft SharePoint and Teams, are included in the 2026/27 migration programme, extending the unified platform Group-wide.

Automation & AI: Intelligence Embedded for Growth

In progress

Artificial Intelligence (AI) at DIMO is not a standalone programme. It is a horizontal capability deliberately embedded across the Group’s enterprise systems, automation infrastructure, customer experience platforms, data environment and security operations. This approach ensures that AI is deployed where it creates immediate and measurable business value; governed, scaled and built on trusted foundations.

The AI Foundation: Conditions for Responsible Scale

DIMO’s AI strategy is explicit, that scale without governance creates risk, not value. The Group’s AI foundation is therefore built on five non-negotiable conditions.

Enterprise AI Governance Principals

- **Trusted Data:** AI readiness is fundamentally dependent on clean, governed master data.
- **Approved Platforms:** Use of enterprise-sanctioned tools (SAP Joule, Microsoft Copilot) to prevent "Shadow AI."
- **Zero Trust Alignment:** All AI usage is governed by identity-based access controls.
- **Accountability:** Clear ownership and usage policies defined for every autonomous system.
- **Human Oversight:** Maintaining human intervention for consequential decisions in finance and compliance.

INTELLECTUAL CAPITAL

Applied AI — Current Deployment Across Strategic Pillars

Digital Core: SAP Joule, the AI assistant embedded within the SAP Cloud environment, is in initial pilots for AI-assisted operations, exception handling and business process intelligence, surfacing recommendations and automations directly within familiar SAP workflows.

Customer & Employee Experience: Microsoft Copilot is in early adoption across Microsoft 365, providing AI-powered drafting, summarisation, meeting intelligence and workflow assistance. Enterprise chatbots integrated with 3CX and WhatsApp are being deployed to modernise customer communication channels.

Automation: SAP BTP with UiPath RPA is in active implementation, covering AP invoice processing using intelligent Document Understanding — DIMO's first production deployment of AI-powered document automation. Microsoft Copilot agents are being established across SharePoint sites for both revenue and non-revenue segments.

Data & Analytics: LLM APIs, OpenAI integrations, and SAP Analytics Cloud (SAC) are being configured for natural language analytics, business forecasting, and prescriptive insights — enabling decision-makers to interrogate enterprise data conversationally.

Infrastructure & Security: Microsoft Defender and the Microsoft Sentinel AI-based SIEM provide AI-driven threat detection, anomaly identification, and automated security response is operational across the Group's enterprise environment.

Agentic AI & Industry-Specific Intelligence

Beyond task-level automation, DIMO's AI strategy encompasses Agentic AI, autonomous agents capable of planning, reasoning and executing complex, multi-step business processes with limited human intervention, interacting with enterprise systems, third-party platforms and customers

adaptively. Industry-specific AI models are being developed for DIMO's key verticals — automotive engineering, healthcare and agriculture, targeting predictive maintenance, product delivery optimisation and personalised customer experiences as initial use cases. The AI-Powered Complaint Management Tool, planned for 2026/27, marks DIMO's first production Agentic AI service in enterprise operations.

Digital & Automation Projects — Group-Wide Programme

Across all verticals, DIMO has 32 digital and automation projects active in its portfolio, comprising of completed, ongoing and pipeline initiatives. Highlights from the 2025/26 delivery programme include points detailed under 1.1.1

The 2026/27 pipeline extends this programme into CAPEX workflow management, vehicle registration process automation, smart carpooling, gate pass digitisation, trade loyalty and retail loyalty platforms, WhatsApp-integrated chatbots and the 3CX-SAP-WhatsApp unified contact ecosystem.

Enterprise Data & Insights: The "One-Number" Framework Short to Medium term plan

DIMO's data strategy is undergoing a structural transformation, moving from isolated, retrospective and manually consolidated reporting to an integrated, governed and AI-ready enterprise data platform. With 86 years of institutional knowledge now anchored in a governed digital core, the opportunity to convert data into competitive advantage has never been greater or more urgent.

The One-Number Framework

The Group's "One-Number" initiative establishes a single, authoritative source of truth across all business segments and support functions. By replacing fragmented, individually maintained reports with a unified, governed data layer, the framework enables consistent and accurate real-

time insights to inform both strategic and operational decision-making, reducing errors, compressing reporting cycles, and building confidence in enterprise data at every level of the organisation.

Master Data Governance

Reliable analytics and responsible AI both share the same prerequisite: trusted master data. The Group is implementing a dedicated Master Data Governance (MDG) platform, targeted for December 2026, to automate master data creation, validation, duplicate detection, and lifecycle management, eliminating the manual process dependencies that currently present accuracy and scalability risks. Data governance processes are aligned with GDPR (General Data Protection Regulation) and Sri Lanka's Personal Data Protection Act No. 9 of 2022.

Data Literacy & Analytics Culture

Technology infrastructure alone does not create a data-driven organisation. Hence, DIMO is investing in a structured Data and Insights Accountability & Literacy Programme to build analytical capability and data ownership mindset across all segments, ensuring that the Group's investment in SAP Analytics Cloud, BW/4HANA and AI-driven insights translates into improved decision quality at every level of the business.

Zero-Trust Security & Resilient Infrastructure

In progress

Cybersecurity is a Board-level priority, managed through a Zero Trust architecture where access is continuously verified based on identity and context with structured reporting to the Board Audit Committee and regular updates to the Board of Directors. The Group's security framework, structured around Protect, Detect, Respond and Recover, and embedded within a Three Lines of Defence governance model, is underpinned by ISO/IEC 27001 certification across most business segments, with additional certifications in progress.



Brands Page

<https://www.dimolanka.com/our-brands/>

Maximizing Value through Research, Development and Innovation

Sustained investment in research and development, alongside a pervasive culture of innovation across all business segments, acts as a primary catalyst for DIMO's long-term value creation and market differentiation. Our premier agricultural R&D hubs—the Techno Parks in Lenadora, Lindula and Nikweratiya, function as critical centres for pioneering research, hands-on demonstration and climate resilience to modernize the country's agricultural sector. Through continuous product and process breakthroughs, DIMO remains at the forefront of delivering superior value to stakeholders while securing its future growth trajectory.



Product Innovations

- Introduction of a range of new fruit juices, fruit powders, jams and curries under "Miditer" brand
- Introduction of a range of desiccated and coconut chips under "Miditer" brand
- Introduction of new cashew range under "Flava" brand
- Introduction of new fertilizer range for vegetable farming
- German Diploma in Mechatronics Engineering for Refrigeration Technology introduced by Education segment with guaranteed employment opportunities with HomeServe Group
- German Diploma in Warehouse Operations, Logistics and Transportation introduced by Education segment with guaranteed employment opportunities with Mosecker



Process Innovations

- Implementation of 5S practises has been commenced in Tropical health food
- Revamping the processes of Mobility and Automotive Engineering segments for enhanced service level achievement



Strategic Knowledge Repository

Leveraging a commercial legacy of more than 85 years, DIMO has amassed an extensive repository of historical business intelligence that guides strategic decision-making and enhances organizational agility. This deep understanding of market dynamics, consumer behaviour, and industry evolution forms a cornerstone of our intellectual capital. When integrated with our advanced digital capabilities, this data ecosystem allows the group to proactively predict trends, mitigate emerging risks and capitalize on new opportunities, thereby securing a durable competitive advantage and sustained value creation. Supporting this vision, the DIMO Digitalization roadmap focuses heavily on elevating data governance and analytics to unlock real-time, cross-functional insights, while simultaneously embedding stringent cybersecurity frameworks and data privacy standards to protect sensitive assets and maintain unwavering stakeholder trust.

Organizational Capital

A Brand Rooted in Distinction and Trust

Built on a legacy spanning more than eighty-five years, the DIMO brand stands as a premier benchmark of unyielding excellence, transparency, and ethical leadership. This deeply rooted heritage of integrity forms the core organizational edge, positioning DIMO as "The Perfect Partner" across diversified market sectors. By consistently aligning daily operations with robust governance, statutory compliance and best customer experience, the brand cultivates deeply seated mutual trust with global principals, local suppliers, and customers alike. DIMO brand is far more than a corporate identity; it is a resilient symbol of reliability that continuously drives responsible value creation and sustainable national progress.

In recent years, DIMO has initiated building product and service related own Brands as well; Di-Tec, DIMO Lumin, Miditer, Flava etc. Drawing from the corporate Brand identity and equity, these sub brands have drawn upon customer acceptance in their respective product domains.

INTELLECTUAL CAPITAL

Systems and processes inside DIMO Management Systems and Knowledge Integration

DIMO's robust management frameworks ensure the efficient execution of internal workflows while systematically safeguarding institutional knowledge. Crucially, these structured systems mitigate the operational risk of losing vital tacit knowledge during personnel transitions. By deploying SAP; a premier Tier 1 ERP solution, alongside targeted digitalization initiatives, the group has streamlined its operations, harmonized day-to-day processes with long-term strategic objectives and successfully converted individual expertise into accessible, explicit corporate assets. Today, all transactional workflows are unified within this digital ecosystem, directly driving performance management and data-backed decision-making. Validated by multiple industry accreditations, these integrated systems stand as a core pillar of our intellectual capital and value-creation engine.

ISO 9001:2015 Quality Management System

ISO 14001:2015 Environment Management System

ISO 45001:2018 Occupational Health and Safety Management System

ISO 22000:2018 Food Safety Management System (Virgin Oil international (Pvt) Ltd & Tropical Health Foods (Pvt) Ltd)]

ISO 27001:2022 Information Security Management System

SMETA : Certified

Workshop Management Systems



Operating to impeccable global benchmarks, our Mercedes-Benz workshop utilizes the advanced "XENTRY" platform to seamlessly optimize both sales and after-sales workflows. This sophisticated system acts as a central operational hub accelerating technical issue resolution, providing a comprehensive product catalogue, monitoring critical service KPIs, and delivering continuous technical training. By embedding XENTRY across our service ecosystem, our team consistently delivers best-in-class automotive care, securing a distinct and durable competitive advantage in the luxury segment.



DIMO utilizes KOMTRAX; Komatsu's advanced wireless monitoring system, to remotely track and manage heavy machinery across Sri Lanka. This technology elevates our after-sales capabilities by delivering real-time insights into asset performance, geolocation and maintenance requirements. By translating these diagnostics into proactive service support and enhanced fleet security, DIMO optimizes machine utilization. Furthermore, we provide clients with regular performance reports and tailored recommendations, directly empowering them to maximize on-site productivity and equipment efficiency.

Social Accountability Management System

DIMO remains firmly committed to maintaining the highest benchmarks of social accountability throughout its operations, guaranteeing fair and ethical treatment for employees, contractors, service providers, and all associated

stakeholders. Our comprehensive ethical framework explicitly governs eight critical pillars: the absolute prohibition of child and forced labour, stringent workplace health and safety protocols, freedom of association, the elimination of discrimination, fair disciplinary practices, regulated working hours, and equitable compensation. By championing workplace dignity, a proactive zero-accident safety culture, and the right to collective bargaining, DIMO actively fosters a secure, inclusive and empowering corporate ecosystem.

Certifications

Virgin Oil International (Pvt) Limited and Tropical Health Food (Pvt) Limited have obtained the following certifications, further strengthening our processes. All products manufactured by these companies comply with the product certifications required for export businesses.

- BRCG : Food safety
- HACCP : Food safety

Expertise in Action

Drawing on a rich heritage in Sri Lanka, DIMO has accumulated specialized, industry-specific knowledge that sharpens its competitive advantage. Inextricably linked to the DIMO brand, this expertise forms a foundational pillar of our intellectual capital, significantly accelerating our value creation process while continuously reinforcing brand equity and stakeholder trust.

Excellence Acknowledged

The DIMO brand is consistently celebrated across the industry for its unwavering dedication to premium quality, a track record of excellence fully detailed in the awards section of our website at <https://www.dimolanka.com/about-us/awards/>



Table 19: Risks and challenges

Material Risk	Specific Exposure	Impact to the Business	Strategic Response
Data breaches, phishing scams or social engineering attacks	Cyber threats & data breaches	Growing digital integration and hybrid cloud adoption increase exposure to cyberattacks, ransomware, and data breaches — with potential impact on operations, financial integrity, and regulatory compliance.	ISO/IEC 27001 certified across most segments. Checkpoint NGFWs, Trellix EDR, Azure AD/MFA, and 1Password vault controls in place. Roadmap: SAP GRC, PAM, Microsoft Sentinel SIEM, and Zero Trust Architecture.
Attrition of experienced and technically competent personnel	Loss of experienced employees due to overseas migration and aggressive recruitment by competitors.	Loss of institutional knowledge, disruption to project execution, reduced service quality, delays in delivery, and overdependence on a limited number of key individuals.	Improve succession planning, strengthen engagement and career progression, and align compensation and recognition for high value technical roles.

Future outlook and strategic priorities

Nurturing and building on its strongly built intellectual capital is considered as a high priority. Building new brands purposefully in line with the strategic pillars and growth plans, continuous R&D for innovation are integrated into the business strategies. In terms of building on the Digital capabilities and the Strategic knowledge repository, structured steps are built in progressively along with its digital journey.

DIMO's digital journey has passed the foundational phase. The enterprise systems, data architecture, security controls and collaboration platforms are largely in place. The work ahead is about deepening integration, scaling intelligence, and converting the Group's technology investments into measurable business outcomes across every vertical.



Short Term Plans

- Implementation of a digital knowledge hub
- SAP version upgrade and Proaxia VSS DSW & mobile applications deployment
- MDG platform go-live — December 2026
- Complete Group-wide Microsoft 365 / Teams migration
- Deploy AI-Powered Complaint Management Tool
- 3CX-SAP-WhatsApp integration for unified contact management

Medium to Long Term Plans

- Scale Agentic AI across all industry verticals
- AI-driven prescriptive analytics across all business segments via SAP Analytics Cloud
- Full Zero Trust Network Access (ZTNA) architecture across the enterprise
- Automated Segregation of Duties via SAP GRC and full PAM deployment
- Industry-specific AI models for product delivery and predictive maintenance
- SAP DR site fully validated with automated failover and annual drill programme
- Enterprise data literacy embedded across all business segments
- Group e-commerce platform and unified loyalty programme at scale

SOCIAL & RELATIONSHIP CAPITAL

OUR APPROACH



CREATING A RESILIENT COMMUNITY

Creating Opportunities & Partnerships for a Thriving Community

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



Social and Relationship Capital strengthens DIMO's value creation model by converting trust, partnerships and stakeholder relationships into market access, customer loyalty, operational resilience and shared progress. Guided by its role as the Perfect Partner, DIMO nurtures enduring relationships with customers, principals, suppliers, regulators and communities through responsible conduct, service excellence, data protection, digital enablement and transparent engagement. These relationships support the effective use of other capitals, help the Group move beyond barriers with confidence, and create sustainable value for stakeholders and the wider ecosystems it serves.

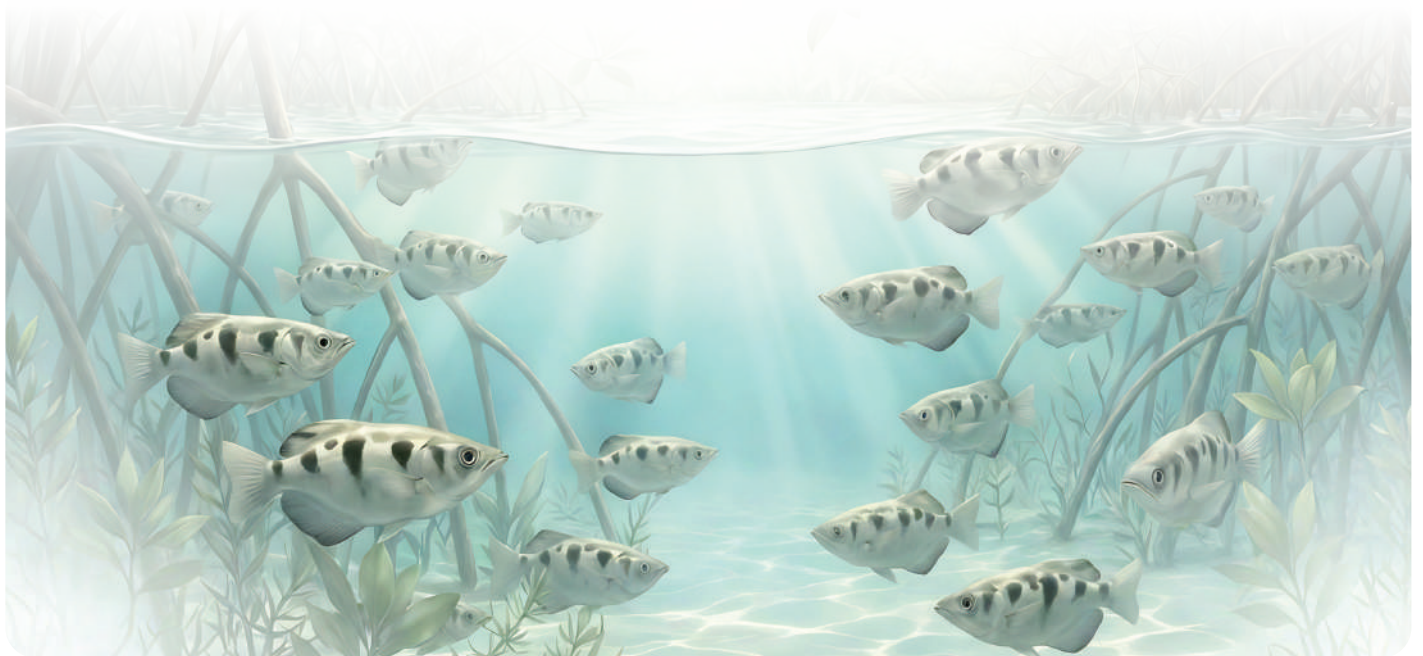


Video



"Our organisation has served the community over 86 years by providing the best engineering brands. We surely believe that no business be resilient unless our ecosystems and the communities that we serve are resilient. We plan on achieving our 2030 target, not just to change an individual but to make an impact in the community".

Ravinesh Senaratne,
General Manager – Marketing
Community Pillar Head – Sustainability Agenda 2030



FOSTERING PARTNERSHIPS THAT CREATE MUTUAL VALUE

Social & Relationship Capital at DIMO represents the strength, depth and durability of relationships that enable the Group to operate, grow and sustain value over the long term. These relationships extend across customers, global principals, suppliers, employees, communities, regulators and providers of financial capital.

As a diversified, engineering driven conglomerate operating in sectors where reliability, safety, technical integrity and long term performance are non negotiable, DIMO's ability to create value depends fundamentally on trust. Social & Relationship Capital therefore underpins the Group's licence to operate, its access to global technologies, and its reputation as the perfect partner of choice across multiple ecosystems.

Key Components		Our approach to value creation
Customers	Nurturing eighty years of trust	Consistently surpassing customer expectations by delivering a holistic value proposition, an innovative product portfolio and continuous, proactive engagement.
Suppliers	Strategic partners driving our supply chain resilience	Generating sustainable value across our diverse supplier network by embedding ethical procurement standards, accelerating shared commercial growth and investing in localized capability building.
Business partners	Synergistic alliances and collaborative insights that deeply fortify our long-term value creation	Deepening our socio-economic footprint through proactive communication, the delivery of prompt and reliable information, robust transparency and the harmonization of shared strategic goals.
Community	Sustaining livelihoods within our communities	Enriching the communities within our operational footprint through targeted, high-impact social initiatives.

Governance of Social & Relationship Capital

Social and relationship governance at DIMO is managed through a structured, multi-tiered framework overseen by the Group Management Committee and dedicated Sustainability Pillar Heads. This robust model ensures that high-level ethical policies are systematically translated into everyday operational practices across all seven diversified business segments. Key components of this governance system include rigorous multi-channel stakeholder engagement processes,

strict consumer data privacy protocols, thorough compliance audits and materiality assessments which collectively manage relationships with customers, global principals, suppliers and local communities. This governance framework is strategically aligned with DIMO's core business pillars of Diversification, Differentiation, and Collaboration, positioning social and relationship capital as the foundational engine needed to unlock cross-industry synergies and establish secure commercial partnerships. By embedding deep integrity, mutual accountability and absolute

Total No. of Principals

119

(2024/25: 116)

transparency into its everyday workflows, the model establishes a highly agile "trusted leadership" culture that significantly accelerates corporate decision-making and minimizes transaction friction. The primary benefits of this governance approach include a fortified international brand reputation, heightened investor and stakeholder confidence, and robust organizational resilience, allowing the Group to efficiently protect its world-class portfolio while driving sustainable, shared value creation across Sri Lanka.

Customers: Engineering Trust Across the Customer Journey

Customer relationships at DIMO are not transactional in nature. They are built on engineering assurance, lifecycle management and consistent delivery of outcomes, over decades. Across all business segments of the Group, DIMO engages with customers throughout the full customer journey, from solution design and technology selection to installation, operation, maintenance and eventual upgrades. This long term engagement model reinforces trust and positions DIMO as the perfect strategic partner to our customers.

2.1 Customer capital governance

As a diversified conglomerate, customer experience governance, product/service integrity and data privacy are foundational pillars of our business. To safeguard these priorities, we operate under a rigorous governance framework and stringent compliance controls that guarantee both responsible product/service delivery and the absolute protection of customer information. DIMO has established thorough set of IT policies such as IT risk framework, access control policy, password policy, IT business

SOCIAL & RELATIONSHIP CAPITAL

continuity plan, back-up and restoration processes, IT security incidents management and policies for configuring approved applications complying with the Personal Data Protection Act no. 9 of 2022 and ISO: 27001 – Information Security Management Systems, especially for premium vehicle sales and aftersales.

Group's security framework



DIMO oneCX

The DIMO oneCX transformation program is a group-wide customer experience initiative designed to unify and elevate service excellence across all seven diversified business sectors. At its core is the one DIMO standard, a benchmark ensuring consistent premium quality, transparent interactions and empathetic service at every touchpoint. Strategically aligned with DIMO's commitment to be "The Perfect Partner," this program transforms disjointed engagements into a cohesive, customer-centric journey. For customers, this data-driven optimization delivers rapid turnaround times, maximized asset performance, and a frictionless experience that inspires absolute trust, reinforces brand equity, and rewards long-term loyalty across Sri Lanka.

Providing responsible products & services

At DIMO, product and service responsibility is firmly anchored to strict ethical governance and a comprehensive, ISO 9001-certified Quality Management System. To systematically eliminate negative health and safety impacts, DIMO partners exclusively with top-tier global principals who enforce rigorous quality testing across engineering, medical tech, and mobility sectors, successfully maintaining a flawless zero-safety-breach record. This exceptional level of care extends directly to accuracy, where the conglomerate consistently exceeds basic statutory mandates by providing explicit user manuals, precise standardization codes and clear safety pictographs.

Furthermore, DIMO strictly adheres to transparent marketing ethics, ensuring that all advertising and public communications remain entirely honest, legally sound and deeply educational. For DIMO's customers, this uncompromising responsible framework translates directly into absolute peace of mind, drastically minimized operational risks and enhanced physical safety. End-users are fully empowered to make highly informed purchasing decisions, confident that the medical equipment, consumer vehicles, construction machinery or agricultural, water, power and energy solutions they invest in are premium, dependable and transparently represented. Ultimately, this structured commitment aggressively safeguards customer well-being, optimizes long-term asset performance, and secures an exceptionally high Customer Satisfaction Index, turning standard market transactions into deeply reliable, trust-based partnerships.

New Customers Onboarded

10,772

(2024/25: 4,853)

Voice of Customers

Customer centricity is fundamental to our identity. By actively shifting from basic relationship tracking to an advanced customer experience blueprint, DIMO guarantees that end-users encounter seamless, high-value interactions across all diversified business segments. DIMO's rigorous tracking of Customer Experience (CX) metrics, such as its stellar 91.91% Customer Satisfaction Index (CSAT), 79.60 Net Promoter Score (NPS), and optimized complaint resolution turnaround times, profoundly impacts the day-to-day journey of our customers. For the customer, these rigorous performance metrics translate directly into accelerated service delivery, minimized operational asset downtime, and rapid, transparent problem-solving. Strong customer retention rates further reflect the deep-rooted trust clients place in the brand as "The Perfect Partner."



Ultimately, DIMO's data-driven focus ensures that buyer feedback is immediately converted into strategic operational refinements. This responsive framework grants clients immense peace of mind, maximizes long-term asset performance, and fosters a reliable, world-class service environment that consistently rewards their long-standing loyalty with the Group.

Customer Satisfaction Index

91.91%
(2024/25: 91.20%)

Net Promoter Score

79.60
(2024/25: 65.24)


Complaints Resolution

No. of Complaints Received

1,609
(2024/25: 1,092)

No. of Complaints Resolved

1,598
(2024/25: 1,075)



Accessibility & Digital Inclusion

DIMO actively leverages modern digital solutions to eliminate traditional barriers and significantly enhance service accessibility for its diverse customer segments. For stakeholders with varying physical abilities, DIMO pioneers exceptional inclusive corporate communication by embedding advanced accessibility features into its digital channels; this includes an AI assistant providing voice support for the visually impaired and integrated sign language across video media for the hearing impaired. Beyond corporate disclosures, the company actively drives daily digital inclusion through targeted, responsive platforms across







Dedicated Hotlines for Business segments and brands

24

No. of digital assets

Indicator	2025/26
Industry specific applications	5
Workflow applications	4
Automations	1
Digital adoption	11
Enterprise systems	1

Social media presence - 2025/26

 28 Facebook	 23 Instagram	 13 LinkedIn
 19 Tiktok	 22 Youtube	 11 Websites

its seven diversified business sectors. Highly specialized digital tools like the DeX Automotive mobile app seamlessly streamline workshop bookings and safe online transactions, while ecommerce portals like dimoretail.lk ensure smooth, trouble free retail purchasing with rapid island wide shipping. Furthermore, specialized platforms directly link commercial drivers with shippers, democratizing supply chain accessibility and ensuring that DIMO's entire commercial ecosystem remains fully equitable, innovative, and open to all clients across Sri Lanka.



Cultivating Customer Connections, Inspiring Lasting Loyalty

DIMO drives stakeholder collaboration across its seven business segments through structured loyalty and engagement initiatives tailored for end-users, dealers, and distributors. DIMO participated in various industry exhibitions, campaigns, conferences, product launches including the end customers and was the Platinum Sponsor at the Jaffna Trade Fair 2026. Also, the Group conducted several awareness sessions, field demonstrations and ensured continuous availability of essential products to the customers, especially during the adverse weather conditions. Further, DIMO offers wide range of interactive engagement activities such as expeditions with the Jeep Club Sri Lanka and Golf tournament, Mercedes-Benz Fashion Week, Mercedes Benz pageant with the Mercedes-Benz Club Sri Lanka.

For its B2B customers, DIMO hosts high-impact dealer get-togethers, target-driven performance rewards and exclusive fellowship events, such as the Agri Machinery awards and TGP awards, and awareness and operational maintenance sessions.

[➔ Refer Stakeholder Engagement report on page 136](#)

SOCIAL & RELATIONSHIP CAPITAL

Ultimately, these frameworks successfully convert standard channel transactions into lifelong, trusted customer alliances, firmly reinforcing DIMO's solid corporate standing as "The Perfect Partner" right across the entire island of Sri Lanka.

These programs profoundly impact partners and customers by providing tangible financial validation, specialized technical tools, and an enriched sense of shared community support. In return, DIMO earns immense strategic benefits: it builds an incredibly resilient distribution network, aggressively accelerates cross-industry sales targets, protects market share against parallel grey-market competition, and stabilizes long-term revenue streams.

Suppliers: Allies in Shared Growth

For more than eight decades, DIMO has nurtured enduring alliances with some of the world's premier brands. These deep-rooted relationships with both principals and suppliers serve as a core competitive advantage, allowing us to deliver a uniquely differentiated value proposition to our customers. Every interaction within this network remains firmly anchored to our foundational principles of trust, transparency, and longevity. Ensuring tight alignment with our partners is vital to maintaining a consistent market offering and advancing our overarching strategic goals. This synergy, born from shared objectives and mutual understanding, is a cornerstone of our responsible and sustainable growth journey.

Today, DIMO's extensive and geographically diverse supply chain encompasses over 33,928 entities, ranging from small-scale vendors to major B2B enterprise partners. The exceptional strength and collaborative nature of these networks are instrumental in driving operational efficiency and securing a highly resilient supply chain across the entire organization.

Strategic Principal Partnerships

119

(2024/25: 116)

% of Local Suppliers

86%

(2024/25: 83%)

Principals and Technology Partners: Partnerships Architected for Longevity

DIMO's long standing relationships with leading global principals are a defining element of its Social & Relationship Capital. Many of these partnerships span several decades, reflecting mutual trust, transparency, ethical alignment and consistent performance. Through these strategic partnerships, DIMO successfully adapts global innovations to meet the specific operating dynamics of the Sri Lankan market, uplifts local talent by facilitating structured knowledge transfers, technical training, and global certifications, upholds premier standards of international quality,

safety, and regulatory compliance and drives collective progress by collaborating on digitalization, innovation, and sustainability agendas. These alliances have matured far beyond traditional distribution agreements.

Today, they center on long-term capability building, responsible technology stewardship and shared value creation, ensuring mutual resilience through economic cycles and rapid technological evolution. By aligning with global compliance regulations and maintaining transparent reporting channels, DIMO establishes itself as "The Perfect Partner," safeguarding the international brand equity of its principals.

DIMO provides a diverse platform that bridges elite global technologies with local markets. It fosters inclusive, cross-industry synergies that accommodate international entities of varying operational scales, ensuring equal-opportunity market representation. Further, proprietary technologies, technical blueprints, supplier information and commercial strategies are protected through advanced corporate cybersecurity frameworks. Utilizing identity-centric access controls, Azure AD, and SAP, DIMO enforces strict data segmentation to ensure that sensitive principal data remains entirely confidential.



Suppliers and Service Partners: Strengthening a Responsible Ecosystem

Suppliers and service partners form an integral part of DIMO’s extended value chain. Given the complexity and scale of the Group’s operations, particularly in engineering and project driven businesses, supply chain resilience and ethical conduct are critical. DIMO’s supplier engagement is guided by a commitment to fair and timely payment practices, compliance with quality, labour, safety and environmental standards, preference for capable local suppliers where feasible and continuous performance monitoring and capability development. This responsible procurement approach strengthens trust, mitigates operational risk, and supports inclusive economic participation, while ensuring that value creation extends beyond the boundaries of the organisation. Mutual accountability is formalized through the DIMO Supplier Code. This framework acts as a transparent governance mechanism, outlining explicit operational standards, delivery expectations, and compliance guidelines to foster a fair and highly predictable trading environment. Further, vendor commercial information, cost structures and banking credentials are securely compartmentalized. DIMO guards supplier business intelligence against unauthorized exposure by utilizing automated enterprise patch management and encrypted credential vaults.

DIMO is a member in,

- UN Global Compact Network Sri Lanka
- Biodiversity Sri Lanka
- Ceylon Motor Traders Association
- International Financial Reporting Standards Foundation
- German Chamber of Industry and Commerce (AHK)
- The Ceylon Chamber of Commerce
- European Chamber of Commerce of Sri Lanka
- Employer’s Federation of Ceylon

Capitalizing on Partnerships for Sustained Value Creation

DIMO’s dedication to its supplier network is demonstrated through its long-standing partnerships. In the 2025/26 financial year, the group expanded its total supplier-related payments to Rs. 61,714 Bn, strategically directing 16.76% of this capital to local vendors. This targeted spending reflects our core promise to drive positive domestic economic growth. These strong alliances are particularly vital for securing manufacturing raw materials, allowing us to champion local value addition as a national priority. Furthermore, frameworks like the DIMO Supplier Code ensure high levels of operational alignment, mutual accountability, and shared progress across our entire value chain. This approach actively integrates small and medium local enterprises into the broader economy, ensuring inclusive wealth distribution.

Regulators and Other Industry Associations

With a legacy spanning more than 85 years, DIMO is widely recognized for its unwavering integrity and strict legal compliance. We foster open, collaborative relationships with regulatory authorities and industry bodies, adhering to all legal mandates to safeguard business continuity and deepen mutual trust. Through our active involvement in key industry associations, we contribute our expertise to help shape the regulatory and policy landscape, directly driving national development. DIMO collaborates democratically across all regulatory tiers, standard-setting boards and industry bodies, ensuring its contributions reflect a balanced understanding of multi-stakeholder needs within the broader macroeconomic landscape. Further, statutory reporting and data sharing conform strictly to national legal frameworks. DIMO manages regulatory interactions with highly controlled disclosure protocols, utilizing evidence tracking mechanisms like AD to ensure the integrity and privacy of transmitted files.

Communities

DIMO recognises that long term business success is inseparable from the wellbeing of the communities in which it operates. Social & Relationship Capital therefore extends beyond commercial stakeholders to include communities impacted by the Group’s operations. Community engagement at DIMO is purposeful and aligned with national and societal priorities, focusing on technical and vocational education, health, safety and wellbeing initiatives, environmental stewardship and climate resilience, and knowledge sharing and capacity building. Community initiatives continue to move towards more structured, outcome oriented programmes, ensuring that social investments create meaningful and measurable impact, while reinforcing trust and legitimacy thereby ensuring that diverse community groups have equal, frictionless access to advancements, training programs and technological resources.

To realize this vision, DIMO executed several high-impact initiatives during the year under review. Full disclosures of these initiatives are detailed within our Sustainability Agenda 2030 (on page 39 - 40), which forms the bedrock of our social sustainability strategy. This alignment ensures that public promises are tied to measurable, transparent milestones. A selection of these key programs is featured below.

Beneficiaries Reached

24,153

(2024/25: 25,982)

Investments for Sustainability Initiatives

Rs. 66 Mn

(2024/25: Rs. 62 Mn)




SOCIAL & RELATIONSHIP CAPITAL

DIMO Lassana Hetak

Our flagship education program for children, school students, institutes and other that focuses on education with a difference: leadership, sustainability, STEM and gender education, Powertools, nature-related, and automotive technical and vocational trainings.




 Video
<https://www.dimolanka.com/2025-2026-dimo-annual-report/url.php?id=21>

DIMO Climate Smart Village

A Collaborative effort on making our communities more self-sufficient through DIMO solutions addressing climate.

Our initial initiative was with Wildlife Conservation Society-Galle (WCSG) and the Young Zoologists' Association of Sri Lanka (YZA) in training the community to be better field guides at Lankagama – Sinharaja.




 Video
<https://www.dimolanka.com/2025-2026-dimo-annual-report/url.php?id=22>

DIMO Nature Club

A platform for DIMO Employees to engage in conservation and community wellbeing. Every year in the calendar many initiatives focused on social wellbeing and the engagement of DIMO employees are conducted while we make an impact to the society overall.




 Video
<https://www.dimolanka.com/2025-2026-dimo-annual-report/url.php?id=23>

Emergency Relief & Other

Cyclone Ditwah caused unprecedented rainfall, widespread flooding, and severe landslides across Sri Lanka. Among the most critical secondary crises left in the wake of the storm was the contamination of vital community water sources. DIMO took initiatives to support employees and the immediate communities that needed the support. One of the key initiatives was the partnership with the state to help clean wells.



 Video
<https://www.dimolanka.com/2025-2026-dimo-annual-report/url.php?id=24>

Digital Enablement of Relationships

Digital advancement plays an increasingly important role in strengthening relationship quality while enabling scale. In 2025/26, DIMO continues to leverage digital tools to enhance customer engagement and service visibility, capture real time feedback and performance data, improve transparency, traceability and compliance and strengthen responsiveness across stakeholder touchpoints. Digital platforms act as enablers of trust, transparency, supporting consistency and accountability without replacing the human relationships that underpin DIMO's business model.

Table 20: Risks and challenges

Material Risk	Specific Exposure	Impact to the Business	Strategic Response
Geopolitical tensions & escalations, tariff-wars and sanctions	Import and supply chain disruptions	Delayed availability of products/ services to end-users	Diversification and proactive inventory planning
Aggressive competition from local contractors, traders, and low-cost foreign suppliers.	Loss of loyal customers	Reduced revenue and weakened brand loyalty	Strengthen value proposition through CX and digital tools, invest in experience-driven tech and human capital
Aggressive competition from local contractors, traders, and low-cost foreign suppliers.	Loss of key suppliers	Disruption in material and service flow, impacting customer delivery and operations	Maintain strong supplier relations, establish multiple sourcing options, especially for niche materials

Future outlook and strategic priorities

DIMO's strategic priorities for its social and relationship capital are tightly linked to its overarching Sustainability Agenda 2030, focusing on deepening ecosystem resilience and driving shared value. For customers, the Group will systematically scale its group-wide oneCX transformation program and unique one DIMO standard across all ten business segments, leveraging advanced digital inclusion features to ensure frictionless, accessible service delivery. Strategic relationships with leading global principals will mature far past traditional product distribution into deep capability building, joint digital innovation and collaborative technology stewardship to effectively withstand shifting market cycles. DIMO will amplify its societal footprint through purposeful social investments and active employee volunteerism via platforms like the DIMO Nature Club, generating enduring prosperity across Sri Lanka.



Short Term Plans

- Launch the structured wave-by-wave rollout of the oneCX training programme across Mobility and Automotive Engineering divisions.
- Systematically embed TRAC in daily operations (Trust, Respect, Accountability, Collaboration), translating core values into explicit operational protocols at every counter, workshop, and office.
- Lay the critical organizational groundwork for a comprehensive cultural transformation that perfectly unifies internal operations with external customer expectations.
- Non-Franchise Products: Diversify the supply chain by establishing robust relationships with alternative suppliers across China & India (specifically targeting DITEC and Lumin).
- Commodity Products: Source dynamically from multiple locations to mitigate geopolitical or logistical risks and secure supply chain continuity.
- Project Business Segment: Aggressively capitalize on economies of scale through targeted bulk purchasing of foundational project materials, including PVC pipes, cables, and lighting project equipment.
- Creating a Positive Impact on 1 Million Individuals

Medium to Long Term Plans

- Deeply embed the One DIMO Standard as an uncompromised customer promise across all physical and digital channels.
- Transition successfully from managed compliance to deeply rooted, observable behaviour change across all employee tiers where a customer-first approach becomes completely autonomous.
- Realize a holistic cultural transformation where customer-centricity and proactive community empowerment become entirely indistinguishable from DIMO's core brand identity.



NATURAL CAPITAL

OUR APPROACH



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

Social and Relationship Capital strengthens DIMO's value creation model by converting trust, partnerships and stakeholder relationships into market access, customer loyalty, operational resilience and shared progress. Guided by its role as the Perfect Partner, DIMO nurtures enduring relationships with customers, principals, suppliers, regulators and communities through responsible conduct, service excellence, data protection, digital enablement and transparent engagement. These relationships support the effective use of other capitals, help the Group move beyond barriers with confidence, and create sustainable value for stakeholders and the wider ecosystems it serves.



Video



"We have been progressive on using reused water, going ahead with a Zero Waste to Landfill certificate and almost achieving our biodiversity targets. By doing a comprehensive carbon footprint last year, keeping that as the baseline, we have developed our Decarbonisation Plan for reducing our emissions through science-based targets".

Mahesh Karunaratne,
Chief Operating Officer
Automotive Engineering Solutions
Environment Pillar Head – Sustainability Agenda 2030



Manages DIMO's Natural Capital through a multi-layered approach, which is centered on our Sustainability Agenda 2030.

Conserving a Living Planet Pillar of the Agenda treats natural resources; such as water, soil and air, not as free externalities but as essential business assets. DIMO aims to decouple its financial growth from environmental impact by embedding eco-conscious practices into its daily operations. This involves a shift from the regular impact to a more nature-positive model. Our continuous efforts in measuring the impact, showcase our commitment in minimizing our footprint.

➔ Impact – ESG Report page 234

DIMO as a diversified conglomerate, managing natural capital is directly linked to its Human Capital. DIMO operates on an 'Employee-First' philosophy - recognizing that 2030 targets cannot be achieved top-down, but by driven organically through active employee engagement. DIMO Nature Club serves as the primary driver for biodiversity and ecosystem restoration as it cut-across all tiers, while the management systems across all sites is the backbone for environment management.

➔ Human Capital page 62 & ESG page 234

Table 21

DIMO's Natural Capital Matrix

Key Natural Capital	Business Segment Affected	Tracked
Water	After-sales, vehicle washes, agri-processing	0.77m ³ consumed per million-rupee turnover
Energy	Logistics, engineering workshops, assemblies	0.18 GJ consumed per million-rupee turnover
Land & Ecosystems	Agricultural inputs, seeds, fertiliser and tech	151 Acres
Minerals & Metals	Vehicle sales, component modifications	Material circularity, component lifespan

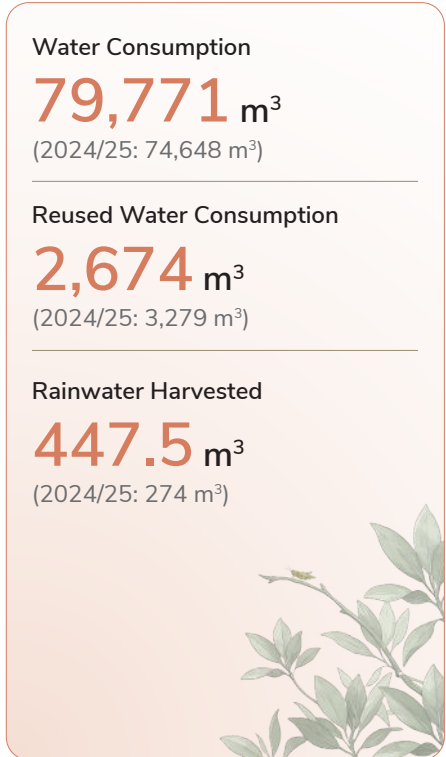
Resource Circularity: Waste & Wastewater Management

We commission a rigorous Environmental Management System (EMS): ISO 14001 to oversee the impact to the environment from our operations. 100% Reuse of Treated Water and Zero Landfill the targets to be achieved by 2030.

We are on a journey embarked in achieving zero landfill. Our waste is managed through a strict hierarchy of reduce, reuse and recycle supported by DIMO's group-wide single-use plastic policy (<https://www.dimolanka.com/sustainability/>). Our waste is measured and collector details are maintained and managed through our EMS.

Water stewardship is prioritized by having a target for reusing treated water. The organisation operates effluent treatment plants (ETPs) in almost all locations within vehicle service workshops. This circular approach prevents hazardous effluents from entering local water tables and minimizes the extraction of freshwater for industrial processes. Our aim is to achieve

100% reuse of treated water by 2030; either for gardening, flushing or vehicle under-carriage washing.



NATURAL CAPITAL

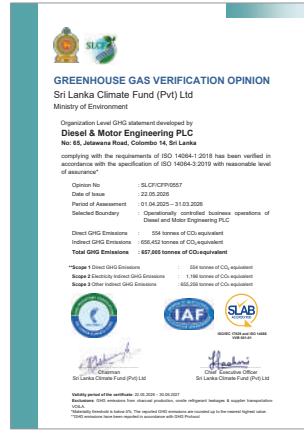
DIMO's Decarbonisation Plan & Our Energy Transition

In addressing climate change, DIMO's Pillar heavily focuses on reducing its carbon footprint. Committing and setting targets through science-based Target initiative (SBTi) our targets for 2030 after completing a comprehensive carbon footprint report. Our target this year segregates to all three scopes keeping the baseline of 2024/25.

This is managed through a dual strategy; internal operational efficiency and external product stewardship. Internally DIMO invests in renewable energy, particularly on solar. Expanding our rooftop solar across our facilities to reduce Scope 2 emissions. Externally DIMO is transforming its portfolio to offer green-tech solutions in power and energy.

Our green techs have evolved and in multiple sectors and has create a whole new portfolio in providing green solutions, like electric vehicles (EVs), energy-efficient building technologies/green building solutions, solar microgrids and many more national level projects catering to the demand in the energy sector.

DIMO's Decarbonisation Plan clearly defines our way forward attitude towards a low carbon economy, placing our targets that are committed towards SBTis (Link: DIMO Decarbonisation Plan).



Decarbonization Road Map

<https://www.dimolanka.com/2025-2026-dimo-annual-report/url.php?id=26>

Our 1:1 Restoration

In sectors like agriculture and solar expansion, our natural capital extends to soil health and biodiversity. By providing precision agriculture tools, like soil testing and specialized fertilizers, helps farmers to minimize chemical runoff and preserve soil vitality. Through use of slow-releasing fertilizers and empowering our farmers on adding the right amount of fertilizer and teaching methodologies of sustainable agricultural practices, we have been able to manage to keep the health of soil in better conditions.

Expanding solar projects at a national scale means there is a destruction to the natural biodiversity. Our aim is to restore as much as possible as we are in a journey to expand our baseline to achieve our restoration targets.

Beyond business lines, conservation and biodiversity is a great interest. We engage in large scale ecosystem restoration projects, covering both wet zone and dry zone climatic zones in the island. Our efforts reach different types of ecoservices conserving both fauna and flora. These efforts are tracked using data-driven performances; monitored and facilitated by our project partners. We are dedicated to make sure that through business, we minimize footprint as little as possible.



Turtle Conservation Project
Location: Panama



143

Nests Protected

15,997

Eggs Protected

15,205

Hatchlings Released

2012 to 2026

Project Partner:

Wildlife Ocean & Resource Conservation (WORC)



Renewable Energy Generation
24,267 MWh
 (2024/25: 4,841 MWh)

In-house Power through Renewables
71%
 (2024/25: 68%)

Solar Capacity at DIMO
37,962 kW
 (2024/25: 6,538 kW)



Mangrove Restoration Project
Location: Nugaduwa, Galle



59

Number of Fauna & Flora Species

7.4

Number of Hectares Restored

2024 to 2026

Project Partner:

Wildlife Conservation Society-Galle & MAS Holdings



Life to Our Forests
Location: Opatha, Kanneliya



168

Number of Flora & Fauna Species

12

Number of Hectares Restored

3 Years

Fertilizer Partner

2017 to 2026

Project Partner:

Biodiversity Sri Lanka (BSL)



Life to Our National Parks
Location: Lunugamvehera NP



15

Number of Hectares Restored



Bio-diversity Sri Lanka

<https://www.dimolanka.com/2025-2026-dimo-annual-report/url.php?id=27>

2024 to 2026

Project Partner:

Biodiversity Sri Lanka (BSL) & Federation of Environmental Organisations (FEO)