

STAYING THE COURSE

South Asia Gateway Terminals (Pvt) Ltd
Sustainability Report 2025/26



STAYING THE COURSE

Sustainability, for SAGT, has always been a journey of intent. Since formalising our commitment in 2018, we have continued to strengthen the course we have set for ourselves by steadily embedding responsible business practices into the way we operate, grow and serve.

As Sri Lanka's first public private partnership container terminal, and as a key connector of global trade, we recognise the responsibility that comes with our role. Our investments in decarbonisation, effective water and waste management, digitisation and automation reflect our determination to make operations more environmentally friendly, smarter and more efficient. At the same time, our focus on employee development, wellbeing, safety and equal opportunities for women continues to strengthen the people at the heart of our progress.

In a world where priorities shift quickly and technology continues to redefine our industry, our direction remains clear. We do not see sustainability as a destination to be reached, but as a course to be kept to.

Through every incremental improvement, every responsible decision and every step taken with our stakeholders in mind, SAGT remains committed to staying our course.





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ABOUT THIS REPORT

South Asia Gateway Terminals (Pvt) Ltd. (SAGT) publishes this Annual Sustainability Report in its 27th year of operations, marking its seventh consecutive report to further reaffirm the Company's commitment to sustainability. Published in June 2026, this report contains information on SAGT's sustainability progress for the period 1 April 2025 to 31 March 2026.

It also presents comparative performance from previous years and highlights the Company's continued progress across four key pillars:

1. **Environment Stewardship**
2. **Enabling work environment**
 - focusing on safety, security, health and wellbeing
3. **Social responsibility**
4. **Governance**



REPORT SCOPE AND BOUNDARY:

South Asia Gateway Terminals (Pvt) Ltd (SAGT's) annual Sustainability Report 2025/26 has been reported in accordance with the GRI Standards for the period 1st April 2025 to 31st March 2026. All previous reports published thus far by SAGT have been in accordance with the GRI Sustainability Reporting Standards of 2016 with amendments and the GRI Universal Standards 2021, and amendments to GRI Topics Specific Standards (2018, 2019 and 2020). A full list of the disclosures referenced in this report can be found on page 38.

As a single container terminal operator in the Port of Colombo, this report focuses exclusively on the operations of SAGT in the Port of Colombo. The organizational boundary of this report includes only the operations under the direct management control of South Asia Gateway Terminals (PVT) Ltd. and excludes subsidiaries, joint ventures, and activities carried out by third-party contractors, unless otherwise stated.

SAGT reports on Environmental, Social and Governance topics that are deemed material to the organization, based on their actual and potential positive and negative impact on its significant stakeholders, as well as the risks and opportunities of such impacts and dependencies on the business and its investors.

Material topics were identified and prioritized through a structured materiality assessment process that included internal management consultations, selected stakeholder engagement, and an evaluation of operational and sustainability and climate related risks and opportunities. The resulting material topics are presented in the Sustainability Integration section of this report (page 38).

At SAGT, sustainability is integrated into the day-to-day operations of the terminal through a comprehensive Sustainability Management Framework. This framework includes stakeholder engagement and internal management perception analysis

through which SAGT identifies its material topics, and subsequently establishes the robust sustainability strategy and management approaches, establishment of KPIs and internal review and monitoring to minimize negative impacts. The management approach for each material topic, including policies, responsibilities, and SOPs as well as the relevant GRI Standards based performance indicators, targets and initiatives undertaken to improve performance is described within the relevant thematic sections of this report. Details of this integration are outlined in the "Sustainability Integration" section in pages 30-41 of this report. The report outlines the sustainability performance, strategies for improvement, and progress towards achieving pre-set goals throughout the year.

In addition, Corporate Governance and Enterprise Risk Management are critical elements that underpin SAGT's Sustainability Management Framework. This report provides a comprehensive overview of these areas.

ASSURANCE

Whilst the information in this report has been reviewed internally by SAGT's senior management, the Company continues to adhere to its policy of undertaking external assurance for its Annual Sustainability Reports. To this end, SAGT has obtained the services of DNV represented by DNV Business Assurance India (PVT) Ltd. to conduct an independent assurance based on AA1000AS – Type 2 moderate level of assurance. The assurance statement, covering the entire report, is presented on pages 75-79.

All methodologies, assumptions, indicators and estimations used in the compilation of this report follow the GRI standards and industry practices. Any restatements, along with underlying reasons, are clearly stated in the relevant sections of this report.

APPLYING THE PRECAUTIONARY PRINCIPLE

SAGT recognises that issues such as resource consumption, environmental pollution and climate change are of critical importance. Consequently, the Company's operational decisions are guided by the precautionary principle. At a minimum, SAGT ensures full compliance with all applicable laws and regulations. This report demonstrates SAGT's commitment to complying with applicable laws and regulations and aligning its practices with recognised industry standards and global best practices.

CONTACT US

We value your feedback and welcome your suggestions to enhance our approach to sustainability and sustainability communications. Please share your thoughts with



Chief Commercial Officer,
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CEO'S MESSAGE



Steen Knudsen
Chief Executive Officer

Over the past two and a half decades, SAGT has remained a cornerstone of Sri Lanka's maritime and trade infrastructure. Since commencing operations in 1999, the Company has played a pivotal role in shaping the Port of Colombo into a globally recognised transshipment hub

DEAR STAKEHOLDER,

It is with great pride and a strong sense of responsibility that I present the seventh Sustainability Report of South Asia Gateway Terminals (Private) Limited (SAGT) to you, as we reflect on the financial year 2025/26 and advance through our 27th year of operations at the Port of Colombo. This report provides a transparent and comprehensive account of our past performance, priorities and progress across key environmental, social and governance dimensions, all whilst demonstrating how sustainability considerations are integrated into our long-term strategy and daily operational decision-making. This includes our commitment to decarbonising operations, having a diverse workforce and upholding principles of corporate governance.

Over the past two and a half decades, SAGT has remained a cornerstone of Sri Lanka's maritime and trade infrastructure. Since commencing operations in 1999, the Company

has played a pivotal role in shaping the Port of Colombo into a globally recognised transshipment hub widely known for operational efficiency, reliability and connectivity. Today, as the external environment continues to evolve with increasing complexity, the principles of sustainability, resilience and responsible leadership have never been more central to our role as a terminal operator. This Sustainability Report is intended as a meaningful channel of engagement with our stakeholders including customers, employees, contractors, regulators, shareholders, lenders, communities and partners.

Through this report, we seek to communicate our approach to managing risk, capturing opportunity and creating long-term value in a manner that balances economic performance with social responsibility and environmental stewardship.

THE STRATEGIC ROLE OF THE PORT OF COLOMBO AND SAGT

The Port of Colombo (PoC) continues to serve as Sri Lanka's primary maritime gateway and a critical transshipment hub for South Asia and the wider Indian Ocean region. Its strategic location astride the East-West Main Sea Route offers shipping lines minimal deviation between Asia, the Middle East and Europe, which assists in reinforcing Colombo's competitiveness in the region. This strategic positioning has enabled the Port of Colombo to deliver consistent, high-volume performance despite ongoing periods of global economic uncertainty and regional disruption.

The Port of Colombo is Sri Lanka's economic lifeline driving the country's trade and foreign exchange earnings. For local importers and exporters, the Port of Colombo's connectivity delivers exceptional value, providing efficient routes to international markets via direct services, reducing costs and, CO₂ emissions.

During 2025, the Port of Colombo achieved a historic milestone by handling 8.3 million TEUs, the highest annual throughput recorded since its inception. Transshipment cargo accounted for approximately 84% of total volumes, which reflected Colombo's structural orientation towards international relay cargo rather than domestic demand. This transshipment-led profile has continued to insulate the Port from residual domestic economic challenges, while simultaneously increasing its exposure to global trade patterns, geopolitical developments and shipping line network strategies.

Within this operating environment, SAGT has remained a key contributor to the Port's performance handling 1.8 million TEUs in the financial year 2025/26 which continued to operate well above its original design capacity of 1.1 million TEUs, underlining the terminal's operational efficiency, planning discipline, and workforce capability. Since the time of inception, SAGT has set industry benchmarks in productivity, customer service and operational reliability, playing a primary role in positioning



Over the past two and a half decades, SAGT has remained a cornerstone of Sri Lanka's maritime and trade infrastructure.

Colombo as the preferred gateway to the Indian subcontinent. Our longstanding focus on efficiency, asset optimisation, workforce capability and continuous improvement has enabled the Company to consistently outperform its original design capacity and respond effectively to changing customer requirements.

GLOBAL TRADE DYNAMICS AND EVOLVING OPPORTUNITIES

The global maritime industry continued to operate under heightened volatility during the reporting period. Geopolitical tensions, inflationary pressures, climate-related risks, regulatory transitions, and realignments in global supply chains have collectively reshaped trade flows and shipping networks. One of the most significant influences on container shipping in recent years has been the ongoing conflict in the Middle East and the associated security challenges in the Red Sea and Suez Canal region.

As a consequence of these disruptions, vessels have continued to divert via the Cape of Good Hope, adding 10-15 days to typical voyage times between Asia and Europe. While this has increased transit times and costs for shipping lines and cargo owners, it has also resulted in higher vessel deployment, increased inventory in transit and greater reliance on intermediate hubs capable of supporting complex network adjustments.

The ongoing escalation of geopolitical tensions in the Middle East, particularly the recent hostilities involving Iran, Israel and the United States, continues to contribute to heightened uncertainty in global trade and energy markets. These developments have had a material influence on maritime supply chains, including increased security risks across critical waterways, volatility in fuel prices, and prolonged disruptions to established East-West trade routes.

For the container shipping industry, these dynamics have reinforced the trend of vessels avoiding high-risk zones and operating on longer routes, which increases operating costs and planning complexity for terminal operators. At the same time, such conditions underscore the strategic importance of stable, secure, and well-connected transshipment hubs such as the Port of Colombo.

As a terminal operating within this ecosystem, SAGT closely monitors geopolitical developments and their potential impacts on vessel deployment, schedule reliability, fuel cost exposure and demand patterns. At the same time, the continuation of geopolitical disruptions has further highlighted Colombo's value as a resilient and geographically advantaged transshipment hub, capable of supporting global shipping networks during periods of heightened uncertainty. SAGT remains focused

CEO'S MESSAGE

on maintaining operational flexibility, cost discipline and service reliability in order to support our customers and stakeholders while navigating the impacts of geopolitical instability.

For the Port of Colombo, these developments present a significant strategic opportunity. Colombo's geographic position, including its connectivity and ability to support hub-and-spoke operations, has made it an increasingly important transshipment hub port in the region. While the majority of container volumes handled at Colombo continue to originate from South and Southeast Asia, particularly India and Bangladesh, the rerouting of services connecting the Middle East and Europe has also influenced vessel deployment and port call patterns. These dynamics reinforce Colombo's relevance as a transshipment hub during periods of global disruption, underlining the Port's potential to capture incremental volumes as trade routes evolve.

As shipping lines continue to reassess network design in response to geopolitical uncertainty, Colombo's reliability, deep-draft capability and feeder connectivity position it well to benefit from longer-term shifts in global trade patterns. SAGT remains committed to supporting this value proposition through operational excellence, infrastructure readiness and customer-focused service delivery.

SAGT PERFORMANCE AND OPERATIONAL RESILIENCE

Against this broader backdrop, SAGT's operational performance during the reporting period reflects resilience, adaptability and strong long-term orientation. In the reporting period 2025/26, SAGT handled 1.8 million TEUs, representing a modest decline compared to the previous year. This outcome must be viewed within the context of significant infrastructure enhancement project involving the replacement of quay crane rails, which was considered an essential investment to ensure the long-term safety, reliability and performance of terminal assets.

The quay crane rail replacement project, which was executed between October 2025 and March 2026, required the terminal to operate on a reduced two-berth configuration for part of the year. While this constrained throughput temporarily, it significantly strengthened the foundations for future operations and equipment upgrades. Importantly, even under these constrained conditions, SAGT's throughput remained significantly above its original design capacity of 1.1 million TEUs, reaffirming the strength of our planning, systems, processes, and people.

The commencement of operations at the Colombo West International Terminal (CWIT) marked a long-awaited expansion of handling capacity at the Port of Colombo. As new capacity came online, volumes were redistributed across terminals, which resulted in a short-term adjustment period.

As capacity expansions at the Port of Colombo reach greater operational maturity, we remain confident that volumes will continue to grow in line with the Port's historical pattern of capacity-led expansion, which I believe will be directly supported by regional trade growth and Colombo's strategic positioning.

SUSTAINABILITY AS AN INTEGRATED BUSINESS IMPERATIVE

Sustainability at SAGT is not treated as a standalone initiative but as an integral component of our business model and long-term value creation strategy. Our Sustainability Management Framework is structured around four interconnected pillars, namely: Environmental Stewardship, Social Responsibility, Governance and an Enabling Work Environment – focusing on safety, security, health and wellbeing, ensuring that sustainability considerations are embedded across strategic planning, capital allocation, operational execution and stakeholder engagement.

ENVIRONMENTAL STEWARDSHIP AND DECARBONISATION

The maritime and logistics sector remains a significant contributor to global greenhouse gas emissions, and as a container terminal connecting sea and land transport, SAGT has a responsibility to minimise the environmental footprint of its operations. Our decarbonisation strategy is aligned with the ambitions of our customers, global best practices and the pathway established by the International Maritime Organisation (IMO) towards net-zero emissions by 2050.

Sri Lanka has continued to be impacted by the adverse impacts of climate change. The country continues to experience intense rainfall, flooding and droughts that impact communities around us. Cyclone Ditwah which made landfall in November 2025 was one of the most devastating natural disasters the island has faced in modern history impacting nearly 2.2 million citizens. These unfavourable impacts solidify the urgent need to decarbonise operations and accelerate progress towards negating climate change and bolstering climate resilience.

In 2025/26, SAGT's total carbon footprint reduced by 10% in comparison to the previous reporting period. This reduction was largely driven by reduced equipment usage due to volume reduction. SAGT's emission intensity for the period increased marginally by 1% due to a rise in the number of trips made by the Inter Terminal Transfer fleet of trucks connecting transshipment cargo between the terminals. SAGT's total emission intensity (kgCO₂eq/move) in comparison to the base year of 2019/20 reduced by 21% displaying continued progress in our decarbonisation journey. These reductions are a result of technology upgrades, process optimisation, and renewable energy adoption.

28 out of 31 Rubber-Tyred Gantry (RTG) cranes had been converted from fully diesel-powered units to



SAGT employees volunteering at the Ittapana mangrove project.

hybrid diesel-battery systems. These hybrid RTGs deliver approximately 54% fuel savings per move compared to conventional units, resulting in substantial reductions in diesel consumption, carbon emissions and operating costs.

Nevertheless, it is important to acknowledge that certain core terminal operations, which include RTGs, prime movers and inter-terminal transfer (ITT) trucks, remain dependent on diesel fuel. As such, fuel price volatility continues to represent a material operating cost consideration. However, as our sustainability initiatives progress through hybridisation, electrification, route optimisation, and reduced idle time, the relative impact of fuel price increases on our overall cost base is expected to diminish. This transition strengthens SAGT's long-term cost resilience while supporting our decarbonisation objectives.

During the year, SAGT commissioned its 460 kW rooftop solar system. During the FY 2025/26, SAGT's rooftop solar system generated 391,585 kWh, which amounts to 5% of the total electricity usage. We are actively assessing opportunities to extend solar installations to gatehouse rooftops, to establish renewable energy-powered "green gates" within the Port of Colombo.

In parallel to this, SAGT also continues investing in electric and energy-efficient equipment to decarbonize operations. As an initial step, two electric forklifts and an electric inspection vehicle for the Health, Safety and Environment team. These initiatives reduce emissions, lower operating costs and contribute to quieter and safer working environments. Looking ahead, SAGT plans to electrify 30 trucks from its fleet of Prime Movers, which will contribute further towards our decarbonisation journey.

Water stewardship also remained a priority during the year. Through systematic identification and repair of underground leaks and sustained awareness campaigns, SAGT achieved a 16% reduction in water withdrawal. Looking ahead, the planned installation of an Effluent Treatment Plant, subject to site approvals, will most likely enable the reuse of treated wastewater for selected operations, potentially offsetting approximately up to 50% of current daily water usage and further strengthening water resilience.

Beyond the terminal boundary, SAGT continues to invest in ecosystem restoration as part of its broader climate strategy. Our long-standing partnership with the Centre for Sustainability of the University of Sri Jayewardenepura progressed further during the year through advancement of the Benthara River Mangrove restoration project at Ittapana. These projects contribute

CEO'S MESSAGE

to carbon sequestration, biodiversity enhancement and sustainable livelihoods for surrounding communities all whilst reinforcing environmental awareness among our employees through volunteering opportunities.

PEOPLE, SAFETY, AND SOCIAL RESPONSIBILITY

Our people are central to SAGT's success and sustainability. The terminal operating environment is inherently high-risk, and ensuring the safety, health and well-being of employees, contractors and visitors remain embedded in our core values.

During the reporting period, SAGT continued to strengthen its safety culture through training, systems and the application of Digital Safety Management System that consolidates permits, incident reporting and inspections which was implemented in FY 2024/2025. A mandatory safety refresher training was carried out for all employees and contractors, complemented by specialised training for emergency response teams and employees working in high-risk roles.



Lean level 01 training session

Beyond safety, we continued to invest in human capital development amid accelerating digitisation and automation. During the financial year, SAGT continued training programmes across technical, leadership and safety disciplines. Compared to 2024/25, the 20% reduction in training hours in 2025/26 was due to a shift to needs-based training for skills upgrade and knowledge onboarding. Nevertheless, employee upskilling, training and development remained a key priority for SAGT in 2025/26.

During the year, SAGT continued the adoption of organisation-wide LEAN management principles under the guidance of the APM Terminals Global LEAN Academy. LEAN level 1 training was conducted for all employees with the intention of continuing the LEAN level 2 program for selected employees in the coming year. These initiatives empower employees to identify inefficiencies, drive process improvements and contribute to continuous operational excellence.



Lean level 01 training session

Advancing diversity and inclusion remains a cornerstone of our social agenda. The global port industry has long been male-dominated, with shift-based operational roles rarely accessible to women due to regulatory and cultural norms. Having secured approval in September 2024 to employ women in selected operational shift-based roles, SAGT has since onboarded 13 women into shift positions, pioneering a more inclusive workforce model in Sri Lanka's port sector and lifting our overall female representation to 6.84% as of FY 2025/26.

GOVERNANCE AND ETHICAL LEADERSHIP

Strong governance underpins SAGT's operations and sustainability journey. The Company operates under a robust governance framework aligned with global best practices, with a fully non-executive Board providing strategic oversight. Policies such as the Code of Conduct, Supplier Code of Conduct, Whistleblowing Policy and policies addressing harassment and discrimination guide ethical behaviour across the organisation and its value chain.

LOOKING AHEAD

Looking to the future, we remain optimistic about the long-term prospects of SAGT and the Port of Colombo. Capacity expansion at the Port, sustained trade growth in South Asia and continued investment in technology, decarbonisation and people, position us well to navigate uncertainty and capture emerging opportunities.

Consistent with global port industry trends, digitalisation and automation stayed at the core of SAGT's operational strategy during the reporting period. Steady progress was made on gate and quayside automation infrastructure, supported by the rollout of Optical Character Recognition (OCR) technology. OCR will enable fully automated gate operations and partially automated

quayside processes by accurately capturing container numbers, damage status, and vehicle information, reducing manual intervention, enhancing data accuracy, and improving safety.

SAGT has also advanced its Vehicle Booking System (VBS) for trucks, which assigns time slots and quotas to spread gate transactions evenly throughout the day. Supported by a dedicated mobile app for drivers, the system is expected to reduce congestion, improve truck turnaround times, minimize empty trips, and enhance overall gate efficiency across the port ecosystem. Addition to that, four new STS cranes that will have remote operation capability will be implemented by the end of 2027.

ACKNOWLEDGEMENTS

I extend my sincere appreciation to our customers for their continued confidence, to our employees and contractor partners for their dedication and professionalism, to the Board of Directors and Senior Management Team for their guidance, to trade unions for their responsible partnership and to our suppliers, regulators and community partners for their steadfast support.

As a vital component of Sri Lanka's trade and logistics infrastructure, SAGT will continue to lead with responsibility, resilience and purpose, creating sustainable value for our stakeholders today while safeguarding the future for generations to come.



Steen Knudsen
Chief Executive Officer

ABOUT SAGT

Our Vision



To be the most trusted gateway in the Indian Ocean

Our Purpose



Empowering Sri Lanka's Hub Aspirations

Our Mission



- To ensure the safe turnaround of ships within an optimal time, operating 24/7, 365 days a year.
- To empower employees by providing an exemplary work environment every day whilst fostering sustainable and accountable growth as a unified team.
- To continuously adopt best practices and technologies across the business

Our Values



The Company's founding principles are represented through its five core values, which in turn guide SAGT's vision and are embedded across the organization's mission, purpose, code of conduct and its other policies:



Safety



Trust and Integrity



Excellence



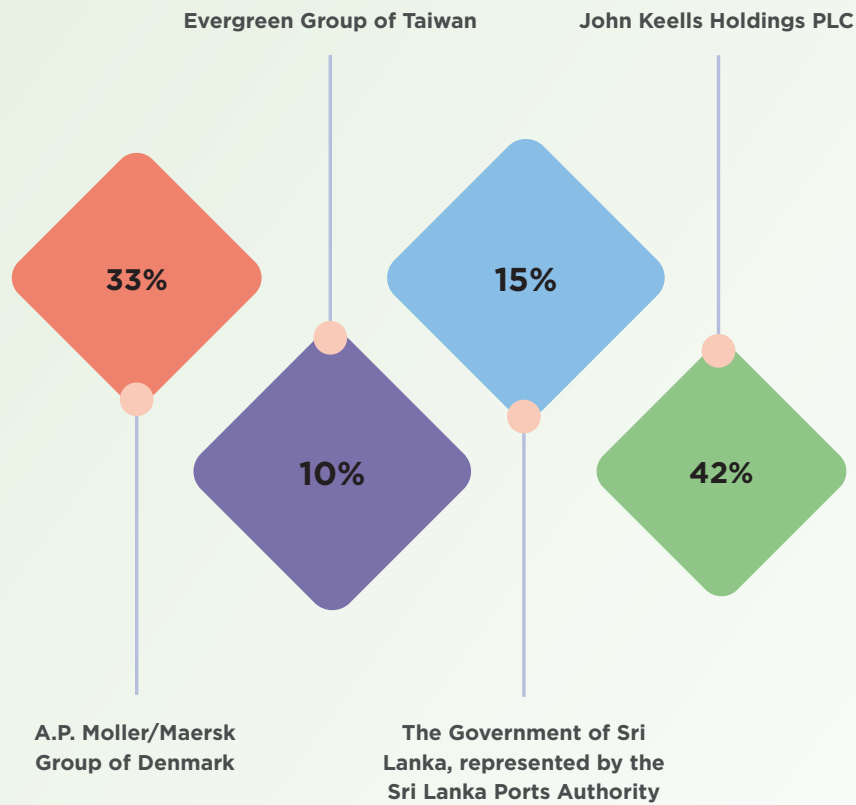
Team Work



Customer Centricity

Situated in close proximity to the main East-West shipping route, the Port of Colombo (PoC) offers easy access to the Bay of Bengal region, including India, Bangladesh, Pakistan, and the Maldives. POC serves as a leading transshipment hub in South Asia. South Asia Gateway Terminal (SAGT) is strategically positioned to offer integrated port solutions and has played a vital role in enhancing the capacity of PoC. SAGT is one of four container terminals within PoC and offers seamless connectivity with the Port's new deep-draft basin.

SAGT holds the distinction of being the largest private sector investment in Sri Lanka at the time of inception in 1999, and the nation's first public-private partnership container terminal with majority local shareholders. SAGT's shareholder ownership structure is depicted below.



Responsibility, Ethics and Integrity

SAGT continues to uphold its role as a responsible corporate citizen, striving for operational excellence and delivering a reliable service across the organisation. This commitment extends to its stakeholders and value chain, with a focus on Environmental Stewardship, Social Responsibility, and Governance (ESG). By prioritising these principles, SAGT positively impacts its main stakeholder groups including businesses and local economies.

The Company enacts responsible and ethical business practices through a range of policies and standards including its Code of Business Conduct and Ethics, Supplier Code of Conduct, Environmental policies, and various sustainability and employee-related policies. These include Health & Safety, Whistleblower, Sexual Harassment and Discrimination, and other policies.

SAGT identifies and prioritises material topics through structured stakeholder engagement, risk assessment, and impact analysis, ensuring alignment with operational and sustainability priorities.

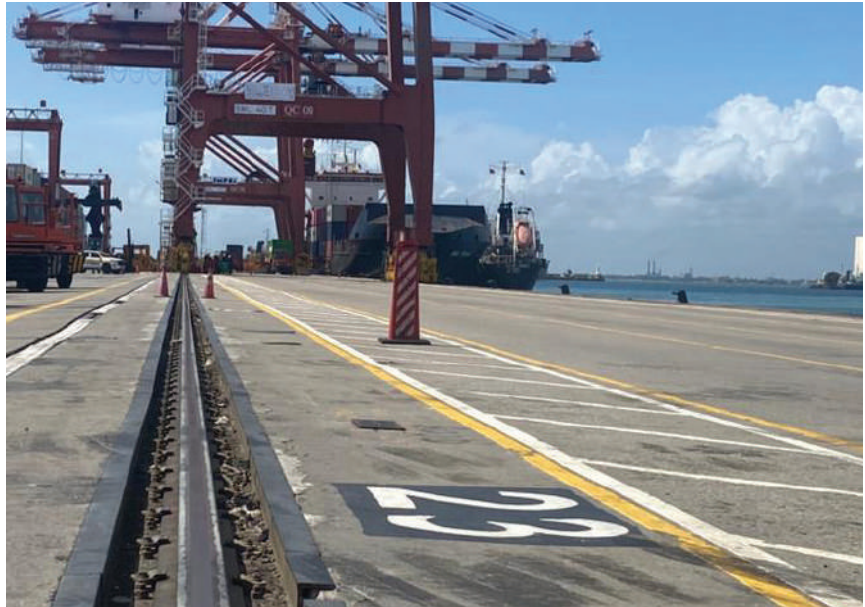


KEY HIGHLIGHTS DURING THE YEAR

INFRASTRUCTURE ENHANCEMENTS

A key infrastructure milestone during the year was the replacement of quay crane rails, reinforcing SAGT's commitment to maintaining world-class terminal assets. This upgrade enhances crane performance, operational reliability and safety standards which contributes to improved productivity in the long term.

SAGT is working on securing green financing to purchase four twin-lift Ship-to-Shore (STS) cranes further strengthening handling efficiency while aligning with sustainable financing principles.



Replacement of Quay Crane rails at SAGT

BIODIVERSITY CONSERVATION INITIATIVES

As part of its commitment to ecosystem restoration, SAGT commenced mangrove planting activities at the Ittapana project site. Following thorough site preparation, 1,500 mangrove saplings were planted across the first 2 acres of the total 5 acre site. Employees actively participated in the initiative, gaining deeper awareness of environmental conservation, carbon sequestration and community upliftment. To ensure the safety of all employees, all planting activities were carried out following a comprehensive risk assessment.



SAGT employees united in support for the Ittapana mangrove conservation initiative.

GHG EMISSIONS REDUCTION INITIATIVES

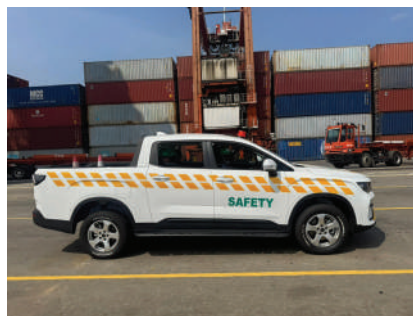
In line with its sustainability roadmap, SAGT made significant progress in reducing its carbon footprint. During the year, the terminal purchased two electric forklifts: one with a 3-ton capacity and another with a 5-ton capacity. In comparison to diesel forklifts, each electric forklift is capable of saving 77% carbon footprint per annum contributing meaningfully to emissions reduction.

Further enhancing green mobility, SAGT introduced an electric double cab vehicle for the Health, Safety and Environment (HSE) team in order to enable safe and efficient yard and quayside inspections. The switch from diesel to electric is expected to save approximately 91% carbon footprint per annum, while supporting operational safety.

During the year, SAGT also commenced harnessing solar power through its 460 kW rooftop solar photovoltaic system. The system has generated an average of 44,000 kWh per month, accounting for approximately 5% of SAGT's pre installation electricity consumption, marking a meaningful step towards renewable energy adoption.



Installation of Rooftop Solar Panels



Introduction of an electric double cab for the HSE team,



Introduction of two electric forklifts for our Engineering Team

EFFICIENCY INITIATIVES

SAGT continued to embed a culture of continuous improvement through the introduction and implementation of LEAN principles across the organization. Phase 01 focuses on building a common foundation in LEAN thinking through nine structured onboarding sessions. Selected employees successfully completed LEAN Level 01 training, ensuring shared understanding and alignment toward operational excellence.

Through this initiative, various functions conducted Kaizen events aimed at improving workflows and processes, reinforcing a culture that encourages efficiency, collaboration and incremental improvement.



Employees actively engaged in Lean training, collaborating in group activities and presentations to strengthen a culture of continuous improvement.

AWARDS

- Sector Award winner at the Best Corporate Citizen Sustainability Award 2025, awarded by the Ceylon Chamber of Commerce.
- Special Jury Award in the Corporate Sector at the inaugural DEI Champions Awards 2025 organised by Ceylon Chamber of Commerce under the SCOPE Programme and co-financed by the European Union and German Federal Foreign Office, and implemented by GIZ Sri Lanka in partnership with the Ministry of Justice and National Integration
- Bronz Award Winner for 'outstanding Partnership and Excellence in Service' at the Hapag Loyd Supplier Recognition Awards 2024.
- Shortlisted for the Franklin Amarasinghe Memorial Award for Best Industrial Relations Practices at the EFC National Best Employer Award 2025
- Winner of the Lakvijaya Safety Worriers Competition 2025, organized by Lakvijaya Power Plant.



Team SAGT receives the Sector Award at the BCCS Award 2025.

SUSTAINABILITY HIGHLIGHTS

LABOUR PRACTICES AND SOCIAL RESPONSIBILITY

| | 2024/25 | 2025/26 | % difference | Performance |
|--|---------|---------|--------------|-------------|
| Employees | | | | |
| Total Employees | 667 | 673 | 0.9% | ● |
| Female Employee Ratio | 6.30% | 6.84% | 8.5% | ● |
| Total Workforce (including contractor's personnel) | 1,468 | 1,554 | 5.9% | ● |
| New Hires | 93 | 56 | -39.8% | ● |
| Total Attrition (No.s) | 42 | 36 | -14.3% | ● |
| Attrition Rate % | 6.30% | 5.38% | -14.5% | ● |
| Total Training Hours | 28,098 | 22,405 | -20.3% | ● |
| Average Training Hours | 42.13 | 33.29 | -21.0% | ● |
| Incidents of Discrimination | 0 | 0 | 0.0% | ● |
| Occupational Health and Safety | | | | |
| Total Incidents of Occupational Injuries | 7 | 2 | -71.4% | ● |
| Fatalities | 1 | 0 | -100.0% | ● |
| High-Consequence Injuries | 0 | 0 | 0.0% | ● |
| Recordable Injuries | 6 | 2 | -66.7% | ● |
| No. of Lost Days | 72 | 0 | -100.0% | ● |

ENVIRONMENTAL STEWARDSHIP

| | 2024/25 | 2025/26 | % difference | Performance |
|--|----------------------------|----------------------------|--------------|-------------|
| Material Usage | | | | |
| RTG Tyres in kg | 24,180 | 21,240 | -12.2% | ● |
| PM Tyres in kg | 46,320 | 58,880 | 27.1% | ● |
| Lubricants in Litres | 66,439 | 62,877 | -5.4% | ● |
| Rope in kg | 111,003 | 71,448 | -35.6% | ● |
| A4 Paper and Letterheads (kg) | 2,405 | 2,498 | 3.8% | ● |
| Waste Management | | | | |
| Waste Generated (kg) | 1,379,786 | 1,679,649 | 21.7% | ● |
| Waste Recycled, Recovered, or Reused | 1,258,184 | 1,506,275 | 19.7% | ● |
| Waste Incinerated** | 121,602 | 173,374 | 42.6% | ● |
| Total Waste Sent to Landfill (kg)* | 0 | 0 | 0.0% | ● |
| Total Hazardous Waste (kg) | 81,954 | 1,506,275 | 0.25% | ● |
| Total Non-Hazardous Waste (kg) | 1,297,832 | 1,597,493 | 23.1% | ● |
| Energy and Emissions | | | | |
| Total Electricity Used (kWh) | 10,360,817 | 9,452,077 | -8.8% | ● |
| Total units of electricity produced by solar panels | 0 | 391,585 | 0.0% | ● |
| Electricity (kWh per box move) | 8.00 | 8.18 | 2.3% | ● |
| Diesel Usage (L) | 5,044,180 | 4,644,529 | -7.9% | ● |
| Diesel Usage (L per box move) | 3.89 | 4.00 | 3.2% | ● |
| Total Petrol Consumed (L) | 345 | 393 | 13.7% | ● |
| Petrol Usage (L per box move) | 0.00027 | 0.00034 | 27.4% | ● |
| Total LPG Usage (kg) | 24,113 | 26,850 | 11.4% | ● |
| Total Energy Consumed in GJ | 220,647 | 201,979 | -8.5% | ● |
| Total Energy (GJ per box move) | 0.170 | 0.131 | -23% | ● |
| Scope 1 Carbon Footprint (MTCO ₂ eq) | 14,261 | 12,879 | -9.7% | ● |
| Scope 2 Carbon Footprint (MTCO ₂ eq) | 4,209 | 3,839 | -8.8% | ● |
| Total Carbon Footprint (MTCO ₂ eq) | 18,469 | 16,719 | -9.5% | ● |
| Total Carbon Footprint (Kg per bow move) | 14.26 | 14.47 | 1.5% | ● |
| Emissions of NO _x , SO _x , and other air emissions | Within CEA tolerant limits | Within CEA tolerant limits | 0.0% | ● |
| Water and Effluent Management | | | | |
| Water Withdrawn (m ³) from non-water stressed areas | 44,207 | 43,531 | -16% | ● |
| Water Withdrawn (L per box move) | 40.52 | 38.25 | -5.6% | ● |
| Discharge Quality of Effluent | Within CEA tolerant limits | Within CEA tolerant limits | 0.0% | ● |
| Environmental Compliance | | | | |
| Total Significant Fines Paid (LKR)*** | 0 | 0 | 0.0% | ● |
| No. of Significant Spills**** | 1 | 0 | -100.0% | ● |

*Waste process is under further review

**Used lubricants and other waste oil for 2024/25 have been restated, converting the unit of measure from liters to kilograms for greater accuracy.

***The denominator used to calculate carbon intensity is the number of boxes moved by quay cranes during the relevant reporting period (2024/25: 1,295,261; 2025/26: 1,155,642).

**** Significant fines are defined as fines exceeding LKR 1 million, and significant spills are defined as spills greater than 1 m³.



CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE

SAGT's Corporate Governance framework supports its five core values of Safety, Trust & Integrity, Excellence, Teamwork, and Customer centricity, which in turn guide SAGT's vision and are embedded across the organizational mission, purpose, code of conduct and its other sustainability related commitments.

SAGT's corporate governance structure ensures that the Company remains in compliance with all Sri Lankan laws and regulations pertaining to its operations, including environmental, labour and human rights requirements, at a minimum, as well as relevant international governance frameworks. The Company further adheres to regulations of the Sri Lanka Ports Authority, Sri Lanka Customs, the Board of Investment of Sri Lanka, the Central Bank of Sri Lanka, the Central Environmental Authority and the Marine Pollution Prevention Authority and the Telecommunications Regulatory Commission of Sri Lanka, among others.

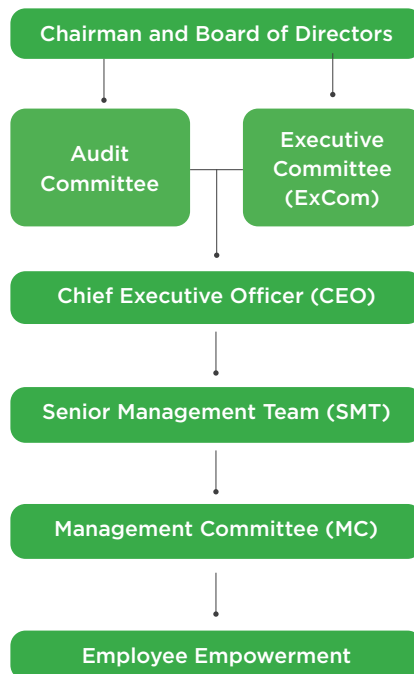
Governance policies such as the Employee Code of Conduct, Supplier Code of Conduct, and other Environmental and Labour practices related policies of SAGT outline the responsibilities of each stakeholder group. The policies are clearly articulated for the benefit of employees and all stakeholders with whom they engage. SAGT was also the pioneering entity within the Port of Colombo to introduce and enforce a whistleblowing policy and a policy against sexual harassment, while adhering to the precautionary principle in operational and investment decision-making. Disclosures pertaining to the Company's management approach and the processes utilised to embed these ESG policies within the organisation are available on the Company website at www.sagt.com.lk. These policies together with SAGT's Sustainability Management Framework seek to embed SAGT's commitments into day-to-day business operations and decision making.

Grievances raised by the Company's significant stakeholders or other parties may be addressed directly to

the management via the Company website or email. A brief description of the Company's grievance handling mechanisms with respect to each material topic is further outlined in the disclosures on SAGT's management approach.

The Company has sought to increase the entrenchment of sustainability within the supply chain through the introduction of a supplier portal, a Supplier Code of Conduct and sustainability-related assessments.

THE CHAIRMAN OF THE BOARD AND THE CEO



The CEO of SAGT reports to the Board of Directors which comprises an Independent Chairman. The roles of the Chairman and the CEO are clearly defined. This facilitates a clear segregation of powers which ensures that no authoritative decisions are taken by the CEO or Chairman.

THE BOARD OF DIRECTORS

Oversees the conduct of the Company and is responsible for:

- Providing direction and guidance for the formulation of high-level, medium-term and long-term

strategies to spearhead the Company's sustainable growth.

- Approving annual plans and long-term business plans as recommended by the Executive Committee.
- Assessing and evaluating the Board performance and the performance of SAGT holistically from a financial, non-financial and risk management perspective, and decisions undertaken in this regard, including risks arising from climate change
- Ensuring that key sustainability topics that are material to the organisation, including the risks posed by climate change is integrated across management systems, internal control mechanisms, and risk management frameworks.
- Overseeing the mitigation of impacts arising from SAGT's material topics via the implementation of the ESG Management Framework, Risk Management Framework, Sustainability Policies and Procedures, and focused initiatives, which are delegated to the Management Committee and the Commercial and Sustainability Division at SAGT for day-to-day monitoring and management.
- Authorising changes within the Board or changes to delegated authorities including the Executive Committee and Chief Executive Officer (CEO).
- Approving major acquisitions, disposals and capital expenditure as recommended by the Executive Committee.
- Approving any amendments to the concession agreement with SLPA.
- Approving, in principle, the issuance of any equity or debt securities.

GOVERNANCE STRUCTURE AND SUSTAINABILITY OVERSIGHT

The Board of Directors exercises oversight of sustainability-related risks and opportunities through structured reporting mechanisms established within SAGT's governance framework.

Sustainability performance indicators aligned to SAGT's material topics are presented to the Board on a quarterly basis through the Senior Management Team (SMT). These include environmental, social and governance (ESG) metrics, climate-related risks and progress on mitigation initiatives.

Climate-related physical and transition risks are incorporated into SAGT's Enterprise Risk Management (ERM) framework and are reviewed periodically by the Senior Management Team (SMT) as part of its risk oversight function.

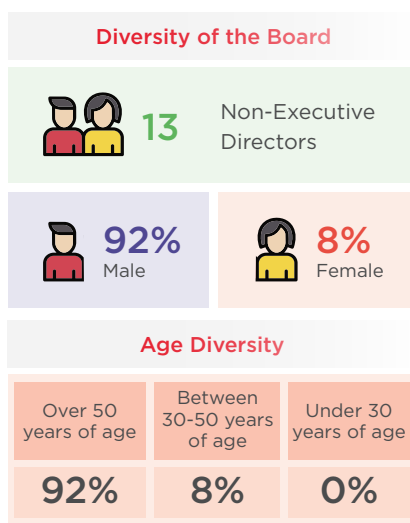
The Board collectively possesses expertise in shipping, logistics, finance, risk management and sustainability governance. Where required, external advisors are engaged to strengthen oversight on evolving sustainability reporting requirements, including GRI Standards and IFRS Sustainability Disclosure Standards.

COMPOSITION

The Board composition is formulated based on the shareholding structure of John Keells Holdings PLC, Maersk B.V., APM Terminals B.V., Sri Lanka Ports Authority and Peony Investment S.A. The Board is composed entirely of Non-Executive Directors, including one female representative and are nominees of the shareholders. As they do not participate in daily operations, this structure effectively minimises potential conflicts of interest and upholds strong governance principles.

SAGT's senior decision-making bodies keep themselves consistently in level with the sustainability reporting landscape and help bring in profound knowledge on sustainability aspects pertaining to shipping, logistics and the reporting, both from a local and global perspective.

In addition, key management personnel work closely with an external consultant to create awareness on sustainability, along with additional reporting requirements of IFRS, GRI Standards, and the recently launched European Sustainability Reporting Standards (ESRS).



The Executive Committee (ExCom)

Under the delegated authority of the Board, the ExCom is responsible for:

- Reviewing annual and long-term business plans and recommending the same to the Board.
- Tracking actual progress against plans.
- Ensuring operations are carried out within the scope of the Enterprise Risk Management (ERM) framework, including risks arising from climate change.
- Monitoring governance and compliance systems and ESG performance metrics on a quarterly basis.
- Taking necessary action and decisions regarding minimising economic, environmental and social impacts arising from the Company's operations.
- Reviewing major acquisitions, disposals and capital expenditure of an operational nature.

COMPOSITION

The ExCom consists of three nominee Directors, including one female member representing John Keells Holdings, three nominee Directors representing A P Moller/ Maersk, the CEO, and the Chief Financial Officer (CFO) of SAGT.

The Audit Committee

The scope of functions and responsibilities of the Audit Committee is outlined within the Board-approved terms of reference, which are reviewed

by the SAGT Board on an annual basis. The Committee's responsibilities and duties pertain to the Company as a whole.

As per the Board-approved terms of reference, the role, duties and responsibilities of the Audit Committee broadly include-

- Reviewing the quarterly and annual financial statements to determine their completeness, accuracy, transparency, integrity, and compliance with the Sri Lanka accounting standards as well as other applicable regulatory financial disclosure requirements.
- Evaluating the efficacy and adequacy of the internal control and risk management systems of the Company and its compliance with legal and regulatory requirements.
- The Audit Committee's responsibilities and scope of functions as included in the terms of reference is approved by the Board and reviewed annually. The responsibilities of the Committee are applicable to the Company in discharging its duties.
- Assessing the adequacy and effectiveness of the Company's internal control environment and ensuring ongoing improvements are made based on the recommendations of the Internal Audit, Risk and Compliance Division.
- Recommending the appointment and removal of the external auditors by assessing their performance, qualifications, expertise, resources, and independence as well as reviewing the terms of engagement and determining appropriate remuneration.

COMPOSITION

The Audit Committee comprises three Non-Executive Directors, with at least one member having significant, recent and relevant financial management and accounting experience and a professional accounting qualification. The Head of the Internal Audit, Risk and Compliance Division serves as the Secretary of the Audit Committee, while SAGT's CEO and Chief Financial Officer (CFO) are permanent invitees at all committee meetings.

Remuneration of Employees

The remuneration of non-executive employees is determined by means of the Collective Labour Agreement (CLA), which is signed with the employee unions every three years. The remuneration of employee grades of executive and above is reviewed annually by a career committee. It is assessed in line with market rates, in addition to taking employee performance, responsibilities, competence and skills into consideration, ensuring fair and equal treatment of all executive staff. This process ensures that there is equal remuneration for all staff irrespective of an employees' gender, race, sexual orientation, religion, cultural background or any other factor, with any changes thereafter solely based on aspects such as performance, level, experience and hours of overtime.

Governance of Remuneration and Sustainability Performance

The Board retains oversight of executive remuneration structures. The remuneration of senior management is periodically reviewed to ensure alignment with organisational objectives, including operational efficiency, risk management and sustainability priorities.

Sustainability-related performance indicators, including health and safety performance, environmental performance and risk mitigation objectives, are incorporated into the performance evaluation criteria of senior management where applicable. This ensures that sustainability considerations are integrated into executive accountability structures.

The Senior Management Team (SMT) and Management Committee (MC)

The intention of forming the SMT and MC is to encourage responsibility and accountability at a more granular level by assigning clear objectives for specific roles. Their responsibilities include:

- Regular monitoring of Company-wide HSE practices and taking necessary corrective actions towards harnessing a shared HSE culture.
- Collectively performing monthly operational reviews, and productivity and efficiency reviews.

- Conducting quarterly reviews of SAGT's economic, environmental and social impacts arising from daily operations, including risks arising from climate change
- The MC is responsible for increasing engagement with various internal stakeholders and ensuring that employee engagement and empowerment is maintained.
- The SMT and MC are responsible for monitoring and taking corrective action with respect to the key performance indicators (KPIs) under SAGT's Sustainability Management Framework and Enterprise Risk Management Framework. These include a range of indicators which also form the basis for upward communication of critical concerns to the senior decision-making bodies.
- Carbon footprint and impacts of the Company on climate change
- Renewable energy and transitioning strategies to a low carbon operation
- Water management
- Energy consumption
- Health and safety
- Waste management
- Assessment of physical and transitional risks of climate change contained In SAGT's Enterprise Risk Management (ERM) Register, and the mitigation processes identified in such ERM Risk Register. Assessment of other Enterprise level risks contained in the ERM Register
- While key ESG KPI data is collated, analysed and presented to the MC on a monthly basis for review by the Company's Sustainability Division, overseen by the Chief Commercial Officer, the ESG KPIs covering the full scope of SAGT's Material Topics, and the management and mitigation of SAGT's enterprise risks (Including that of climate change) are undertaken by the MC on a quarterly basis.
- The MC relies on quarterly reviews of these indicators to take corrective measures with respect to any potential environmental and social risks. These reviews

further serve as the foundation for the implementation of various green initiatives across SAGT and systematically drive the Company's sustainability agenda.

COMPOSITION AND MEETING FREQUENCY:

The Senior Management Team (SMT) consists of seven members, including the CEO, CFO,CCO and relevant departmental General Managers (HR, Operations, Commercial & Marketing, IT, and Engineering). The Management Committee consists of fifteen members including the CEO (who chairs the committee), the SMT and Senior Managers of the Company. Of the fifteen members, one is female.

The SMT and MC meet on a regular basis to table key areas for discussion and ensure continuous improvement. The Senior Management Team (SMT) meets on a weekly basis while the Management Committee (MC) meets monthly. Attendance is mandatory for the respective Committee members, unless a compelling reason can be submitted to justify their absence. Meeting schedules are communicated to participants well in advance.

The agenda of the SMT and the MC is structured to avoid replication of effort, while ensuring all discussions and debates are complementary and driving a seamless bottom-up and top-down flow of information and accountability.

A detailed overview of the Sustainability Management Framework is provided in the 'Sustainability Integration' section of this report, found on pages 32-33.

Operations Assessed for Risks Related to Corruption

SAGT generates enhanced stakeholder value through its sustainable economic performance, which is achieved by incorporating the highest standards of corporate governance, environmental stewardship, and social responsibility across the Company's operations.

SAGT's activities are underscored by the belief that ethical business practices are an organisational norm that cascades down from the top-level management to each individual employee.

The Company's Code of Conduct is the key tool used in reinforcing ethics and integrity organisation-wide. All new recruits are apprised of any remedial and disciplinary actions that may arise from violating the terms in the Code of Conduct and must read and acknowledge their acceptance of the same in conjunction with receiving their letter of appointment.

The Company's Whistleblowing Policy enables employees to report any breaches of the said code, with the assurance of non-disclosure and anonymity. Alternately, employees are empowered to report any breaches or concerns directly to the CEO via email.

SAGT's Anti-Corruption Policy is outlined within the Company's Code of Conduct and contains the requisite guidelines and frameworks to enact disciplinary action should the need arise, thereby enforcing a zero-tolerance approach towards corruption. As part of the Company's risk management process, SAGT assesses the risk of corruption at the level of each business unit, and based on the results, has enforced preventative plans to mitigate such risks.

The risk management process is further complemented by SAGT's internal audit process which monitors and measures the effectiveness of existing controls in place to avoid instances of corruption.

Furthermore, any findings unearthed by the internal audit team are reviewed by the Company's Audit Committee, with any lapses in processes or controls identified for improvement. Incidents of corruption and corrective actions taken to address the same are measured and tracked in the form of a quarterly KPI.

During the year under review, no incidences of corruption took place.

There were also no fines or sanctions imposed on SAGT due to non-compliance with laws and regulations.

SAGT maintains a zero-tolerance approach towards bribery and corruption.

Corruption risk assessments are conducted annually and include evaluation of procurement processes, supplier engagement, financial controls, customs interactions and operational decision-making procedures. Identified risks are categorised based on likelihood and impact, and mitigation controls are implemented accordingly.

No significant risks of corruption were identified that required escalation beyond existing control mechanisms.

The Company's Code of Conduct and Anti-Corruption Policy apply to all employees, Directors and relevant third parties. All new recruits are required to formally acknowledge compliance with the Code of Conduct upon appointment.

The Whistleblowing Policy provides confidential and anonymous reporting channels for employees. The impartial reporting channel is an external ombudsperson. The ombudspersons contact details is available for employees to raise any concerns.

Internal audit reviews are conducted periodically to assess the effectiveness of anti-corruption controls. Findings are reported to the Audit Committee for oversight and corrective action.

During the year under review:

- No confirmed incidents of corruption were recorded.
- No fines or sanctions were imposed for non-compliance with anti-corruption laws and regulations.

Communication and Training on Anti-Corruption Policies and Procedures

SAGT communicates its anti-corruption policies to all employees through the Code of Conduct and internal communication channels.

During the reporting year:

- 100% of new employees received communication on anti-corruption policies.
- Key suppliers are required to comply with the Supplier Code of Conduct, which includes anti-bribery and anti-corruption provisions.

Where applicable, training programmes on ethical conduct and compliance are conducted for relevant employee categories to reinforce awareness and strengthen internal controls.

Stakeholder Engagement

SAGT has in place both formal and informal channels which encourage the Company to interact with its stakeholders and foster an engaging environment and is imperative due to the diverse nature of SAGT's stakeholder base.

The Company maintains formal contracts with major global and regional shipping lines and at an operational level, daily interactions take place with their nominated representatives. Furthermore, SAGT fosters an ongoing engagement with its providers of capital including primary shareholders and financiers, with the respective disclosures therein transcending beyond statutory requirements.

The Company's suppliers engage with SAGT's Supply Chain Division daily. The division continuously seeks to raise awareness on sustainable practices through a focused engagement with its most significant suppliers and supplier assessments.

Structured Stakeholder Engagement Process

SAGT identifies its stakeholders based on the degree of influence, dependency, responsibility and impact associated with its operations. Stakeholder engagement is conducted through structured and ongoing communication channels.

CORPORATE GOVERNANCE

Key stakeholder groups include:

- Shareholders and investors
- Employees
- Customers (shipping lines and agents)
- Suppliers and contractors
- Regulators and government authorities
- Local communities
- Industry associations

Stakeholder concerns and expectations are reviewed periodically and are considered in the identification and validation of SAGT's material sustainability topics. Outcomes of stakeholder engagement are integrated into business planning, risk management processes and sustainability initiatives.

More information on stakeholder engagement can be found in the 'Sustainability Integration' section from pages 30-42 of this report.

SAGT has established comprehensive policies, processes, and systems formulated to support effective recruitment, development, empowerment and retention of employees, to facilitate their engagement.

SAGT's employee engagement approach includes:

1. Involving all levels of employees in the formulation of departmental plans, under the leadership of top management and other senior staff. Employees are empowered to contribute towards policy development through the adoption of this bottom-up approach.
2. The committee structure provides all employees with access to every level of management.
3. Employees are encouraged to express new ideas and innovations. The Company has nurtured an environment that enables employees to provide constructive criticism and feedback through

its open-door policy, monthly Town Hall meetings and an annual employee opinion survey, all of which contribute towards more informed decision-making.

Memberships and Associations

To support overall engagement with industry stakeholders and peers, SAGT works in close partnership with trade associations and business chambers to drive common goals that would promote industry growth and create a culture of sustainable development and pose wide-ranging benefits to all stakeholders.

SAGT therefore actively participates as a member in the following trade industry organisations:

- Ceylon Chamber of Commerce - Patron Member
- World Ocean Council - Member
- European Chamber of Commerce & Industry - Member
- Indo Lanka Chamber of Commerce & Industry - Executive Committee Member
- Sri Lanka, Australia, New Zealand Business Council - Executive Committee Member
- Sri Lanka China Business Council - Member
- Sri Lanka Bangladesh Business Council - Member
- Sri Lanka Japan Business Council - Member
- Employers' Federation of Ceylon - Member

In addition, SAGT's Senior Managers play an active role in supporting the industry in their respective roles as office-bearers in the following trade/industry associations:

- Chairman of the National Agenda Committee of the Transport & Logistics - Ceylon Chamber of Commerce
- Immediate Past President of the Sri Lanka, Australia, New Zealand Business Council

- Foundation Member - Sri Lanka Rugby (SLR)
- Member of the Logistics Advisory Committee of the Export Development Board by appointment of the Minister of Trade
- Committee Member of the Sri Lanka-China Business Council

SAGT also maintains partnerships with the following organisations:

- Chartered Institute of Logistics & Transport - Corporate Partner
- International Finance Corporation (IFC) - "SheWorks" Sri Lanka Partnership, Women in Work program - Corporate Partner
- Institute of Chartered Shipbrokers - Corporate Partner
- Women's International Shipping & Trading Association (WISTA) - Corporate Partner
- Sri Lanka Shippers Council
- Participant of the United Nations Global Compact Network
- Signatory to the Women's Empowerment Principles of UN Women and UN Global Compact Network

RISK MANAGEMENT STRATEGY

Risk management is integrated into every aspect of SAGT's business, forming a core element of the Company's strategies and processes. It is central to shaping the Company's sustainability initiatives, operational framework, and governance practices. SAGT has developed a robust risk management system aimed at proactively identifying and addressing potential risks, ensuring the continued resilience and success of the business.

SAGT's risk management framework supports the management of the Company's material sustainability topics identified through its materiality assessment process. These include occupational health and safety, climate change and environmental stewardship, operational resilience, regulatory compliance, data security, and responsible supply chain management. The Enterprise Risk Management (ERM) framework enables SAGT to identify, assess, and manage risks and opportunities that may impact the economy, environment, and people, including employees, customers, contractors, and surrounding communities.

THE INTERNAL AUDIT, RISK, AND COMPLIANCE DIVISION

The responsibility for ensuring that SAGT adheres to its risk policies, procedures, and regulatory compliance requirements rests with the Internal Audit and Risk and Compliance Division. The Risk and Compliance Division is tasked with providing regular reports to the Audit Committee on the adequacy and effectiveness of the Company's internal control systems.

The Head of the Risk and Compliance Division presents updates and follow-up actions regarding significant matters to the Audit Committee at each quarter. Additionally, the Head of the Audit Committee oversees all risk management activities, collaborating with the Company's

management to identify, assess, and address potential and significant risks. The Head of the Risk and Compliance Division is also responsible for obtaining formal assurances from the Senior Management Team quarterly regarding the effectiveness and status of internal controls and risk management systems and confirming the Company's compliance with relevant laws and regulations.

The effectiveness and resource requirements of the Audit and Risk and Compliance Division are reviewed regularly by the Audit Committee, while the Company's audit functions are primarily outsourced to leading external professional firms.

Oversight of risk management ultimately rests with the Board of Directors through the Audit Committee, which reviews key risk exposures, internal control effectiveness, and compliance matters on a quarterly basis. Material sustainability and ESG-related risks such as Sustainability Related Risks and Opportunities (SRROs) and Climate Related Risks and Opportunities (CRROs) identified through the ERM process and Sustainability Management Framework are escalated to the Board as required to support strategic decision-making and long-term value creation.

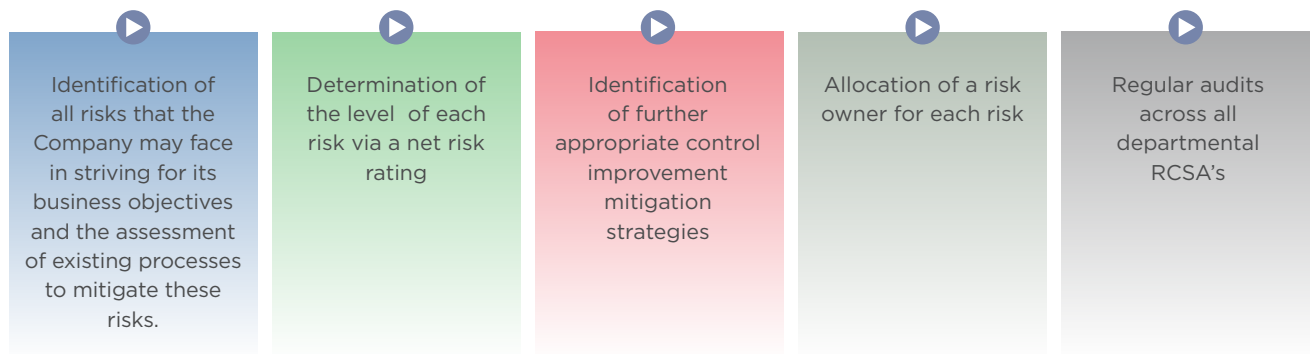
Enterprise Risk Management (ERM) Process:

The Enterprise Risk Management (ERM) process at SAGT follows a bottom-up approach, starting at the departmental level. The Company adheres to process flow for risk management activities and reporting, as illustrated in the diagram below.



RISK MANAGEMENT STRATEGY

Company risks are identified, documented, and recorded through departmental Risk Control Self-Assessment (RCSA) documents, which are then consolidated into a Company-wide RCSA. These risks are assessed and managed in the following manner:



RISK IDENTIFICATION:

Risk events are occurrences that could significantly hinder SAGT's ability to achieve its predetermined objectives if they take place. SAGT classifies risk events into three levels:

1. Common Risks: These are risks commonly identified across departments during their respective RCSAs. These risks are then incorporated into the Company's consolidated risk grid and assigned an appropriate rating. These risks would also include prioritized SRROs and CRROs where relevant
2. Departmental-specific Risks: These are risks that apply specifically to individual departments, reflecting unique challenges or circumstances within those areas.
3. Core Risks: These are risks that could have a catastrophic impact on the Company, both internally and externally. Though likelihood is low, their occurrence would pose a significant threat to the sustainability or long-term viability of the business.

Each identified risk is evaluated in relation to SAGT's material topics to ensure alignment between operational risk management and sustainability impact management. Risks are assessed not only based on operational consequences but also on their potential economic, environmental, and social impacts.

The key risks are summarized below along with their corresponding ratings:

| No | Key Risk | Material Topic Impact | Rating |
|----|--|--|--------|
| 1 | Health and Safety | Occupational Health & Safety (Social) | High |
| 2 | Natural Disasters & Climate Change Impacts | Climate Resilience & Environmental Stewardship | High |
| 3 | Global Competition | Economic Performance & Business Continuity | High |
| 4 | Macroeconomic & Political Environment | Economic Stability & Stakeholder Value | High |
| 5 | Cyber Security | Data Privacy & Customer Trust | High |
| 6 | Fires & Explosions | Workplace Safety & Operational Continuity | High |
| 7 | Regulatory Compliance | Ethical Business Conduct & Compliance | High |
| 8 | Supplier Governance | Responsible Supply Chain Management | High |
| 9 | Breakdown of Internal Controls | Corporate Governance & Transparency | Low |

ULTRA-HIGH
HIGH
MEDIUM
LOW
INSIGNIFICANT

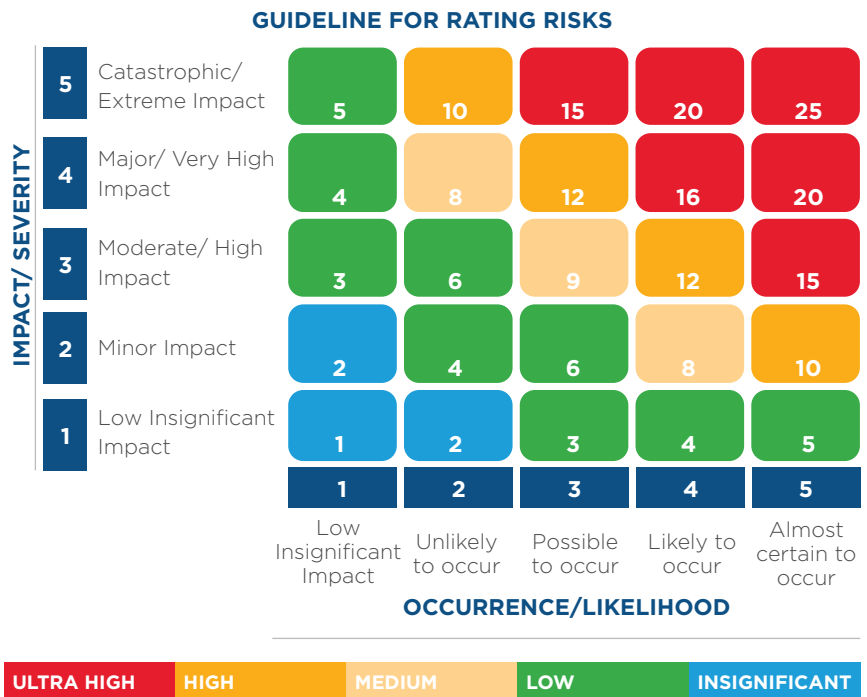
RISK RATING:

SAGT applies the rating system outlined below to determine each risk event's level of risk.

- **Likelihood of occurrence:** the probability of occurrence is rated from 1 to 5
- **The severity of impact:** the impact to business is rated from 1 to 5
- **The velocity of risk:** the speed at which the impact of the risk would hit the organization

Identified risks are evaluated using a matrix that considers both "Impact to the Company" and "Likelihood of Occurrence." Each risk is then assigned a score based on this assessment and documented in the Risk Control Self-Assessment (RCSA). Risks are categorized on a scale ranging from "Insignificant" to "Ultra-high" to ensure effective risk management and mitigation.

The Company's residual risk is defined as the overall risk level assigned, upon considering existing risk control and mitigation measures.



RISK MITIGATION, MONITORING AND REPORTING:

Each risk event is assigned a corresponding mitigation action within the risk management framework, classified as either preventive, detective, or corrective. The designated Risk Owner is responsible for managing the specific risk and overseeing the development and implementation of plans to mitigate it.

The Company's departmental-level RCSAs undergo quarterly reviews, which are managed by individual departments. These departments are responsible for conducting the reviews and communicating their findings to the Management Committee for appropriate action. This process ensures that individual risk ratings are continuously updated and consolidated within the Company's overall RCSA for the quarter.

The Head of Internal Audit and Compliance monitors and analyses any variations and changes within the SAGT risk rating system. This involves risk profiling, tracking and incident reporting. The Senior Management Team (SMT) and the Executive Committee (ExCom) analyse and review both Company-specific risks and risks common to the sector and industry, involving the Audit Committee as needed for further insights and decisions. The below table summarises the risk description, ratings and mitigatory actions for the organisation's key risks.

RISK MANAGEMENT STRATEGY

| Risk Description and Rating | Mitigatory Actions |
|--|---|
| <p>Health and Safety</p> <ul style="list-style-type: none"> Safety incidents may cause serious injuries or fatalities, leading to service disruptions Damage to property or equipment can impact operational continuity <p>High Risk</p> | <ul style="list-style-type: none"> Mandatory Safety Induction Program for employees, contractors, and visitors. Contractor Management Program comprising weekly meetings and discussions with three of the critical contractor groups employed within the terminal. Regular safety drills and trainings for employees and contractors to bolster incident readiness. Safety procedures and procedures are reviewed and updated periodically. Safety trainings carried out for relevant staff and contractors as and when required. Regular Audits and inspections on health and safety procedures. Mandatory safety refresher for employees and contractors annually Management safety walks are conducted by cross functional teams to identify and rectify potential health and safety risks. Insurance covers is in place for key terminal assets Risk assessments are mandatory for all work taken up within the terminal Periodic review of standard operating procedures and risk assessments Technology adaptation to minimise human-machine interaction |
| <p>Natural Disasters and Climate Change Impacts</p> <ul style="list-style-type: none"> Restricted access to work and information Operational disruptions due to extreme weather events Potential damage to critical machinery and infrastructure Risk of injury or loss of life to employees and contractors Increased operational costs arising from energy stability and higher recovery costs <p>High Risk</p> | <ul style="list-style-type: none"> Business continuity plan along with a comprehensive disaster recovery plan, health and safety processes and port infrastructure in place. Weather conditions are actively monitored. Key equipment is fitted with tie-down mechanisms to prevent catastrophic damage. Employees and contractors receive regular training and drills. Relevant insurance policies are in place. Transition to low-carbon operations is guided by financial and non-financial evaluation criteria, with the Finance Division assessing payback periods and ROI before implementing transition strategies. |
| <p>Global Competition</p> <ul style="list-style-type: none"> Loss of transshipment business to other terminals in the region leading to negative impacts in profitability <p>High Risk</p> | <ul style="list-style-type: none"> Maintaining strong relationships with key stakeholders to the business Maintaining long term business agreements with customers Developing and promoting the Port of Colombo's feeder vessel links Enhance the Company's and Port of Colombo's sustainable business practices |
| <p>Cyber Security Risk</p> <ul style="list-style-type: none"> Compromise of critical business and customer data may lead to service disruptions and reputational loss Potential exposure to legal action <p>High Risk</p> | <ul style="list-style-type: none"> IT Policy, data security process and data backup procedures are in place Implementation of a Security Operation Center to monitor cyber activities 24/7. Policy and security controls undergo continuous assessment. Cyber security assessments are done on an annual basis. The recommendations provided during the assessments are implemented to improve risk mitigation processes. |

| Risk Description and Rating | Mitigatory Actions |
|--|---|
| <p>Macroeconomic and Political Environment</p> <ul style="list-style-type: none"> Geopolitical tension and economic instability disrupting shipping services and cargo volumes leading to vessel bypasses and reduced throughput. Rising fuel prices and increasing operating costs despite operational continuity as an essential service. <p>High Risk</p> | <ul style="list-style-type: none"> Continuous monitoring of geopolitical and macroeconomic developments with scenario planning and periodic risk reassessment. Proactive collaboration with shipping lines and Port stakeholders to manage capacity, avoid yard congestion and optimize operations. Strengthening volumes from key Southeast Asian markets and implementing cost efficiency measures to offset volatility and rising fuel costs. |
| <p>Fire/ Explosion</p> <ul style="list-style-type: none"> Serious lost time injuries/ fatalities to employees and contractors resulting in service disruption. Property/ equipment damage leading to service disruptions. Increased costs <p>Medium Risk</p> | <ul style="list-style-type: none"> Business Continuity Plan, Disaster Recovery Plan and evacuation plans in place. Pre-planned fire drills are conducted with employees and contractors on a periodic basis. The Emergency Response Team is trained for handling emergencies. Fire alarm system is in place in the building, yard and on key equipment. Fire inspections are conducted on an annual basis by an external party. Hazardous cargo within the terminal premises is monitored daily. Insurance covers are in place for key terminal assets |
| <p>Regulatory Compliance</p> <ul style="list-style-type: none"> Regulatory violations may lead to legal, financial, and reputational consequences Breach of concession terms could result in a complete halt of operations <p>Medium Risk</p> | <ul style="list-style-type: none"> Adhere to procedures and continuously review and update standards Benchmark to international standards Maintain critical activity calendar for renewal of license and certification |
| <p>Supplier Governance Risk</p> <ul style="list-style-type: none"> Negative impact to Company reputation due to legal, regulatory compliance and privacy issues <p>Medium Risk</p> | <ul style="list-style-type: none"> A supplier code of conduct is in place. The supplier code of conduct is included on all supplier contracts All significant suppliers are registered on SAGT's vendor management portal Periodic review on supplier performance and enforcement of supplier contracts Bi-annual leadership meetings with key suppliers |
| <p>Breakdown of Internal Controls</p> <ul style="list-style-type: none"> Disruptions to internal processes may affect operations and profitability Potential reputational damage to the Company <p>Low Risk</p> | <ul style="list-style-type: none"> Key processes are analysed with segregation of duties, approval limits, decision rights and committee structures. Monitoring control processes and internal and external audit processes Action internal and external audit findings and reviews |

RISK MANAGEMENT STRATEGY

SAGT's readiness to meet risks associated with Climate Change:

Climate change risks highlight the potential negative impacts of climate change on both human and ecological systems. Whilst these risks are integrated into SAGT's Enterprise Risk Management (ERM) framework, they can be divided into two categories: physical risks and transition risks.

Physical risks stem from natural disasters such as floods, high winds and other unfavourable weather conditions. SAGT has in place a Business Continuity Plan along with a comprehensive Disaster Recovery plan, health and safety processes and port infrastructure to avoid damage to the terminal due to natural disasters. The Company also has business interruption and workers' compensation insurance as a precaution in the event of physical risk.

Transition risks relate to the changes in policy, law, technology, and markets that result from the transition to a low-carbon economy. The decision to transition to low-carbon operations is driven by both financial and non-financial evaluation criteria. The Finance Division plays a key role in assessing payback periods and return on investment (ROI) before moving forward with any transition strategies. While over 30% of Sri Lanka's electricity generation comes from renewable sources, there are currently no regulations regarding a transition to a low-carbon economy, no carbon pricing, nor limits on emissions or effluent discharge in Sri Lanka.

Since 2019, SAGT has invested in transitioning to low-carbon alternatives, including adopting energy-efficient technology, investing in solar energy, replacing fossil fuel-driven equipment with hybrid technology, and forming strategic partnerships. These investments undergo rigorous financial and non-financial evaluations to ensure that risks related to transitioning to a low-carbon operation are mitigated effectively. Details of these investments can be found in the Environmental Stewardship section from pages 46 to 57 of this report.

SAGT believes that these investments in low-carbon operations, as well as its commitment to Environmental, Social, and Governance (ESG) performance, enhance the Company's social license to operate and positions it as a market leader in efficient port operations, all within the broader context of Corporate Responsibility.

INTERNAL COMPLIANCE

SAGT ensures compliance with statutory and other regulatory procedures through a quarterly self-certification process which is verified and confirmed by the CFO and CEO. They are also responsible for identifying any significant deviations from expected conditions and taking necessary actions to address any discrepancies. This process helps maintain the Company's adherence to legal and regulatory requirements, ensuring transparency and accountability across its operations.

During the reporting period, SAGT monitored compliance with all applicable laws and regulations through its internal compliance framework. No significant fines or non-monetary sanctions for non-compliance with environmental, social, or economic laws and regulations were recorded during the reporting period.

SYSTEM OF INTERNAL CONTROL

The Senior Management Team and Executive Committee, in collaboration with the Head of Internal Audit and the Risk and Compliance Division, are responsible for obtaining assurances regarding the presence and effectiveness of systems designed to safeguard the Company's assets. This includes ensuring that these systems are functioning properly and provide adequate protection for the Company's resources. Their efforts are crucial in maintaining operational integrity, security, and risk mitigation throughout the organization.

All risks identified in the ERM risk register are discussed at Audit Committee (AC) meetings, which are held every four months. Sustainability-related risks are also discussed alongside the risk register. Further,

sustainability-related risks are evaluated by the Executive Committee of the Company at its quarterly meetings.

SAGT's system of internal controls comprises the following activities

1. Clearing all transactional entries in a timely manner and ensuring complete reconciliation to maintain the accuracy and integrity of financial records.
2. Subjecting unreconciled and open entries to scrutiny and formally flagging them for the attention of the Audit Committee and ensuring necessary corrective actions are taken promptly.
3. Ensuring cash and cheque deposits are efficiently managed and tracked in adherence to best practices to ensure transparency and security in financial transactions.
4. Continuously streamlining the Internal Audit function by optimising focus areas, enhancing efficiency, and ensuring thorough oversight across key business operations.

Segregation of Duties (SOD) under Sarbanes-Oxley (SOX) Guidelines

SAGT takes every precaution to ensure that no individual has unrestricted access to execute transactions across the organization. To mitigate risks such as fraud, material misstatements, and manipulation of financial statements, the Company has implemented critical approval linkages and a clear segregation of duties. This helps prevent any leakage of sensitive information and ensures that operational processes remain secure.

The impacts of SAGT's material topics, including the risks posed by climate change, are assessed on a quarterly basis from an ESG risk management perspective. This assessment is conducted using Key Sustainability Performance Indicators (KSPI) and Key Risk Indicators (KRI), which align with GRI Standards. In addition to these standards, SAGT tracks more detailed information to enable management

to make data-backed decisions. The KSPIs and KRIs are reported internally to the Management Committee every quarter, allowing the Company to take corrective actions based on its ESG performance in a timely manner.

Key Sustainability Performance Indicators (KSPIs) and Key Risk Indicators (KRIs) are derived from SAGT's materiality assessment and aligned with applicable GRI Standards. Indicators are reviewed periodically to ensure relevance to evolving ESG risks and stakeholder expectations. Performance thresholds are monitored quarterly, enabling management to identify trends, evaluate risk exposure, and implement corrective actions where necessary.

Further details regarding the implementation of SAGT's ESG Management Strategy can be found in the "Sustainability Integration" section, along with disclosures related to Environmental Stewardship and Social Responsibility within this report.

SUSTAINABILITY INTEGRATION

Located in the Port of Colombo, SAGT is one of four container terminal operators contributing to Sri Lanka's growing prominence as a world-class transshipment hub.

From its inception, SAGT has recognized the critical importance of sustaining and enhancing the competitive advantage derived from Sri Lanka's strategic geographical location, along with its own unique strengths. Ensuring the well-being of its people, customers, business partners, and the environment is not only integral to SAGT's sustainability but also to maintaining the profitability of the Company's operations and Sri Lanka's competitiveness as a transshipment hub.

As such, sustainability is embedded in SAGT's corporate ethos and business strategy at the highest level. This is guided by its robust Sustainability Management Framework (SMF), which integrates sustainability objectives into the core of the Company's strategic and long-term goals. The SMF comprises of a stage-wise process where impact materiality assessments are undertaken to identify the significant actual, potential negative and positive environmental, social and governance impacts on its key stakeholders. The impact materiality assessment are supported by the identification of Sustainability Related Risks and Opportunities (SRROs) and Climate Related Risks and Opportunities (CRROs) arising from the identified impact material topics. The subsequent stages of the SMF include the identification of policies, processes, SOPs and management approaches to manage such material topics; establishment of KPIs to track and monitor sustainability performance; establishment of targets for key material topics; undertaking

sustainability interventions to mitigate and manage the identified material impact topics; and finally in reporting progress to the Company's stakeholders. The policies, procedures and management approaches are founded in the Company's core organizational values and thus the policies carry commitments to ensure operational excellence, providing exemplary service to its customers, and developing an integrated value chain ensuring sound corporate governance, compliance with all regulatory requirements and human rights considerations while also considering the precautionary principle in investment and operational decisions. The commitments are then embedded across the Company, by ensuring alignment of Policies, Management Approaches and Standard Operating Procedures (SOPs) at every division and operation via the Sustainability Management Framework.

The stages of SAGT's Sustainability Management Framework (SMF) is supported by a Sustainability Performance Management System enabling the data capture, analysis and dashboarding on a quarterly basis, which in turn supports the reporting of sustainability performance to senior management teams for course corrective decision making. Internal and external assurance processes further support SAGT's sustainability journey by ensuring accurate information for decision making, compliance with laws, regulations, benchmarking with best-in-class practices and enabling continuous improvement. By adhering to internationally recognized reporting standards and frameworks such as the Global Reporting Initiative (GRI) Standards, the United Nations Sustainable Development Goals (SDGs), and the United Nations Global

Compact (UNGC), the Company enhances the management and transparency of its non-financial disclosures and its communication of progress.

Aligned with its business objectives, SAGT's Sustainability Commitments are classified within three core pillars: Responsible Economic Contribution, Environmental Stewardship, and Labor Practices & Social Responsibility.

The determination of SAGT's material topics involve obtaining an understanding of its significant stakeholder concerns. SAGT defines its significant stakeholders as stakeholders who may be impacted by the Company's operations, and those stakeholders who possess the ability to influence the Company's operations. As such, identification of the significant stakeholder concerns as well as the identification of internal stakeholder perceptions and risks of opportunities play an important role in the prioritisation of the material topics of SAGT. This engagement process is integrated with the Company's daily business operations, to derive long-term value for the business and its stakeholders.

The following section outlines SAGT's Sustainability Management Framework and demonstrates how sustainability is embedded across all levels of the Company's business operations.

SAGT'S MATERIAL TOPICS

SAGT's Material Topics are aligned with the four Sustainability pillars:

| | | | |
|---|---|---|--|
| <p>Environmental Stewardship</p> <ul style="list-style-type: none"> • Materials • Energy • Water and Effluents Management • Emissions Management • Environmental Compliance • Supplier Assessments | <p>Corporate Governance</p> <ul style="list-style-type: none"> • Transparency and Accountability • Stakeholder Engagement • Code of Conduct • Sustainability Reporting | <p>Labour Practices & Social Responsibility</p> <ul style="list-style-type: none"> • Employee Engagement • Training and Development • Labour Relations • Diversity, equity and inclusion in our human capital management with a special focus on women • Customer privacy • Socioeconomic compliance | <p>Enabling Work Environment - focused on wellbeing, safety, security and health</p> <ul style="list-style-type: none"> • Non-discrimination • Freedom of Association • Zero-tolerance towards forced and compulsory labour • Occupational Health and Safety • Customer Health and Safety • Cyber Security • Robust Emergency Response |
|---|---|---|--|

SUSTAINABILITY POLICY

SAGT's Sustainability Policy is anchored in ethical practices and principles of corporate responsibility. While complying with all applicable local and international regulatory requirements at a minimum, SAGT sets benchmarks in its operations, environmental stewardship and social responsibility. Operational impact is monitored and assessed while ensuring transparent communication on key ESG practices.

SAGT is committed to mitigating its environmental impact through energy conservation, decarbonising terminal operations, managing waste responsibly, efficient utilisation of materials, and water and effluent management ensuring that it complies with environmental regulations at all times.

From a social perspective, the Company is committed to fostering a safe, secure and non-discriminatory working environment, focused on diversity, equity and inclusion with a specific focus on female empowerment. As such all employees are offered equal opportunity

for personal and professional development, which includes training, career performance reviews, parental leave whilst ensuring a zero-tolerance approach to its employee related policies and practices including child labour, forced and compulsory labour and freedom of association.

All SAGT staff are required to adhere to the Company's employee Code of Conduct, and by complying with all applicable local and international labour laws and regulations and standards including adherence to minimum wages and the payment of statutory provisions in relation to its outsourced manpower. All SAGT suppliers are registered via the Company Supplier Portal and are required to adhere to the Company's Supplier Code of Conduct.

SAGT's process to engage with its suppliers on specific sustainability topics and include its supply chain partners and customers within the Company's sustainability drive was reviewed and revised during the last year. As part of this process, the Company continues to identify significant suppliers and engage them

through sustainability self-assessments, periodic reviews and supplier audits where applicable. As a part of the Company's continuous improvements, a new updated process in this regard was put in place by the Supply Chain Division, with the reassessing and identification of significant suppliers followed by periodic engagement through self-assessments and audits.

SAGT considers customer health and safety, cyber security and customer privacy and emergency response as key material topics that may have impact on its customer groups. Whilst noting that SAGT's location within the Port of Colombo creates relatively lesser opportunity for community engagements, SAGT nonetheless carries out numerous projects aimed at uplifting local communities contributing towards the development of livelihoods within the nation as part of its overall corporate responsibility efforts.

SUSTAINABILITY INTEGRATION

Key Elements of the SMF:



Identifying Stakeholder concerns

The identification and prioritisation of key stakeholders and their concerns is done through an internal perception materiality assessment considering primarily an impact materiality approach. The Materiality Assessment considers an impact-based assessment of the importance placed by stakeholders on environmental and societal topics (impact materiality) and considers the risks to the organisation and investors arising from dependencies of environmental and social factors (financial materiality). SAGT utilises

the methodology outlined in GRI 3: Material Topics to identify its universe of sustainability impacts. This process is further supported by the AA1000AS Standard's six-part materiality test to prioritise the most significant impact topics. The COSO Risk Management Framework is then utilised to assess the risks and opportunities arising from organizational impacts and environmental and social dependencies, and then classified based on their importance and impact and the results are

integrated into the Company's broader enterprise risk management processes. SAGT's materiality assessment for the reporting year was aligned in accordance with the AA1000AS Standard and the GRI 3 standard on materiality assessment. While climate change was identified as a significant risk for the Company through both its materiality assessment and its enterprise risk management process, and its impacts and mitigation plans associated with the related physical and transition risks, were analysed.



Policy and Framework

The Company has established policies related to environmental, social and governance factors, such as its Energy and Emissions Policy, Water Management Policy, Health & Safety Policy and Anti-

Corruption Policy. These policies are complemented by management procedures and Standard Operating Procedures (SOP). Further, the policies and policy framework undergo regular reviews by the

Senior Management Team. The Policy Framework of SAGT is designed to address the prioritised impacts, risks and opportunities derived through its materiality assessment.



Data Tracking & Analysis

Data Tracking & Analysis: The Company measures, monitors, and tracks the progress of its chosen sustainability indicators using a Sustainability Performance Tracking Tool - the Sustainability Performance Analyser introduced in 2019. This tool enables the collection, consolidation and analysis of information pertaining to the Key Sustainability

Performance Indicators (KSPI), by the Sustainability team, on a quarterly basis. Since 2021, SAGT has been compiling data monthly, to further strengthen management intervention and be able to deliver speedier responses. The KSPI's cover a range of performance metrics aligned with relevant disclosures within the Global Reporting Initiative

(GRI) standards, which are crucial for assessing sustainability across material topics. These indicators ensure that the Company adheres to internationally recognized sustainability guidelines. These KSPI's are shared with the Management Committee, monthly for review, investment and action as necessary.



Benchmarking and Variance Control

In addition to monitoring its performance against internal goals and targets, SAGT actively benchmarks against industry best practices, recognized standards

and performance of key peers. This commitment enables the Company to continuously measure its progress within the broader industry context and adopt leading-edge approaches

and position itself as a proactive influencer and a catalyst for change within the sustainability landscape of the industry.



Sustainability Initiatives

SAGT engages in a range of initiatives which are carried out at organisational and departmental levels. At the organisation level, SAGT tackles significant global challenges such as climate change

through comprehensive initiatives aimed at reducing its environmental impact and promoting sustainable practices across all operations. Simultaneously, economic and social sustainability goals, such

as driving cost rationalisation, enhancing operational efficiency, and strengthening stakeholder engagement are championed by individual departments.



Sustainability Reporting and External Assurance

SAGT produces a thorough sustainability report, aligned with key global standards including the Global Reporting Initiative (GRI) standards, the United Nations Global Compact (UNGC) principles, and the United

Nations Sustainable Development Goals (SDGs). This comprehensive approach ensures transparency and reinforces its commitment to responsible environmental, social, and governance practices. SAGT

ensures that all annual Sustainability Reports are subject to independent external assurance to enhance the credibility and reliability of the reported.

RESPONSIBILITY FOR DRIVING SUSTAINABILITY AT SAGT:

The organisational structure for sustainability, outlined below, supports the effective execution of SAGT's sustainability agenda and the achievement of its sustainability goals. It ensures that performance related to key material topics is regularly assessed and managed by the Senior Management Team (SMT). The CEO, through the Management Committee, holds responsibility for ensuring the implementation of SAGT's Sustainability Management Framework (SMF).



SUSTAINABILITY INTEGRATION

THE SUSTAINABILITY DIVISION

The Sustainability Division is responsible for overseeing the implementation of the Sustainability Management Framework (SMF) and executing its strategies through the following key roles and responsibilities.

- Collaborating with the nine Departments to ensure the timely capture of all Environmental, Social, and Governance (ESG) data, and managing the input of quarterly and monthly sustainability data through the Sustainability Performance Analyzer.
- Compiling the internal sustainability report for the CEO and Management Committee's review of the year's sustainability performance.
- Providing input to the CEO and Management Committee on sustainability impacts associated with new projects, to ensure that sustainability-related risks including climate change risks are mitigated and environmentally responsible principles and practices are incorporated at the planning stage.
- Facilitating the annual external assurance process and the periodic internal assurance audits to verify the

completeness and accuracy of data as well as the adherence to relevant Standard Operating Procedures (SOP's).

- Conducting research on industry best practices, performing benchmarking studies, and identifying gaps to set ambitious sustainability goals and targets for the Company.
- Identifying sustainability risks that may arise internally or along the value-chain and working with relevant departments to help suppliers mitigate their risks.
- Engaging with and sharing sustainability knowledge with suppliers to enhance their sustainability performance, fostering a culture of continuous improvement.
- Identifying new initiatives, process improvements and opportunities for cost savings in collaboration with the nine Departments to ensure effective implementation of these strategies.
- Raising awareness and sharing knowledge on Sustainability, best practices and emerging trends on sustainability through regular internal and external campaigns and engaging employees in sustainability initiatives.

- Compiling and delivering the Annual Sustainability Report, showcasing the Company's sustainability performance and progress towards goals.

Sustainability at Department level

A Sustainability Champion within each of the nine Departments is tasked with implementing the Company's SMF based on the identified material topics and selected frameworks. Through the efforts of each designated Sustainability Champion, the Departments are responsible for:

- Recording and monitoring sustainability data as per the SOP, in a timely and accurate manner.
- Maintaining source documents to enable internal sustainability assurance.
- Collaborating with the Sustainability Team to implement sustainability initiatives and process improvements relevant to each Department.
- Finding ways to enhance sustainability performance across the value chain, by sharing knowledge and best practices in sustainability.

Sustainability Reporting

SAGT follows a robust reporting process that includes both external and internal reporting cycles to ensure transparency and effective management of sustainability performance.

External Reporting

The annual Sustainability Report serves as the Company's primary tool for communicating its sustainability performance to its external stakeholders in accordance with the Global Reporting Initiative (GRI) Standards, and also as its Communication of Progress towards the United Nations Global Compact (UNGC).

Internal Reporting Process

SAGT's internal reporting consists of a quarterly report, with select indicators extended to a monthly cycle. These indicators track operational efficiency, compliance, and key sustainability areas, providing relevant management information to support informed decision-making and a more comprehensive approach to capital budgeting.



| Process | Data Collection | Data Consolidation and Entry | Auditing | Reporting and Presentation |
|----------------|-----------------------|------------------------------|---|---|
| Responsibility | Relevant Departments | Sustainability Division | Sustainability Division and external auditors | Sustainability Division |
| Frequency | Monthly and Quarterly | Monthly and Quarterly | Internal: Quarterly External: Annually | Internal: Quarterly External: Annually |

DEFINING REPORT CONTENT

This report details SAGT’s sustainability strategy, corporate governance framework, risk management process, environmental and social responsibility efforts, and discloses the measures taken by SAGT to achieve an improved holistic sustainability performance.

While ensuring compliance as per all regulatory requirements at a minimum, SAGT’s operations are guided by the ‘Precautionary Principle’ resulting in responsible investment and operational decisions. This policy commitment ensures minimal impact on natural resources, the environment and reduces the Company’s carbon footprint while minimizing its effect towards climate change. SAGT’s Sustainability policy also commits towards ensuring the protection of human rights in its operations and its value chain as far as practicable, whilst also committing to ensuring a safe and productive work environment for all staff.

All methodologies, assumptions, indicators and estimations used in the

compilation of this report follow the GRI standards and industry practices. Any restatements, along with underlying reasons, are clearly stated in the relevant sections of this report.

All data included in SAGT’s sustainability reports over the last six years have been validated internally through senior management review as well as externally, through an independent third-party assurance provider.

Stakeholder Engagement and Identification of Material Topics

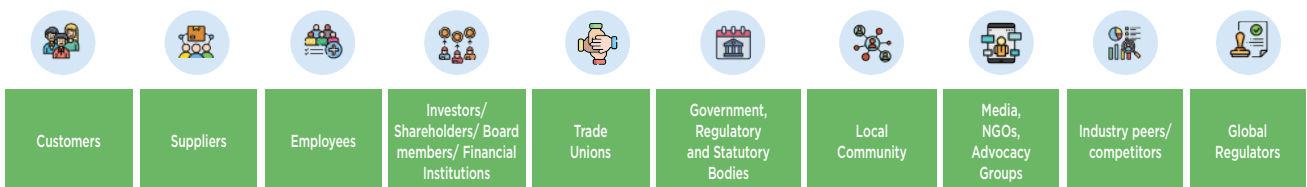
As expectations continue to evolve among customers, regulators, investors, lenders and communities etc, SAGT remains committed to strengthening its economic, environmental and social response in line with global best practice and local priorities.

The identification of key stakeholders is driven by insights gathered through discussions with key business units and operational departments. Once identified, significant stakeholder groups are identified based on

their potential impact and influence on the Company, and the impact of the Company’s operations on stakeholders. The impact-influence matrix for broader stakeholder groups forms the foundation for developing an effective engagement strategy, including determining the basis for engagement, setting the preferred frequency of interaction, and assigning responsibilities for engagement activities.

SAGT maintains an ongoing and comprehensive stakeholder engagement process, seamlessly integrated into its daily operations. This continuous approach ensures that the Company remains responsive to stakeholder concerns in real time, allowing for proactive and effective responses. Dialogue with stakeholders provides the foundation for identifying and prioritizing issues based on their significance to both the Company and external stakeholders. These issues are then mapped according to their potential impact on the Company and stakeholders.

SAGT has identified the following key stakeholders



SAGT continues to engage with all significant stakeholders mentioned above, that can impact, and that are impacted by the Company’s business operations. Multiple mechanisms are put in place to allow stakeholders to voice grievances and highlight potential concerns arising from terminal activities.

Close relations are maintained with Government Regulatory & Statutory bodies such as Central Environmental Authority (CEA), Marine Pollution Prevention Authority (MPPA) and the Marine Environmental Protection Authority (MEPA) to ensure that the Company at a minimum complies with regulatory requirements.

SAGT also partners with environmental conservation subject experts such as

the Centre for Sustainability of the University of Sri Jayewardenepura to execute reforestation and conservation initiatives.

Similarly, employee feedback on related issues is actively encouraged through various channels, including trade unions, the organisational hierarchy, surveys and interviews, suggestion boxes, and intranet.

Robust data systems are central to effective environmental stewardship. SAGT continuously monitors resource consumption and environmental indicators through a combination of digital systems, equipment records, meter readings and operational data capture processes to identify potential areas of grievance prior to occurrence.

Materiality Assessment Process

A Materiality Assessment is conducted periodically to identify the organizational impacts on the Company’s significant stakeholders, and the sustainability related risks and opportunities faced by the Company. These organizational impacts along with the sustainability related risks and opportunities are considered as material topics that may have a actual or potential positive or negative effect on such significant stakeholders. Its assessment process follows the methodology outlined in the GRI 3 Standard augmented by the AA1000AS Standards Version 3 Guidance Document and seeks to identify the importance of a topic on internal stakeholders and the importance of a topic on its external stakeholders.

SUSTAINABILITY INTEGRATION

SAGT has also sought to identify key Sustainability Related Risks and Opportunities (SRROs) along with sustainability impact topics mentioned above.

These SRROs were identified by assessing the risks arising from the identified organizational impacts and assessing them based on the likelihood of occurrence and impact severity to the Company and Investors

based on the COSO Risk Management Framework to determine an overall risk rating. This risk rating, along with the importance to internal and external stakeholders described above, serves as the foundation for prioritising material topics, which are then used to identify Key Sustainability Performance Indicators and relevant GRI disclosures reported in the GRI Content Index of this report.

As a result of this process, SAGT has prioritized 16 material topics and selected 44 GRI Standard topic-specific disclosures for both internal and external reporting, which are summarized in the table below. This section also outlines the strategies and management approaches implemented to address SAGT's material topics.

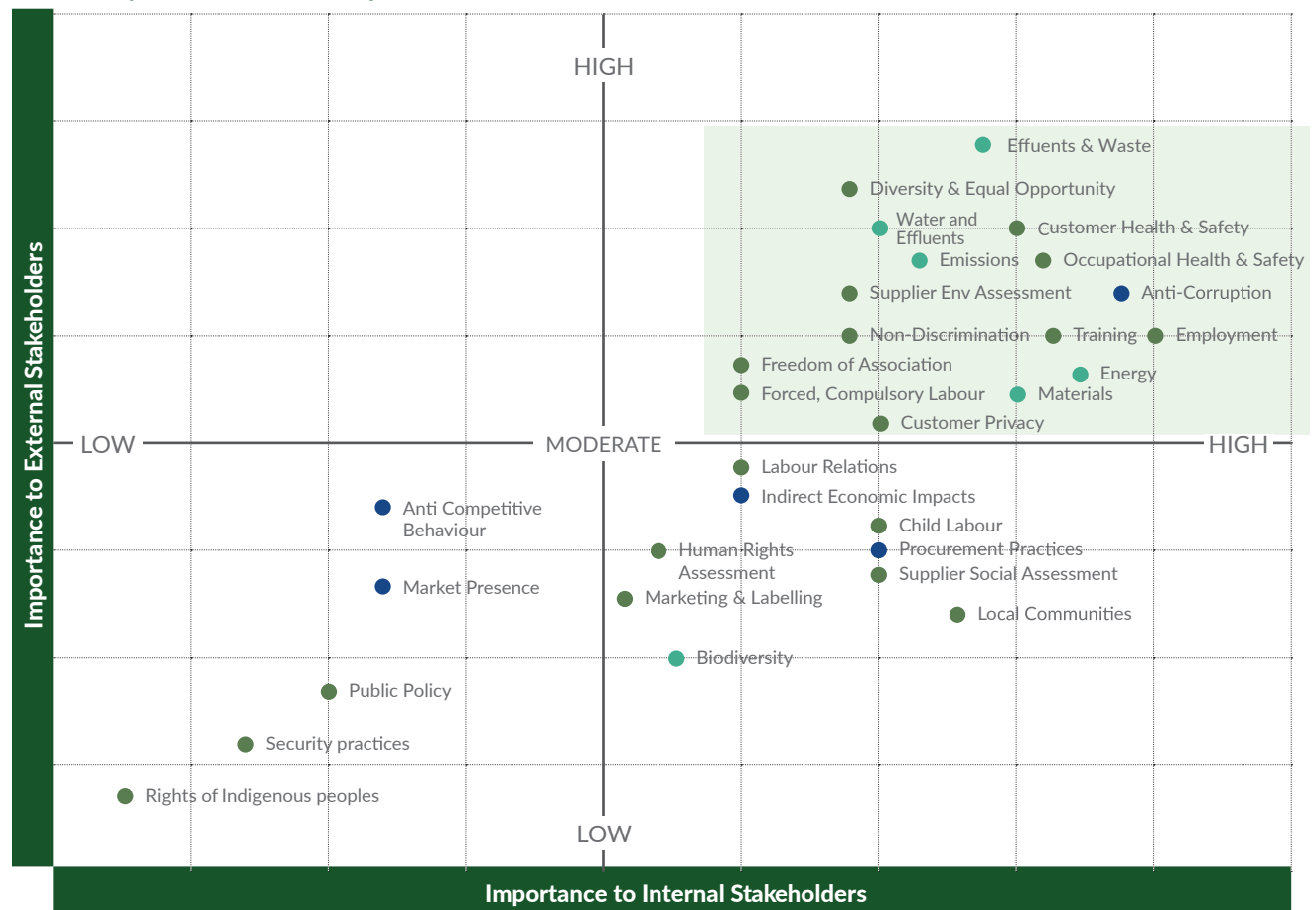
| Stakeholder | Method of engagement | Basis of engagement | Frequency | Issues/concerns |
|------------------|---|--|---|--|
| Customers | <ul style="list-style-type: none"> Materiality survey and interviews Customer feedback One-on-one communication Sustainability report | <ul style="list-style-type: none"> Meeting minutes Feedback form Emails Visits | <ul style="list-style-type: none"> Every 2-3 years Annually Regularly | <ul style="list-style-type: none"> Competitive pricing Berth productivity/Reliability CO2 emissions |
| Suppliers | <ul style="list-style-type: none"> Correspondence with major suppliers Supplier audits Sustainability report | <ul style="list-style-type: none"> PO, tender documents Supplier self-assessment form | <ul style="list-style-type: none"> Ongoing Annually | <ul style="list-style-type: none"> Price and volume Credit period Longevity of contracts Operational matters and business issues |
| Employees | <ul style="list-style-type: none"> Materiality survey and interviews Employee appraisals Training and development programmes Company events Toolbox meetings Surveys Newsletters Notice boards Intranet and social media platforms Team briefings SAGT's Code of Conduct | <ul style="list-style-type: none"> Email Performance appraisal form Survey reports Presentations Published report | <ul style="list-style-type: none"> Every 2-3 years Annually Ongoing As needed Daily As needed Quarterly Regularly Ongoing Monthly | <ul style="list-style-type: none"> Salary/benefits/career development Training and development Occupational Health and Safety (OHS) Equal opportunities |
| Shareholders | <ul style="list-style-type: none"> Materiality survey and interviews Sustainability report Other interactions | <ul style="list-style-type: none"> Meeting minutes Email Meetings | Board meeting thrice a year and audit committee meeting | <ul style="list-style-type: none"> Dividend Governance Compliance Timely information on business performance, strategy, operating landscape and business outlook |
| Trade unions | <ul style="list-style-type: none"> Meetings with trade union representatives Meeting with CEO Collective Labour Agreement Discussions discussion Meeting with parent trade union officials | <ul style="list-style-type: none"> Meeting minutes Correspondence Collective agreement MOU | Monthly, quarterly | <ul style="list-style-type: none"> Benefits/rights for members Compliance Grievance handling |
| Government | <ul style="list-style-type: none"> Formal and informal communication Audits Joint inspections Other meetings | <ul style="list-style-type: none"> Permission request letters Agreement Compliance licenses Request letters | <ul style="list-style-type: none"> Monthly Annually Annually As needed | <ul style="list-style-type: none"> Regulatory compliance Impact to environment Industrial relations |
| Statutory bodies | <ul style="list-style-type: none"> Meetings Compliance audits | <ul style="list-style-type: none"> Survey reports Inspection reports, license renewal documents, and audit reports | <ul style="list-style-type: none"> Monthly, annually Annually | <ul style="list-style-type: none"> Environment compliance Employee health and safety Equipment testing |

| Stakeholder | Method of engagement | Basis of engagement | Frequency | Issues/concerns |
|--------------------------|--|--|---|---|
| Industry peers | <ul style="list-style-type: none"> Meeting with working group levels (ITT) Meetings to discuss/overcome operational issues Other interactions | <ul style="list-style-type: none"> Meeting minutes Circulars Email and other correspondence | <ul style="list-style-type: none"> Daily As needed As needed | <ul style="list-style-type: none"> Cooperation Ethical business Port strategies for Hub status |
| Local community | <ul style="list-style-type: none"> Partnerships with non-profit organisations Community engagement and CSR programmes | <ul style="list-style-type: none"> Request letters Agreements | <ul style="list-style-type: none"> As needed As needed | <ul style="list-style-type: none"> Employment of local community members Training CSR activities |
| Global industry monitors | <ul style="list-style-type: none"> Meetings Events | <ul style="list-style-type: none"> Letters, emails | <ul style="list-style-type: none"> Annually As needed | <ul style="list-style-type: none"> Environmental impact Corporate ethics Social responsibility |
| Media and NGOs | <ul style="list-style-type: none"> Meetings Other interactions | <ul style="list-style-type: none"> Meeting minutes, emails Press releases, reports | <ul style="list-style-type: none"> Annually As needed | <ul style="list-style-type: none"> Reliability/ frequency of engagement Environmental impact Longevity of partnerships |
| Debt providers | <ul style="list-style-type: none"> Meetings Other interactions | <ul style="list-style-type: none"> Email and other correspondence | <ul style="list-style-type: none"> As needed As needed | <ul style="list-style-type: none"> Saving/borrowing rate Level of service Payments |

MANAGEMENT OF MATERIAL TOPICS

The following section summarizes SAGT's disclosure management approach (DMA) for Economic contribution, Environmental Stewardship and Labour Practices and Social Responsibility. The DMA can be viewed online at <https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf>.

Materiality Assessment - Group



List of Material Topics and GRI Standards disclosures

- Environment Stewardship
- Economic Contribution
- Labour Practices and Social Responsibility



SUSTAINABILITY INTEGRATION

| No: | GRI Standard Topics/ General Disclosures | Topic Specific Disclosures |
|-----|---|--|
| 1 | GRI 205: Anti-Corruption | 205-1: Operations assessed for risks related to corruption 205-2: Communication and training about anti-corruption policies and procedures 205-3: Confirmed incidents of corruption and actions taken |
| 2 | GRI 301: Materials | 301-1: Materials used by weight or volume |
| 3 | GRI 302: Energy | 302-1: Energy consumption within the organisation 302-3: Energy intensity 302-4: Reduction of energy consumption |
| 4 | GRI 303: Water and Effluents | 303-1: Interactions with water as a shared resource 303-2: Management of water discharge-related impacts 303-3: Water withdrawal 303-4: Water discharge 303-5: Water consumption |
| 5 | GRI 305: Emissions | 305-1: Direct (Scope 1) GHG emissions 305-2: Energy indirect (Scope 2) GHG emissions 305-3: Other indirect (Scope 3) GHG emissions 305-4: GHG emissions intensity 305-5: Reduction of GHG emissions 305-6: Emissions of ozone-depleting substances (ODS) |
| 6 | GRI 306: Waste | 306-1: Waste generation and significant waste-related impacts 306-2: Management of significant waste-related impacts 306-3: Waste generated 306-4: Waste diverted from disposal 306-5: Waste directed to disposal |
| 7 | GRI 308: Supplier Environmental Assessment | 308-1: New suppliers that were screened using environmental criteria |
| 8 | GRI 401: Employment | 401-1: New employee hires and employee turnover 401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees 401-3: Parental leave |
| 9 | GRI 403: Occupational Health & Safety | 403-1 Occupational health and safety management system 403-2 Hazard identification, risk assessment, and incident investigation 403-3 Occupational health services 403-4 Worker participation, consultation, and communication on occupational health and safety 403-5 Worker training on occupational health and safety 403-6 Promotion of worker health 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships 403-8 Workers covered by an occupational health and safety management system 403-9 Work-related injuries |
| 10 | GRI 404: Training | 404-1 Average hours of training per year per employee |
| 11 | GRI 405: Diversity & Equal Opportunity | 405-1: Diversity of governance bodies and employees |
| 12 | GRI 406: Non-Discrimination | 406-1: Incidents of discrimination and corrective actions taken |
| 13 | GRI 407: Freedom of Association | 407-1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk |
| 14 | GRI 409: Forced, Compulsory Labour | 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labour |
| 15 | GRI 416: Customer Health & Safety | 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services |
| 16 | GRI 418: Customer Privacy | 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data |

RESPONSIBLE ECONOMIC CONTRIBUTION

SAGT strives to be a benchmark for sustainability within the industry and the region, the Company conducts all its business activities in a responsible manner, ensuring they remain in line with the highest standards of ethics and integrity at all times.

SAGT remains committed towards delivering sustainable performance and growth across all its stakeholder groups, while ensuring compliance with relevant anti-corruption legislation, reinforced by its anti-corruption policy that serves as the overarching ethos for its activities.

The Company ensures that all concerns raised with respect to legal and ethical violations are addressed in an impartial manner through a strongly enforced whistleblowing policy that is outlined within the Code of Conduct for employees and overseen by an independent Ombudsperson.

A comprehensive disclosure of SAGT's Corporate Governance framework and practices can be found on pages 18-22 of this report.

ENVIRONMENT STEWARDSHIP

During the reporting year, SAGT focused on decarbonization and digitization to minimize its carbon footprint and improve operational efficiencies. The Company also ensures its operations conform to the environmental regulations stipulated by the Central Environmental Authority and the Marine Pollution Prevention Authority.

SAGT recognises that its consumption of non-renewable fossil fuels is responsible for air pollutants and greenhouse gas (GHG) emissions and considers this to be its most significant environmental impact. The GHG emissions resulting from SAGT's terminal operations are primarily attributable to its trucking and machinery operations. SAGT's strategy of energy conservation and hybridization of its RTG fleet and the electrifying of its fleet of Prime Movers is further described in the section environmental stewardship. Additionally, the Company considers water consumption, the generation of hazardous and non-hazardous waste and the segregation and treatment of effluents to be material to its operations. Therefore, the Company has established the following policies to mitigate and minimise the impact.



Energy & Emissions Policy

To adopt green practices, engage in new investments, deploy energy efficient equipment and initiate behavioural changes designed to minimise the Company's overall energy and carbon footprint. Ensuring that impacts of climate change are addressed and mitigated through business continuity plans, disaster recovery plans and relevant insurance covers that offer protection against business interruption and worker health and safety.



Water Management Policy

To reduce the use and withdrawal of blue water sources and minimise the water discharged to the environment through recycling and reusing initiatives where possible, while ensuring that the quality of water discharged is in alignment with Sri Lankan legislation and regulations.



Waste Management Policy

To ensure that all regulatory requirements are adhered to in terms of the disposal of hazardous and non-hazardous waste, ensuring segregation discipline is entrenched within SAGT's operations, while promoting waste reduction and engaging in the reuse and recycling of generated waste through accredited third-party waste disposal contractors.

SUSTAINABILITY INTEGRATION

LABOUR PRACTICES AND SOCIAL RESPONSIBILITY

Being a labour-intensive industry, the Company's employees and workforce remain at the core of SAGT's business success. In 2024, the Company focussed on diversity, equality and inclusion with a specific focus on women, implementing a dynamic policy on paternity leave which enables and empowers mothers to return to work while giving fathers the opportunity to be more involved with their newborn.

SAGT prioritises fostering a conducive work environment within which employees are offered opportunities to grow and thrive, with equal opportunities for recruitment, selection and progress regardless of race, gender, nationality, religion, or any other status protected by law. A safe and secure working environment that is wholly focused on safeguarding the human rights of its workforce is available within the Company, while every employee can earn a fair, equitable income, while driving skill development to ensure career advancement in their field of choice. All employment-related legislation is adhered to, while SAGT seeks to continuously improve and develop upon these recruitment and selection practices by integrating new ideas and approaches to achieve industry and global best practices.

SAGT's training and development programmes empower employees through the development of individual technical and soft skills that aid in the achievement of individual and organisational objectives.

The organisation's inclusive approach is underscored by SAGT's key priority to provide a safe and secure environment free from discrimination and any form of harassment. To this effect, the Company maintains a zero-tolerance policy for any form of sexual harassment in the workplace, with all allegations in this regard

treated in the utmost confidence and with respect. The Company has all the necessary measures in place to ensure no individual will be victimised for lodging a complaint of this nature. All complaints are promptly investigated and addressed in accordance with the processes detailed within the Company's policy against sexual harassment. Any person deemed guilty is subject to disciplinary action, with implications ranging up to and including dismissal from employment.

Additionally, no employee is forced to work against their will and is not required to engage in bonded/forced labour, nor are they subject to corporal punishment or coercion of any kind within the workplace.

Internally developed SOPs, guidelines, procedures and precautionary measures ensure that SAGT can uphold the health and safety of its stakeholders, including employees, subcontractors, clients, customers, and agents, in addition to the shipping lines that access its terminal premises.

These procedures and measures are built on the premise of proactive risk management, continuous quality improvement and contingency planning, thereby ensuring operations at the terminal are conducted in accordance with the highest safety standards to minimise avoidable injuries and mitigate the risk of occupational illnesses.

All employees are required to adhere to these SOPs without exception, and all third parties visiting the terminal must adhere to the Company's health and safety policy.

SAGT is committed to projects aimed at uplifting local communities through dedicated programmes that promote gender equality and the empowerment of women, while engaging in partnerships with a range of local

and international non- government organisations (NGOs) and government organisations, and sponsorships of academic projects, further supported by voluntary employee initiatives.

Performance Monitoring of Material Topics

SAGT utilises its comprehensive Sustainability Management Framework (SMF) augmented by a spreadsheet based software tool, the Sustainability Performance Analyser (SPA), to facilitate data collection, enhance trend visibility and support internal and external reporting of all its material economic and governance, environmental and social topics through Key Sustainability Performance Indicators (KSPIs) which is a critical aspect of SMF.

The SPA provides SAGT the ability to specifically gather the KSPI related data for the above-mentioned material topics, undertake automated calculations, assess logical validation of data input and provide dashboards for internal and external reporting and management review, whilst also enabling data verification and internal and external assurance.

Management reviews all sustainability performance through regular internal reporting mechanisms, supported by monthly monitoring of its KSPIs. Tracking performance data at frequent intervals enables SAGT to identify trends early, respond to emerging issues promptly and prioritise improvement opportunities. It also supports evidence-based decision-making and strengthens internal ownership of environmental outcomes across departments.

All sustainability related data is collected in adherence to a Standard Operating Procedure (SOP) to maintain precision and accuracy.

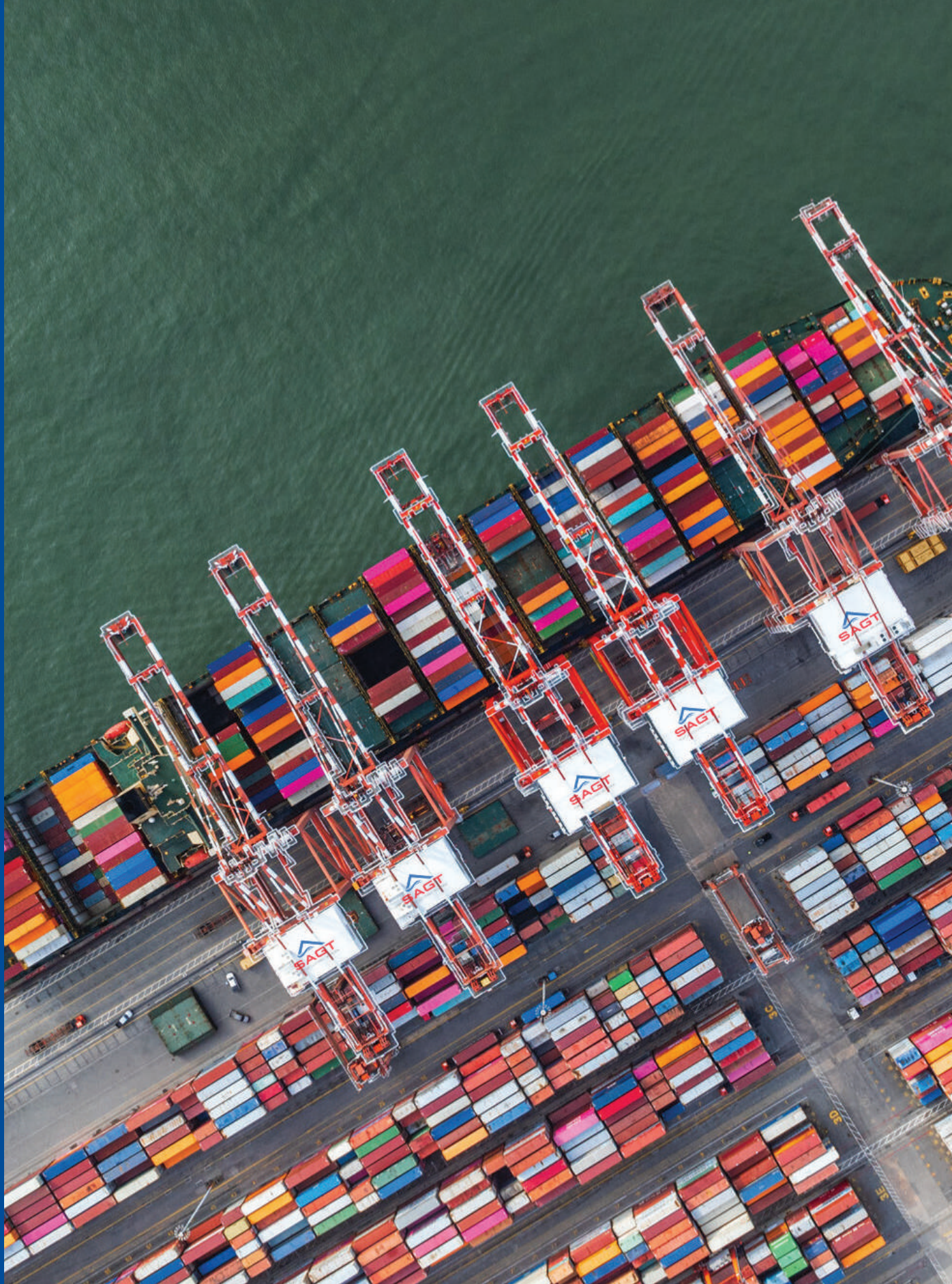


Mangrove restoration project at Ittapana mangrove complex



SAGT'S COMMITMENT TO THE SDGS

As a firm advocate of sustainability across all aspects of its operations, SAGT contributes towards the Sustainable Development Goals (SDGs) approved by the UN in 2015. These SDGs were designed as a roadmap to build a better and more sustainable future by 2030, by addressing the world's most pressing economic, social and environmental issues. SAGT's alignment to the SDGs can be seen throughout the report through the placement of SDG icons at relevant points in the content and through the SDG mapping included within the GRI Content Index found on pages 80-84.



SUSTAINABILITY PERFORMANCE

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OPERATIONAL REVIEW

Container terminals continue to play a pivotal role in enabling global trade, economic development and supply chain resilience. Sri Lanka's strategic positioning in the Indian Ocean, which directly spans the East-West Main Sea Route (ESMR), provides the country with a distinct competitive advantage as a regional transshipment hub. This geographic strength allows vessels to access South Asia, the Middle East, and East Asia with minimal deviation, thereby reinforcing the Port of Colombo's (PoC) long-standing role in global maritime connectivity.

During the calendar year 2025, the Port of Colombo demonstrated strong performance amidst a dynamic global operating environment. The port handled 8.3 million TEUs, the highest volume in its history, representing 6.5% year-on-year growth, with 84% of total volume attributed to transshipment cargo. This transshipment-heavy profile continued to insulate the port's performance from residual domestic economic challenges, placing greater emphasis on global trade flows, geopolitical developments, and regional import-export dynamics.

The prolonged Red Sea crisis, which began in 2023 and continued throughout 2025, disrupted global shipping routes, forcing vessels to reroute via the Cape of Good Hope and extending voyage times by up to two weeks. While Colombo's strategic proximity to the East-West Main Sea Route enabled the port to capture diverted cargo flows, the geopolitical



Enhancing trade connectivity while advancing sustainable port operations

landscape grew increasingly complex during the reporting period. Notably, the blockade of the Strait of Hormuz, triggered by the outbreak of the Iran-US conflict in February 2026, introduced a new geopolitical tension and economic instability disrupting shipping services and cargo volumes leading to vessel by-passes and reduced throughput. Against this backdrop, the port faced rising fuel prices and increasing operating costs, despite maintaining operational continuity as an essential service.

The South Asian region, led by India, remains a key driver of maritime trade growth. India posted an economic growth of approximately 7.4% in FY2025/26, maintaining its position as one of the fastest-growing major economies. Significant investments in port infrastructure, including the commissioning of new deep-draft transshipment hubs such as Vizhinjam, reflect India's ambition to expand its direct connectivity. Importantly, regional trade growth has proven complementary rather than competitive to Colombo's hub-



Steady progress in gate automation infrastructure, powered by Optical Character Recognition (OCR) technology.

and-spoke model, with Colombo continuing to capture significant Indian transshipment volumes.

Capacity expansion at the Port of Colombo saw significant progress during the year with commencement of operations at the Colombo West International Terminal (CWIT). The ongoing developments for the completion of CWIT and the East Container Terminal (ECT) will add further capacity to PoC. Looking

ahead, plans are also underway to rebuild the existing breakwater for the development of West Container Terminal 2 (WCT2). These developments are expected to bring the Port's overall capacity to about 15 million TEU. Within this evolving landscape, South Asia Gateway Terminals (SAGT) remains strategically positioned to support deep-draft terminals as a feeding terminal and reinforces Colombo's role as a regional transshipment hub.

Against this backdrop, SAGT handled 1.8 million TEUs in the financial year 2025/26, representing a 11% decrease compared to the previous year. This reduction can be attributed to the onset of the Strait of Hormuz crisis in the latter part of the year in review. The crisis impacted throughput influenced by the suspension of a key Gulf centric service with related shifting of volume flows within the PoC terminals. Further, added capacity in the Port aided the increase in overall volumes and influenced a slight redistribution of volumes among the terminals through consequent service upsizing. During the latter part of the financial year, SAGT undertook a comprehensive quay crane rail replacement project, which required operating on a reduced two-berth configuration from October 2025 to March 2026. While this constrained berth availability in the short term, the project significantly strengthens the terminal's infrastructure, enhancing long-term reliability, safety and container handling capability. Despite these constraints, SAGT continued to operate well above its original design capacity of 1.1 million TEUs, underlining the terminal's operational efficiency, planning discipline, and workforce capability.

The Company's ability to sustain high throughput under constrained conditions reflects the effectiveness of its operational systems and its continuous focus on optimisation.

In line with global port industry trends, digitalisation and automation remained central to SAGT's operational strategy during the reporting period. Infrastructure development for gate and quayside automation progressed steadily, supported by the implementation of Optical Character Recognition (OCR) technology by the second quarter of 2026. OCR will enable fully automated gate operations and partially automated quayside processes by accurately capturing container numbers, damage status, vehicle information, reducing manual intervention, enhancing data accuracy and also improving safety.

SAGT has also advanced the implementation of a Vehicle Booking System (VBS) for trucks, which will allow the terminal to spread gate transactions evenly throughout the day by assigning time slots. The system, which is supported by a dedicated mobile application for truck drivers, is expected to significantly reduce congestion, improve truck turnaround times, empty trips and enhance overall gate efficiency across the port ecosystem. Addition to that, four new STS cranes that will have remote operation capability will be commissioned by the end of 2027.

Operational excellence initiatives were further strengthened through the organisation-wide rollout of LEAN management principles, supported by structured training delivered under the guidance of the APM Terminals LEAN Academy. 32% of total employees completed LEAN Level 01 training during the year, establishing a shared foundation in continuous improvement. Numerous Kaizen initiatives and "Just Do It" improvements were implemented across functions, which embeds a culture of problem-solving, efficiency and safety at every level of the organisation.

Decarbonisation remains a core strategic priority for SAGT as the maritime industry transitions towards a lower-carbon future. During the year, SAGT made tangible progress in reducing its environmental footprint through investment in cleaner technologies, operational efficiency and renewable energy.

In FY2024/25, 28 of SAGT's 31 Rubber-Tyred Gantry (RTG) cranes had been converted to hybrid technology, achieving approximately 50% reductions in diesel consumption per move compared to conventional RTGs. This transition has resulted in significant fuel savings and contributed meaningfully to reductions in Scope 1 emissions.

SAGT's 460 kW rooftop solar array became fully operational during the year, generating an average of 44,000 kWh per month and supplying approximately 5% of the terminal's

electricity requirements, excluding quay crane consumption. Additional renewable energy opportunities, including solar installations on gatehouse rooftops, are being evaluated to further increase on-site renewable generation.

During the year, the Company also added electric equipment to its fleet, purchasing two electric forklifts and an electric inspection vehicle for its HSE team. These initiatives, together with improved energy management, resulted in year-on-year reductions in total energy consumption and an 10% reduction in total carbon footprint despite sustained high operational intensity.

Looking ahead, SAGT is well positioned to benefit from regional trade growth, increased capacity at the Port of Colombo, as well as its own strategic investments in infrastructure, technology, sustainability and people. While short-term volume fluctuations are expected during periods of industry and port-level capacity realignment, SAGT's long-term fundamentals remain strong. Through disciplined execution, continuous improvement and a clear commitment to sustainability and operational excellence, SAGT will continue to play a vital role in supporting the Port of Colombo's evolution as a leading global transshipment hub.

ENVIRONMENTAL STEWARDSHIP

MANAGEMENT APPROACH

As a leading container terminal in the Port of Colombo and a critical node in global and regional trade connectivity, South Asia Gateway Terminals (SAGT) recognises that responsible environmental stewardship is fundamental to sustaining long-term business resilience, operational efficiency and stakeholder trust. Terminal operations rely on energy-intensive equipment, extensive logistics movements, as well as supporting infrastructure that can create environmental impacts through greenhouse gas emissions, resource consumption, waste generation and water use. Accordingly, SAGT remains committed to managing these impacts responsibly while advancing sustainable growth and maintaining world-class service standards.

Environmental stewardship at SAGT is embedded within the Company's broader sustainability framework and integrated into day-to-day operational decision-making. The Company continues to adopt a proactive approach that seeks not only to minimise adverse environmental impacts, but also to identify opportunities for innovation, efficiency gains and long-term value creation. This includes improving energy productivity, modernising equipment fleets, reducing dependence on fossil fuels, strengthening waste management systems, enhancing responsible water use and supporting ecosystem conservation initiatives aligned with the Company's operational footprint.







Global warming continues to be a global threat with increasing anthropogenic emissions. 2025 has been recorded as one of the three warmest years on record.

The maritime and logistics sector plays a vital role in enabling international commerce, yet it is also a significant contributor to global greenhouse gas emissions. The maritime industry is estimated

to account for approximately 3% of global anthropogenic greenhouse gas emissions (GHG), amounting to over 1 billion tons of CO₂ annually. Container terminals form an essential link between sea and land transport and therefore have a critical role to play in supporting the decarbonisation of trade logistics. SAGT continues to lead by example at the Port of Colombo through targeted investments in cleaner technology, data-driven performance management and practical emission reduction initiatives.

During FY 2025/26, the Company remained focused on staying the course of its environmental transition journey while continuing to pursue measurable improvements across identified material topics.

The Company's material environmental impact topics identified through its internal materiality assessment and addressed within its Sustainability Management Framework are as follows:

| | |
|--|---|
|  |  |
| Materials Usage (GRI 301-1) | Energy Consumption (GRI 302-1, 302-3, 302-4) |
|  |  |
| Water Consumption and Effluent Discharge (GRI 303-1, 303-2, 303-3, 303-4, 303-5) | Carbon Emissions (GRI 305-1, 305-2, 305-3, 305-4, 305-5, 305-6) |
|  |  |
| Supplier Environmental Assessment (GRI 308-1) | Waste Generation (GRI 306-1, 306-2, 306-3, 306-4, 306-5) |

As mentioned in the Sustainability Integration section, robust data systems are central to effective environmental stewardship. SAGT continuously monitors the above material topics through the SPA software tool covering aspects such as resource consumption, environmental compliance and emissions. These are monitored through a combination of digital systems, equipment records, meter readings and operational data capture processes. This enables the Company to assess performance trends, benchmark operational efficiency, and also identify opportunities for optimisation of such resources.

Monthly monitoring of fuel consumption, electricity use, water withdrawal, waste generation and emissions indicators provides management with timely visibility over environmental performance. Variances are reviewed to determine root causes such as operational volume changes, equipment utilisation patterns, maintenance cycles or even process inefficiencies. Where required, corrective measures are implemented through engineering interventions, behavioural awareness initiatives or revised operating practices.

This disciplined performance management approach also supports transparent sustainability reporting and enables SAGT to measure progress over time. Historical trend analysis continues to inform long-term planning, particularly in areas such as emissions intensity reduction, equipment modernisation and renewable energy deployment.

ENVIRONMENTAL COMPLIANCE AND RESPONSIBLE OPERATIONS

SAGT remains committed to maintaining compliance with all applicable environmental laws, regulations, licences and permit conditions. Environmental controls are embedded into routine operations, supported by monitoring, inspections, preventive maintenance and third-party testing where required.

(<https://wmo.int/news/media-centre/wmo-confirms-2025-was-one-of-warmest-years-record>).

The Company's Environmental Protection Licence requirements include ongoing monitoring of relevant emissions and environmental parameters. Internal teams work closely with qualified external specialists to ensure that testing, reporting and remediation actions are conducted to appropriate standards.

Beyond legal compliance, SAGT aims to uphold responsible operating practices that reflect stakeholder expectations and the Company's values. No environmental grievances of fines were recorded during the reporting period, reflecting the continued effectiveness of management systems and engagement channels.

Prime Mover tyre usage totalled 58,880 kg from last year's consumption of 46,320 kg, an increase of 27% year-on-year. The increase was linked to scheduled replacements based on tyre tread depth and operating wear. Prime Movers operate continuously across the terminal environment and are subject to demanding usage patterns. To mitigate avoidable tyre damage, SAGT continued to implement housekeeping improvements and yard sweeping activities, including the use of magnetic sweepers to remove metal debris that may cause punctures. Employee awareness of careful driving and safe yard practices also remained an important preventative measure.

Materials Usage (GRI 301-1)

Efficient use of materials remain a central pillar of SAGT's environmental stewardship strategy. As a high-performance container terminal operating within a dynamic logistics environment, the Company relies on specialised heavy equipment, mobile fleets, quay cranes, engineering assets and supporting infrastructure, as well as other non-renewable consumables such as lubricants, tyres, ropes and other consumables. Managing these resources efficiently is therefore essential not only from an environmental standpoint, but also for operational continuity, cost discipline and long-term competitiveness.

Non-renewable materials used by weight or volume

| Non-renewable materials used by weight or volume | Consumption in 2025/26 | Consumption in 2024/25 | % Difference |
|--|------------------------|------------------------|--------------|
| RTG Tyres in kg | 21,240 | 24,180 | -12% |
| PM Tyres in kg | 58,880 | 46,320 | 27% |
| Lubricants in Litres | 62,877 | 66,439 | -5% |
| Rope in kg | 71,448 | 111,003 | -36% |
| Paper in kg | 2,498 | 2,405 | 4% |

Lubricant consumption declined from 66,439 litres to 62,877 litres, a 5% reduction from the previous year. Lubricants are consumed primarily through planned servicing and mechanical maintenance based on machine operating hours. Lower equipment utilisation during the year reduced servicing frequency requirements, thereby contributing to lower lubricant use. This demonstrates the linkage between productivity planning, equipment deployment and resource consumption.

During the reporting period, SAGT continued to strengthen its resource productivity agenda through disciplined maintenance practices, operational optimisation, targeted technology investments and ongoing monitoring. While cargo volumes experienced a reduction during the year, the Company remained focused on ensuring that lower activity levels translated into measurable efficiency gains rather than simply reduced consumption. This approach enabled SAGT to record improvements across several key non-renewable materials.

All maintenance materials are utilised in accordance with original equipment manufacturer (OEM) recommendations and established engineering standards. This disciplined approach ensures reliability and safety while avoiding premature replacement or unnecessary material waste. Tyres, ropes and lubricants are replaced based on wear indicators, operating hours, tread depth, move counts and inspection outcomes rather than arbitrary time-based cycles.

Wire rope consumption reduced to 71,448 kg from 111,003 kg, reflecting a 36% reduction year-on-year. Rope replacement is linked to the number of operational moves completed by Quay Cranes and RTGs, in line with OEM guidance and safety protocols. Lower move counts during the year reduced replacement requirements.

SAGT is committed to reducing the use of non-recyclable materials across its operations and systematically applying the 3Rs principles - Reduce, Reuse, Recycle - wherever practical and feasible. The Company continues to manage material usage carefully by aligning consumption with actual operating requirements, preventive maintenance schedules and equipment condition monitoring. Digital workflows also contribute towards reductions in paper use.

During the reporting period, RTG tyre consumption amounted to 21,240 kg from last year's consumption of 24,180 kg, representing a 12% reduction compared with the previous year. This decline was primarily attributable to lower replacement requirements following tyre changes undertaken in the prior period, as well as reduced RTG utilisation associated with lower cargo volumes. RTG tyres are not ordinarily replaced annually unless required by wear levels or damage. The reduction, therefore, reflects both prudent asset management and reduced operational strain.

Administrative paper usage increased to 2,498 kg from FY 2024/25 consumption of 2,405 kg, representing a 4% increase over the previous year. The Company continues to focus on digitalisation and process automation to reduce dependence on physical documentation. Ongoing automation of gate operations and progressive digital workflows are expected to support a longer-term downward trend in paper consumption.

Overall, SAGT's approach to materials management reflects the principles of operational necessity, lifecycle optimisation and waste minimisation.

ENVIRONMENTAL STEWARDSHIP

Energy Management and Operational Efficiency (GRI 302-1, 302-3, GRI 302-4)

SAGT recognises that resource efficiency is not achieved through energy efficient equipment replacement alone. Digitisation and automation play an increasingly important role in reducing energy utilization by enabling smarter use of existing assets and resources.

Advanced terminal operating systems, routing optimisation tools and planning technologies help minimise

unnecessary yard movements, which also contribute to reducing waiting times, improving equipment utilisation and lowering fossil fuel and electricity consumption.

As automation initiatives continue to progress across gate and quayside operations, the Company expects further gains in productivity and resource efficiency. These improvements illustrate the strong linkage between operational excellence and resource efficiency.

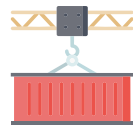
SAGT's operations require direct energy in the form of diesel, petrol and LPG, and indirect energy through electricity purchased from the national grid. The Company therefore places strong emphasis on improving energy efficiency, reducing dependence on fossil fuels and integrating renewable energy into its operations.

Total direct and indirect energy use continued to reflect disciplined management during the year.

| Total Power Consumed in Giga Joules (GJ) | GJ in 2025/26 | GJ in 2024/25 | % Difference |
|---|---------------|---------------|--------------|
| Diesel | 167,760 | 182,196 | -8% |
| Petrol | 13 | 11 | 14% |
| LPG | 1,270 | 1,141 | 11% |
| Total Indirect Energy - from the National Grid | 34,027 | 37,299 | -9% |
| Indirect Energy - from the National Grid (non-renewable energy sources) | 18,664 | 24,990 | -25% |
| Indirect Energy - from the National Grid (renewable energy sources) | 15,363 | 12,309 | 25% |
| Total Energy intensity per box move | 0.132 | 0.170 | -23% |

Direct Energy Consumption

Diesel remains the largest single energy source used by SAGT, powering RTGs, Prime Movers, Internal Terminal Transfer (ITT) trucks, reach stackers, forklifts and other heavy-duty equipment. Total diesel energy consumption amounted to 167,760 GJ from last year's consumption of 182,196 GJ, representing a 9% reduction from the previous year. This improvement was driven by lower equipment operating hours, reduced cargo volumes and gains from hybrid equipment deployment.



38%
consumed by RTGs



40%
consumed by Prime Movers



18%
consumed by the ITT fleet



Balance consumed by other machinery and support vehicles

Petrol consumption increased to 13 GJ from 11 GJ, a 14% rise over FY 2024/25.

LPG consumption increased to 1,270 GJ from 1,141 GJ, a 11% rise over the previous year. This was mainly attributable to revised food preparation methods in the kitchen and a temporary outage affecting certain electric cooking equipment. While non-core to terminal operations, SAGT continues to monitor LPG usage and seeks efficient energy alternatives where practical.

In volumetric terms, diesel consumption totalled 4,644,529 litres, a decrease of approximately 7.9% from the previous year. Diesel usage composition shows the scale of operational dependence across major equipment categories:

Electricity Consumption

Electricity is critical to crane operations, workshops, lighting systems, office buildings and staff facilities.

Total purchased electricity consumption amounted to 9,452,077 kWh in 2025/26 in comparison to 10,360,817 kWh in 2024/25, representing a 9% reduction. Of this total electricity consumption, 66% was consumed by the Company's ten Quay Cranes, with the balance used across workshops, offices, yard lighting and administration areas.

Breakdown of electricity use

| Total Electricity Consumption (kWh) | Consumption in 2025/26 | Consumption in 2024/25 | % Difference |
|--|------------------------|------------------------|--------------|
| Quay Cranes | 6,234,830 | 6,982,830 | -11% |
| Engineering Workshops, Main Office Building, Yard Lighting, Staff and Administration Areas | 3,217,247 | 3,377,987 | -5% |
| Total | 9,452,077 | 10,360,817 | -9% |

The 9% reduction in the consumption of electricity of the Quay Cranes corresponded with the 11% reduction in QC moves during the year, indicating stable operational efficiency despite lower throughput.

RENEWABLE ENERGY TRANSITION

A major milestone during the reporting period was the commissioning of SAGT's 460 kWh rooftop solar system, which became operational during the year. The installation generated 391,585 kWh of electricity during the reporting period, equivalent to approximately 12.2% of electricity requirements excluding Quay Crane consumption. This investment represents a practical step toward reducing grid dependency, lowering Scope 2 emissions and enhancing long-term energy resilience.

ENERGY INTENSITY

SAGT tracks energy intensity per box move as a key indicator of operational efficiency. During the year, total energy intensity stood at 0.175 GJ per box move, compared with 0.170 GJ in the previous year. This 3% increase in energy intensity reflects the Company's ability to maintain efficiency despite changing operational volumes and activity patterns.

Fleet Efficiency and Equipment Optimisation

RTG Hybridisation Project

One of SAGT's most impactful energy efficiency and decarbonisation initiatives has been the hybridisation of its RTG fleet. During the year:

- 28 of 31 RTGs were hybrid units
- Hybrid RTG moves increased by 9%
- Non-hybrid RTG moves decreased by 64%

RTG diesel consumption reduced by 15% year-on-year. More importantly, diesel efficiency per move improved substantially.

- Hybrid RTG diesel efficiency: 0.73 litre per move
- Non-hybrid RTG diesel efficiency: 1.77 litres per move

This equates to a 43.5% reduction in diesel consumption per move for hybrid units. Based on recorded efficiencies, the RTG hybridisation project has generated an estimated 2 million litres of fuel savings, equivalent to a 53% reduction versus conventional operations.

This initiative demonstrates how technology upgrades can simultaneously reduce emissions, fuel costs and operating risk.

Prime Movers

Prime Movers consumed 1,857,044 litres of diesel, a 8.5% reduction compared with the previous year. This was mainly due to a 7% reduction in operating hours arising from lower terminal volumes.

In addition, diesel consumption per running hour improved by 1.3%, suggesting gains from smarter routing, reduced congestion and improved yard planning through digital tools such as Navis and Prime Route.

Inter Terminal Transfer (ITT) Trucks

Diesel consumption by the ITT fleet increased by 10%, corresponding with a 19% increase in trips performed during the reporting period. This reflected the use of SAGT's internal fleet to provide faster and more reliable customer connections. While absolute fuel use rose, the increase supported service quality and supply chain responsiveness.

Greenhouse Gas Emissions (GRI 305-1, 305-2, 305-3, 305-4, 305-5, 305-6)

The Company's pathway toward lower-carbon operations is centred on a practical combination of technology upgrades, operational efficiency and progressive electrification. During the year, SAGT continued to advance investments in green and energy-efficient technologies, recognising that

decarbonisation must be pursued in ways that also preserve productivity, reliability and customer responsiveness.

During the reporting period, SAGT purchased two electric forklifts and one electric yard cab for its Health, Safety and Environment functions, expanding the operational presence of electric mobility within the terminal. In addition, the Company's 460 kWh rooftop solar installation became operational during the year, generating an average of 44,000 kWh per month and supplying approximately 5% of the terminal's electricity requirements, excluding quay crane consumption, contributing to renewable electricity generation to support internal consumption.

Looking ahead, the Company plans to electrify 30 Prime Mover trucks used in terminal operations, a significant initiative expected to further reduce diesel dependency over time towards enhanced decarbonisation. SAGT also continues to evaluate the acquisition of four new Ship-to-Shore cranes under a green financing framework by the end of 2027, demonstrating the alignment of future capital expenditure with sustainability objectives. This initiative will boost efficiency, enabling further improvement in Scope 2 emission intensity.

SAGT monitors and reports greenhouse gas emissions in line with recognised methodologies. The Company follows the Greenhouse Gas Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), while applying IPCC AR6 -aligned emission factors and relevant Sri Lankan grid emission factors. Emissions from CO₂, CH₄ and N₂O are considered in calculations.

Carbon Footprint by Energy Type

Total Scope 1 and Scope 2 emissions during the reporting period amounted to 16,636 MTCO₂eq, representing an 10% reduction from 18,469 MTCO₂eq in the previous year.

| Carbon Footprint by Energy Type | 2025/26 (MTCO ₂ eq) | 2024/25 (MTCO ₂ eq) | % Difference | % Composition 2025/26 |
|---|-----------------------------------|-----------------------------------|--------------|--------------------------|
| Diesel | 12,474 | 13,547 | -8% | 75% |
| Petrol | 0.9 | 0.8 | 14% | 0.005% |
| LPG | 80 | 72 | 11% | 0.5% |
| Emissions from refrigerant and fire extinguishers | 323 | 641 | -50% | 2% |
| Electricity | 3,839 | 4,209 | -9% | 23% |
| Total | 16,717 | 18,469 | -9% | 100% |
| CO ₂ | 16,352 | 17,782 | -8.04% | 97.81% |
| CH ₄ | 15 | 16 | -8.52% | 0.09% |
| N ₂ O | 28 | 30 | -6.18% | 0.17% |

The reduction in emissions was primarily driven by lower diesel use and lower electricity consumption, supported by operational efficiencies and renewable energy generation.

Scope 1 Emissions (Direct)

Scope 1 emissions arise mainly from combustion of diesel, petrol and LPG, as well as fugitive emissions from refrigerants and fire suppression systems. During the year Scope 1 emissions declined to 12,879 MTCO₂eq.

Diesel remains the dominant contributor to Scope 1 emissions, reflecting the nature of terminal equipment fleets. Continued electrification and hybridisation, therefore, remain key long-term levers for decarbonisation.

| Carbon Footprint | 2025/26 (MTCO ₂ eq) | 2024/25 (MTCO ₂ eq) | % Difference |
|--------------------------|-----------------------------------|-----------------------------------|--------------|
| Scope 1 emissions | 12,879 | 14,261 | -10% |
| CO ₂ | 12,512 | 13,573 | -8% |
| CH ₄ | 15 | 16 | -9% |
| N ₂ O | 28 | 30 | -9% |

SAGT utilises refrigerant gases in the Company's air conditioning units. In the 2025/26, SAGT's refrigerant gas usage resulted in total emissions of 323 MTCO₂eq, based on the global warming potential (GWP) of each refrigerant type. This is a 50% reduction in comparison to the previous year. During the reporting period, SAGT utilised 54 kg of R-22 refrigerant which recorded 3kg of Ozone Depleting Substances in R11 equivalent, arising from the use of R22 refrigerant gas in air-conditioning.

| Carbon Footprint of refrigerant refilled (by gases) | 2025/26 (MTCO ₂ eq) | 2024/25 (MTCO ₂ eq) | % Difference |
|---|-----------------------------------|-----------------------------------|--------------|
| R22 | 106.6 | 106.6 | 0% |
| R32 | 87.1 | 130.7 | -33% |
| R407C | - | 55.1 | -100% |
| R410A | 129.3 | 347.9 | -63% |
| Total | 323 | 640 | -50% |

Scope 2 Emissions (Indirect Electricity)

Scope 2 emissions arise from purchased electricity from the national grid. During the year, these emissions declined to 3,839 MTCO₂eq, in line with lower electricity consumption corresponded with the reduced crane moves and the contribution of onsite solar generation.

Scope 3 Emissions

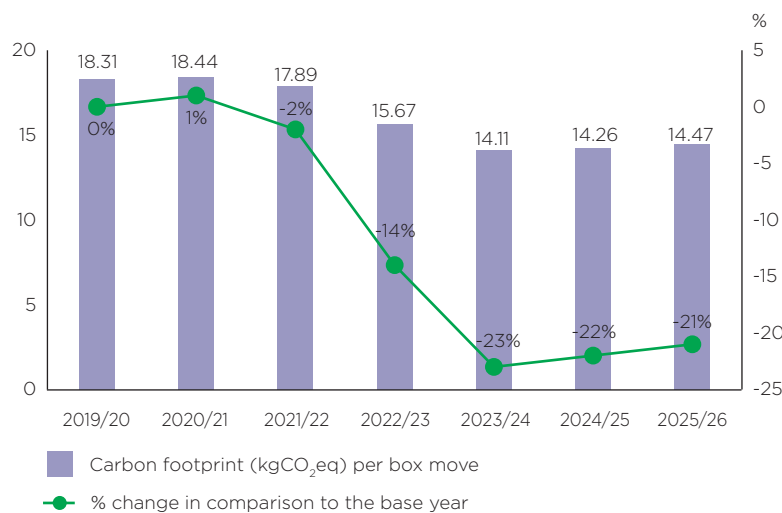
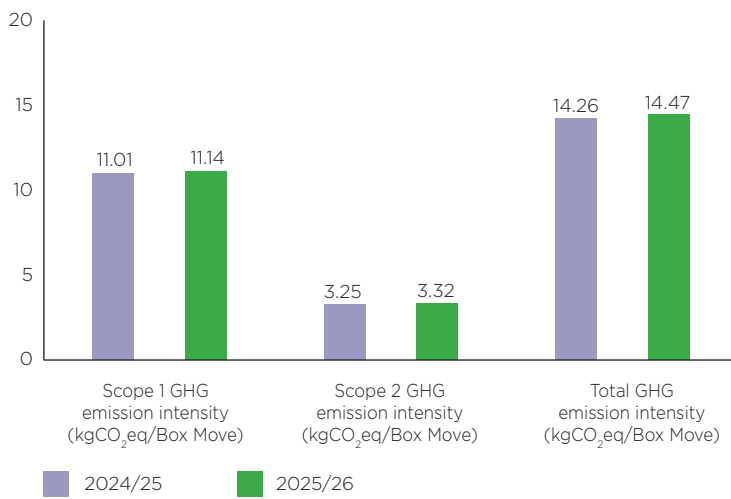
SAGT does not yet track all categories of Scope 3 emissions, but plans are in place to commence broader Scope 3 data collection from FY 2026/27. During the year Scope 3 emissions declined to 3,007 MTCO₂eq.

The Company currently monitors electricity consumed by refrigerated containers (reefers), which is treated as pass-through electricity paid for by shipping lines and excluded from Scope 2 totals. During the year, reefer-related emissions reduced by 13% to 3,007 MTCO₂eq, mainly due to lower volumes handled.

Emissions Intensity and Decarbonisation Progress

SAGT calculates GHG emission intensity per QC move as a key performance metric.

| Carbon Footprint | 2025/26 (MTCO ₂ eq) | 2024/25 (MTCO ₂ eq) | YOY % Difference |
|--|-----------------------------------|-----------------------------------|---------------------|
| Scope 1 GHG emission intensity (kgCO ₂ eq/ Box Move) | 11.14 | 11.01 | 1.2% |
| Scope 2 GHG emission intensity (kgCO ₂ eq/ Box Move) | 3.32 | 3.25 | 2.3% |
| Total GHG emission intensity (kgCO₂eq/ Box Move) | 14.47 | 14.26 | 1.5% |



Using 2019/20 as the base year, total emissions intensity has reduced by 21%, reflecting sustained progress over multiple years through cleaner equipment, efficiency gains and energy optimisation.

This long-term downward trajectory demonstrates that SAGT's decarbonisation strategy is delivering

measurable outcomes even amid fluctuating trade volumes and operational complexity.

The hybridisation of Rubber Tyred Gantry (RTG) cranes has continued to deliver meaningful fuel efficiency benefits while supporting lower emissions intensity and operating costs. These hybrid RTGs deliver

approximately 54% fuel savings per move compared to conventional units.

Similarly, the deployment of two electric forklifts: one with a 3-ton capacity and another with a 5-ton capacity and an electric inspection vehicle in selected functions reflects the Company's intention to gradually reduce dependence on conventional fossil fuel-powered assets. Compared to diesel-powered forklifts, each electric forklift achieves an 77% reduction in carbon footprint annually, making a meaningful contribution to emissions reduction. Similarly, the electric double cab purchased for the purpose of conducting safety inspections is expected to deliver an approximate 91% annual reduction in carbon footprint in comparison to a diesel powered vehicle.

The Company's Environmental Protection Licence (EPL), issued by the Central Environmental Authority of Sri Lanka, requires annual monitoring of specific emissions arising from operational equipment such as Rubber Tyred Gantry cranes and diesel generators. In line with these obligations, SAGT engages independent third parties to conduct the required testing and verification exercises.

As at 31 March 2026, all monitored NOx and SOx emissions remained well within stipulated quality thresholds, and no violations of regulatory emission limits were recorded during the reporting period. This outcome reflects the effectiveness of equipment maintenance standards, fuel management practices and emissions control oversight.

SAGT recognises that energy transition in container terminal operations is a multi-year journey requiring technology investment, disciplined execution and collaboration across stakeholders. The Company's next phase includes planned electrification of 30 Prime Movers, acquisition of four new energy-efficient Ship-to-Shore cranes under green financing mechanisms by the end of 2027, and further automation alongside continued expansion of renewable energy opportunities.

ENVIRONMENTAL STEWARDSHIP

By integrating resource efficiency with operational excellence, SAGT continues to strengthen its position as a responsible terminal operator contributing to lower-carbon trade logistics in Sri Lanka and the wider region.

Water and Effluent Management (GRI 303-1, 303-2, 303-3, 303-4 and 303-5)

Water is a shared and increasingly valuable resource. SAGT understands that climate variability, urbanisation and competing demand can place pressure on national water systems, making efficient water use an important business and societal priority

Responsible management of water resources and waste streams remains an important component of SAGT's environmental stewardship agenda. As a major container terminal operating within the Port of Colombo, the Company recognises that efficient use of water resources are essential to minimising environmental impacts, maintaining regulatory compliance and supporting resilient operations. Although terminal activities are not water-intensive in the same way as certain manufacturing sectors, water is still a critical operational resource used across staff welfare facilities, kitchens, sanitation systems, cleaning processes, workshops and general site maintenance.

SAGT's approach to water is therefore grounded in reduction, efficiency, compliance and continuous improvement. The Company continues to monitor consumption trends, identify opportunities for reduction. During the reporting period, these efforts contributed to measurable improvements in water conservation, while maintaining strong oversight over effluent management practices.

Water management is integrated into facilities maintenance and environmental oversight processes, with engineering teams responsible for system upkeep, leak detection and infrastructure reliability.

Effluent was discharged into the municipal council drainage system in the Port of Colombo, following verification that the discharge met the tolerance limits specified under the Environmental Protection License (EPL).

Water Withdrawal

The Company's water stewardship strategy focuses on prudent withdrawal from approved municipal sources, reduction of avoidable losses, efficient internal use, monitoring of effluent quality and fostering employee awareness on conservation practices.

During the reporting period, total water withdrawal amounted to 44,207 m³, representing a 16% reduction compared with 52,488 m³ in the previous year. On an operational efficiency basis, this equated to a 7% reduction in water withdrawal per box move. All water withdrawals are fresh water from water non-stressed areas, as SAGT operates in Colombo which is not considered a water stressed area.

The reduction was primarily attributable to targeted leak identification and repair initiatives undertaken by the engineering department. Proactive maintenance of pipelines, fittings and distribution systems helped eliminate avoidable losses and improve overall water-use efficiency across the terminal.

In addition, the Company continued to conduct awareness programs encouraging employees to conserve water in washrooms, kitchens and welfare facilities. Behavioural measures such as promptly reporting leaks, avoiding unnecessary running water, and the mindful use of common facilities complement engineering interventions and help sustain long-term reductions.

SAGT does not extract water from groundwater aquifers, seawater sources or surface water bodies, and does not currently engage in rainwater harvesting. While municipal supply remains sufficient for present needs, the Company continues to assess

opportunities for future resilience measures that may support sustainable water sourcing over time.

Effluent Discharge

Effluent generated from sanitation systems, kitchens and related facilities is managed through established infrastructure and monitored processes. The Company takes care to ensure that wastewater handling does not create an adverse impact on the surrounding port environment or coastal ecosystem.

During the reporting period, total effluent discharge amounted to an estimated 27,962 m³, to water non stressed areas (more than 1000TDS). No violations were reported.

Effluent volumes are monitored daily, while testing is conducted quarterly by an independent third party. This external verification helps ensure that discharged water remains within required quality parameters and that any issues are identified early.

The operation of an oil-water separator ensures that water discharge from terminal activities meets stringent environmental standards by effectively removing oils and greases. The planned installation of an Effluent Treatment Plant, subject to site approvals, will most likely enable the reuse of treated wastewater for selected operations, potentially offsetting approximately up to 50% of current daily water usage and further strengthening water resilience.

Routine oversight of drainage systems, treatment interfaces and wastewater flows also supports operational reliability and environmental protection. Through these measures, SAGT seeks to maintain high standards of hygiene, compliance and responsible environmental performance.

Water Consumption

Water consumed within the terminal is largely linked to domestic and support uses rather than embedded within products or irreversible industrial processes. This creates opportunities for conservation through operational discipline, infrastructure upkeep and user behaviour. During the reporting

period, the water consumption amounted to 16,245m³. There were no changes in the capacity of water storage tanks during the year.

The reduction in withdrawal during the year indicates that SAGT's current management controls are delivering positive outcomes. The Company remains committed to maintaining momentum by:

- Continuing periodic leak detection and preventive maintenance
- Promoting responsible employee water-use behaviour
- Reviewing the efficiency of fixtures and plumbing systems
- Monitoring monthly trends for abnormal spikes in usage
- Evaluating future conservation technologies where practical

As climate resilience becomes increasingly important, prudent water stewardship will remain an ongoing focus area.

Waste Management and Circularity (GRI 306-1, 306-2, 306-3, 306-4, 306-5)

Waste management is another material area for SAGT, given the engineering-intensive nature of terminal operations. Maintenance activities, packaging materials, food services and infrastructure upkeep generate a diverse range of waste streams including oils, batteries, tyres, metals, wire rope, paper, cardboard, plastics and food waste.

The Company's waste strategy prioritises:

1. Reduction at source
2. Segregation by waste category
3. Reuse and recovery wherever feasible
4. Safe disposal of residual materials
5. Engagement of licensed recyclers and handlers
6. Employee awareness and accountability

This hierarchy supports both environmental outcomes and responsible resource use.

Waste Management Approach (GRI 306-1 and 306-2)

SAGT continues to manage waste in line with regulatory requirements and internal environmental controls. Waste is segregated at source into hazardous and non-hazardous categories, with further separation based on recyclability, recovery potential and safe disposal method.

Engineering and maintenance waste streams are closely monitored, given their scale and environmental sensitivity. Hazardous waste includes

e-waste, used oil, contaminated cotton waste, batteries and chemical containers are stored, transported and processed through authorised service providers. Non-hazardous materials includes metals, tyres, cardboard and plastics are channelled for recovery and recycling wherever possible.

Internal awareness programmes continue to encourage proper segregation, housekeeping discipline and responsible disposal practices across departments.

Waste Generated (GRI 306-3)

| Waste Generated | UOM | 2025/26 | 2024/25 | YOY % Difference |
|--|-----------|------------------|------------------|------------------|
| Hazardous Waste | | | | |
| Waste Oil | kg | 39,132 | 43,659 | -10% |
| Contaminated Cotton Waste | kg | 24,596 | 25,400 | -3% |
| Batteries | kg | 5,259 | 4,862 | 8% |
| Biomedical waste | kg | 5 | 3 | 67% |
| Empty chemical containers | kg | 5,141 | 8,030 | -36% |
| E-waste | kg | 8,024 | - | - |
| Total Hazardous Waste | kg | 82,157 | 81,954 | 0.25% |
| Non-Hazardous Waste | | | | |
| Food Waste | kg | 70,000 | 64,924 | 8% |
| Tyres | kg | 104,500 | 44,510 | 135% |
| Iron, Tin, Copper and Wire rope | kg | 654,992 | 353,198 | 85% |
| Engineering Waste (Including paper, cardboard and plastic) | kg | 768,000 | 835,200 | -8% |
| Total Non-Hazardous Waste | kg | 1,597,493 | 1,297,832 | 23% |
| Total Waste Generated | | 1,679,649 | 1,379,786 | 21.7% |

During the reporting period, SAGT generated a total of 1,679,649 kg of waste, representing a 21.7% increase compared with the previous year. The increase was largely attributable to higher volumes of waste tyres and metal-related waste, including iron, tin, copper and wire rope and electronic waste.

Of total waste generated:

- 95% was non-hazardous waste
- 5% was hazardous waste

Hazardous Waste

Total hazardous waste generated during the year amounted to 82,157 kg, a marginal 0.25% increase from 81,954 kg in the previous year.

The reductions in waste oil and contaminated cotton waste can be linked to lower machine maintenance activity, as servicing intervals are based on running hours. Lower equipment utilisation during the year, therefore, translated into lower maintenance waste generation.

The increase in batteries reflected scheduled replacements and lifecycle renewals of electrical components and backup systems.

SAGT continues to ensure that hazardous waste is handled only through competent and licensed third parties in accordance with applicable regulations.

ENVIRONMENTAL STEWARDSHIP

Non-Hazardous Waste

Total non-hazardous waste generated amounted to 1,597,492 kg, an 23% increase from 1,297,832 kg the previous year.

Tyre Waste

The sharp increase in tyre waste was linked to higher Prime Mover tyre replacements during the year. In response, the Company continued measures to reduce punctures and premature damage through:

- Improved housekeeping in operational yards
- Periodic magnetic sweeping to remove sharp metal objects
- Employee awareness of careful vehicle movement and reporting hazards

These preventative actions aim to extend tyre life and reduce replacement frequency over time.

Metal and Rope Waste

Higher volumes of iron, copper, tin and rope waste reflected replacement

cycles of engineering materials and operational components. These materials generally carry high recovery potential and are channelled through authorised recyclers, supporting circularity objectives.

Engineering Waste

The reduction in engineering waste, including paper, cardboard and plastics, suggests progress in consumption control and practices in handling material.

Food Waste Management

Food waste represented approximately 4.15% of total waste generated during the year. Total food waste amounted to 70,000 kg, an increase of around 8% over the previous year.

The Company continues to conduct awareness sessions for employees on responsible food consumption and the importance of avoiding unnecessary waste. Food waste is managed through third-party channels for reuse as animal feed.

supply chain and engages suppliers through self-declaration processes covering environmental and social compliance at onboarding stages.

Equipment suppliers, contractors, maintenance vendors, logistics partners and service providers all play a role in influencing the Company's wider sustainability performance. Accordingly, responsible engagement in the supply chain continues to be an important component of SAGT's environmental stewardship framework.

During the year, the Company streamlined its pool of significant suppliers based on the scope of goods and services they provide and initiated steps to strengthen environmental screening through supplier self-declaration mechanisms. These declarations are intended to confirm supplier awareness of and commitment to relevant environmental and social compliance expectations.

At the point of onboarding or registration, new suppliers and customers are required to complete self-declarations covering environmental and social responsibility matters. This process helps embed sustainability expectations early in the commercial relationship and encourages responsible conduct across the value chain.

Waste Diverted from Disposal (GRI 306-4, 306-5)

SAGT continues to prioritise diversion of waste from landfill or unmanaged disposal through reuse and recovery pathways.

| Hazardous Waste | UOM | 2025/26 | 2024/25 | YOY % Difference |
|--|-----|---------|---------|------------------|
| Waste diverted from disposal | | | | |
| Recovery (batteries) | kg | 13,283 | 4,862 | 173% |
| Waste directed to disposal | | | | |
| Incineration (contaminated cotton waste, biomedical waste, waste oil, empty chemical containers) | kg | 68,874 | 77,092 | -10.7% |

| Non-Hazardous Waste | UOM | 2025/26 | 2024/25 | YOY % Difference |
|---|-----|-----------|-----------|------------------|
| Waste diverted from disposal | | | | |
| Reuse (Food Waste) | kg | 70,000 | 64,924 | 8% |
| Recovery (engineering waste including paper, cardboard and plastic) | kg | 1,422,992 | 1,188,398 | 20% |
| Waste directed to disposal | | | | |
| Incineration (Tyres) | kg | 104,500 | 44,510 | 135% |

These figures demonstrate the substantial proportion of SAGT's waste streams that continue to be channelled into beneficial reuse or material recovery pathways rather than disposal.

Supplier Environmental Assessment (GRI 308-1)

SAGT recognises that environmental responsibility extends beyond its terminal boundaries. Accordingly, the Company continues to strengthen environmental expectations across its

SUPPLIER SELECTION AND ENVIRONMENTAL EXPECTATIONS

During the reporting period, no new environmental criteria were introduced in supplier selection, with the Company continuing to apply the established principles and requirements used in prior years. These criteria are designed to ensure that suppliers meet appropriate standards relating to quality, compliance, safety, service capability and responsible business conduct. 27 suppliers were assessed through environmental practice audits, even though no new suppliers were audited.

While no new criteria were added, SAGT continued to strengthen implementation practices and supplier engagement processes. SAGT strengthened supplier engagement and implementation practices by

maintaining a rigorous purchasing policy and a transparent supplier screening process incorporating sustainability criteria. All suppliers must adhere to the SAGT Supplier Code of Conduct.

FUTURE SUPPLY CHAIN PRIORITIES

Whilst adhering to the growing importance of Scope 3 impacts, ethical sourcing and resilient procurement, SAGT also intends to progressively strengthen the oversight of supplier sustainability in future years. Planned areas of focus include:

- Periodic audits of significant suppliers
- Stronger documentation of environmental compliance status
- Improved waste and materials traceability among service providers
- Engagement on low-carbon products and services where feasible
- Greater alignment between procurement decisions and sustainability priorities

By progressively integrating sustainability into supplier management, SAGT can amplify positive environmental outcomes beyond its own operations.

BIODIVERSITY AND PARTNERING FOR CONSERVATION

As a container terminal whose operations depend fundamentally on healthy oceans, functioning coastal systems and resilient trade routes, SAGT recognises that environmental stewardship must include protection of biodiversity and restoration of ecosystems. Marine and coastal environments face increasing threats from pollution, habitat destruction, climate change and unsustainable resource use. These risks have direct implications not only for ecological well-being, but also for maritime industries that rely on healthy seas and shorelines.

SAGT therefore continues to support practical conservation initiatives through partnerships with scientific institutions, government agencies and employee volunteers. These programs are designed to generate measurable environmental value while also raising awareness among employees and communities.

Beach Clean-Up and Partnership with MEPA

Ocean health is under growing pressure from adverse human activity, including plastic pollution, overfishing, habitat destruction and climate change. It is estimated that millions of tonnes of plastic enter the oceans each year, contributing to damage across marine and coastal ecosystems. In Sri Lanka, coastal pollution pressures have increased alongside urbanisation and industrial concentration in shoreline areas.

As a company operating at the interface of sea and land transport, SAGT recognises that it has both a responsibility and a vested interest in protecting ocean health. Clean and resilient marine environments are integral to sustainable maritime trade.

To support this objective, SAGT continued its partnership with the Marine Environment Protection Authority (MEPA) and conducted its annual beach clean-up initiative in 2025.



SAGT Employees and Families in Action for Coastal Conservation

Building Awareness Through Participation

This year, the Company broadened participation by encouraging the families of employees to join the clean-up effort. By involving spouses and children, SAGT sought to extend environmental awareness beyond the workplace and help foster values of responsible waste disposal and resource stewardship within households and future generations.

The initiative provided a practical platform for employees and their families to witness the scale of coastal waste challenges first-hand while contributing directly to cleaner public spaces.



SAGT Employees and Families in Action for Coastal Conservation

Broader Value of the Initiative

The beach clean-up program generated benefits beyond litter removal alone. These included:

- Reinforcing employee awareness on marine pollution
- Building a culture of volunteerism and environmental responsibility
- Strengthening stakeholder collaboration with national authorities
- Promoting family participation in sustainability initiatives
- Demonstrating SAGT's commitment to coastal stewardship

By combining awareness, action and partnership, the program reflects how relatively simple interventions can create meaningful environmental and social value.

ENVIRONMENTAL STEWARDSHIP

MANGROVE RESTORATION IN THE BENTOTA RIVER MANGROVE COMPLEX

One of SAGT's most significant nature-based climate initiatives is its mangrove restoration partnership with the University of Sri Jayewardenepura. Through this collaboration, the Company is supporting the restoration of five acres of mangroves within the Bentota River Mangrove Complex in southern Sri Lanka.

Execution of the project commenced in the fourth quarter of the 2024/25 and continued to progress during the current year.



Why Mangroves Matter

Mangroves are among the world's most valuable coastal ecosystems. They:

- Act as natural carbon sinks by capturing and storing carbon in root systems and soils
- Protect coastlines from erosion and storm surges
- Support biodiversity, including fish nurseries and bird habitats
- Improve water quality through sediment capture
- Support livelihoods in surrounding communities

Although smaller in area than inland forests, coastal ecosystems can sequester carbon at particularly high rates over long periods.

Environmental and Social Benefits

The Bentota project is expected to contribute to ecosystem restoration, reduce land erosion and generate sustainable livelihood opportunities for local communities. Based on project estimates, the restored area may offset approximately 16% of SAGT's current annual carbon footprint, demonstrating the significant climate value of blue-carbon ecosystems.

Progress During the Year

During the reporting period:

- Initial site clearance and phased land preparation progressed
- Approximately 1,500 plants were established across 2 acres of the site
- Adaptive restoration techniques were used to address challenging mud and waterlogged soil conditions
- SAGT employees visited the site and participated in planting activities

The project utilised practical ecological methods to improve survival rates, including raised planting zones and stabilisation supports suited to local hydrological conditions.

By involving employees directly in planting visits, the initiative also helped translate corporate climate commitments into tangible action. Participation fostered a deeper understanding of biodiversity restoration and the relationship between ecosystem health and climate resilience.

Conservation Partnership: Yagirala Forest Reserve

SAGT's commitment to ecosystem restoration predates the current reporting cycle. In 2019, the Company agreed with the Centre for Sustainability of the University of Sri Jayewardenepura to restore five acres of the Yagirala Forest Reserve.

This earlier initiative reflected the Company's recognition that reforestation and habitat restoration can play an important complementary role alongside direct emissions reduction. The continued reference to Yagirala within SAGT's environmental journey highlights a long-term approach to conservation rather than isolated one-off projects. Specifically, reforesting five acres within the reserve offsets roughly 9% of SAGT's current carbon footprint.

Environmental expectations facing the maritime and logistics sector will continue to intensify in the years ahead. Customers increasingly seek lower-carbon supply chain partners. Regulators are tightening climate and environmental standards. Investors and lenders are paying closer attention to sustainability performance. Communities expect businesses to contribute positively to the environments in which they operate.

SAGT is well-positioned to respond to these shifts through a practical, data-driven and forward-looking stewardship strategy.

KEY PRIORITIES FOR THE FUTURE

The Company's likely environmental priorities over the medium term include:

- Further decarbonisation through the electrification of operational fleets
- Acquisition of more efficient equipment supported by green financing
- Expansion of renewable energy generation capacity
- Broader Scope 3 emissions data collection and management
- Stronger supplier sustainability engagement and audits
- Enhanced circularity in materials and waste streams
- Ongoing biodiversity partnerships and nature-based climate action

As one of the region's leading container terminals, SAGT has an opportunity to demonstrate that trade facilitation and environmental responsibility can progress together. Through disciplined operations, targeted investment and meaningful partnerships, the Company continues to reduce its environmental footprint while enabling efficient maritime commerce through the Port of Colombo.

Environmental stewardship is therefore not a peripheral agenda for SAGT. It is increasingly integral to resilience, competitiveness and long-term value creation. By staying the course on decarbonisation, resource efficiency and ecosystem protection, SAGT is helping shape a more sustainable future for Sri Lanka's logistics sector and the wider maritime economy.

LABOUR PRACTICES AND SOCIAL RESPONSIBILITY

INTRODUCTION

Responsible labour practices and social responsibility remain integral to SAGT's long-term business strategy and sustainability agenda. As a key contributor to the Port of Colombo's position as a regional transshipment hub, SAGT recognises that sustainable value creation depends not only on infrastructure, equipment and technology, but also on the strength, wellbeing and commitment of its people.

The maritime and logistics sector continues to evolve rapidly in response to changing trade flows, digitalisation, customer expectations and increasing operational complexity. In this environment, SAGT's approach to labour practices is centred on maintaining a capable, engaged and future-ready workforce supported by sound governance, fair employment standards and a culture of accountability. The Company seeks to provide an environment where individuals are respected, developed and empowered to contribute meaningfully to operational performance and organisational progress.

SAGT's HR policies, including the Employee Code of Conduct, Whistleblowing Policy, and Anti-Sexual Harassment Policy, as well as its Health & Safety Policy provide a strong framework to uphold an ethical and responsible working environment.

Further, policy and procedures such as the Supplier Code of Conduct and Supplier Portal ensure that these ethics are permeated throughout the Company's value chain.

SAGT Human Resource Management practices are aligned with International Labour Organisation (ILO) standards, ensuring adherence to global standards. SAGT strictly adheres to Sri Lankan laws and regulations pertaining to Human Rights and Occupational Health & Safety, and upholds a zero-tolerance policy on Child Labour, Forced and Compulsory Labour and discrimination. The Company is committed to promoting Freedom of



Association and non-discrimination amongst its employees, workforce and value chain partners. SAGT continuously monitors its workforce and value chain to ensure that non-discrimination and instances of forced labour and child labour do not occur. Further, all new suppliers to the organisation are subject to a supplier social assessment at the point of registering on SAGT's supplier portal.

The Company communicates all relevant and new initiatives and policies to employees through the Company's routine team briefings,

toolbox meetings, union meetings, emails and public announcements on the notice board.

The principle of collective bargaining is supported at SAGT, and the Company encouraging enters into Collective Labour Agreements (CLA) with the Trade Unions. This process creates a strong foundation of communication and transparency, through which employee concerns can be raised and addressed. Periodic surveys conducted by an external third-party global service providers are carried out, ensuring employees can escalate

their concerns to the management. The Company's sustainability management framework is utilised to track critical incidents related to forced labour and other related human rights violations, if any. These potential incidents are tracked quarterly through the relevant Key Sustainability Performance Indicators based on the identified material topics aligned to the GRI Topic Standards.

Beyond the workplace, SAGT recognises its broader responsibility as a major employer and facilitator of national trade. The Company contributes to economic development through employment generation, skills enhancement, efficient cargo connectivity and responsible stakeholder engagement. Employee family support initiatives, community investment programmes and long-term partnerships further reflect SAGT's commitment to creating shared value beyond the boundaries of its terminal operations.

Through these efforts, SAGT continues to strengthen the human and social foundations required for sustainable growth.

By maintaining responsible labour practices, supporting employee wellbeing and contributing positively to society, the Company remains well positioned to support the continued development of the Port of Colombo while delivering lasting value to employees, customers, shareholders and the wider community.

Employment Generation (GRI 2-7, GRI 2-8)

SAGT's workforce is categorised into permanent contract and subcontracted employees. As of 31st March 2026, SAGT's total workforce stood at 1,554.

Whilst all members of SAGT's workforce reside in Sri Lanka, due to the 24-hour nature of the Company's operations, 83% of SAGT's employees work on a rostered full-time equivalent shift basis. There were no part-time or non-guaranteed hour employees during the reporting period.

Total Workforce Composition

Total
1,554

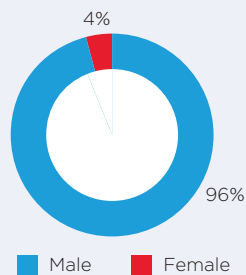
Permanent employees
669

Employees on contract basis
4

Contractors and casual labour
881

| Workforce by Gender | 2025/26 | 2024/25 |
|---------------------|--------------|--------------|
| Male | 1,497 | 1,416 |
| Female | 57 | 52 |
| Total | 1,554 | 1,468 |

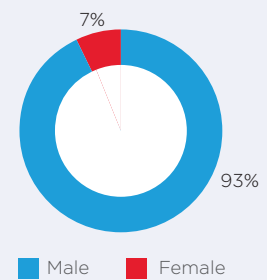
Workforce composition by gender (2025/26)



Permanent Employees

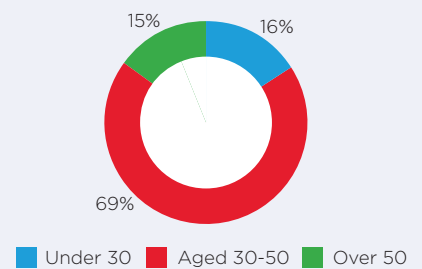
| Employee Composition by Gender | 2025/26 | 2024/25 |
|----------------------------------|------------|------------|
| Male | 623 | 625 |
| Female | 46 | 42 |
| Total Permanent Employees | 669 | 667 |

Employee Composition by Gender (2025/26)



| Employee Age Diversity | 2025/26 | 2024/25 |
|------------------------|------------|------------|
| Under 30 | 108 | 81 |
| Aged 30-50 | 457 | 433 |
| Over 50 | 101 | 122 |
| Total Employees | 666 | 636 |

Employee Composition by Age Diversity (2025/26)



LABOUR PRACTICES AND SOCIAL RESPONSIBILITY

Contractors

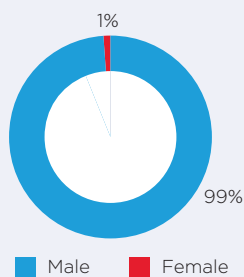
SAGT engages outsourced and subcontracted personnel who play an important supporting role in terminal operations. This workforce model provides flexibility to respond to operational peaks, vessel schedules and specialised service requirements.

Outsourced workers support several areas including:

- Lashing operations
- Engineering assistance
- Inter-terminal trucking
- Prime mover driving support
- Security services
- Cleaning operations
- Canteen services
- Waste management
- General logistics support services

| Contractors' Personnel | 2025/26 | 2024/25 |
|------------------------|------------|------------|
| Male | 870 | 791 |
| Female | 11 | 10 |
| Total | 881 | 801 |

Contractors' Personnel Gender Composition (2025/26)



Talent Management (401-1)

SAGT's retention strategy is supported by a structured performance management framework that encourages accountability, dialogue and employee growth.

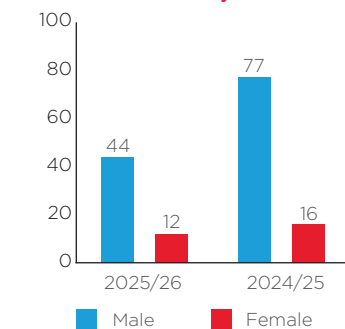
New Employee Hires

New employee hires provide an indication of the Company's ability to attract talent required to support current and future operational needs. During the year under review, recruitment continued to be guided by principles of merit, equal opportunity and role suitability. Employment decisions are based on competence, qualifications, experience and alignment with organisational values.

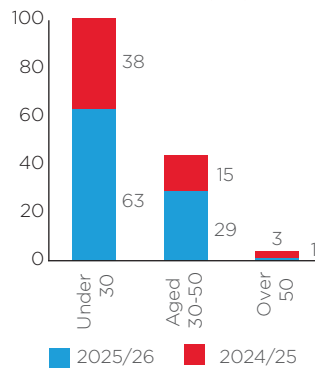
During FY 2025/26, SAGT recorded a total of 56 new hires, compared with 93 new hires in FY 2024/25.

| Total New Hires | 56 |
|-----------------|-----|
| Male | 79% |
| Female | 21% |

New Hires by Gender



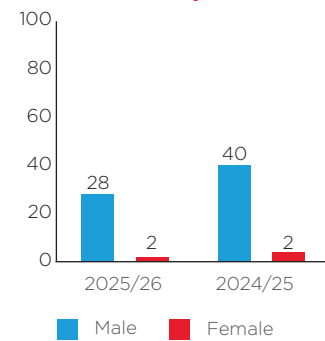
New Hires by Age



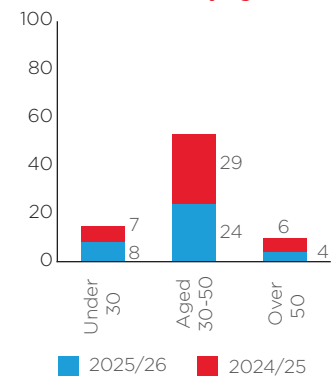
Employee Attrition and Workforce Stability

Employee attrition provides useful insight into workforce stability, employee engagement and the effectiveness of retention practices. Attrition may arise for several reasons, including retirement, resignation, migration, career changes, personal circumstances or health considerations.

Attrition by Gender

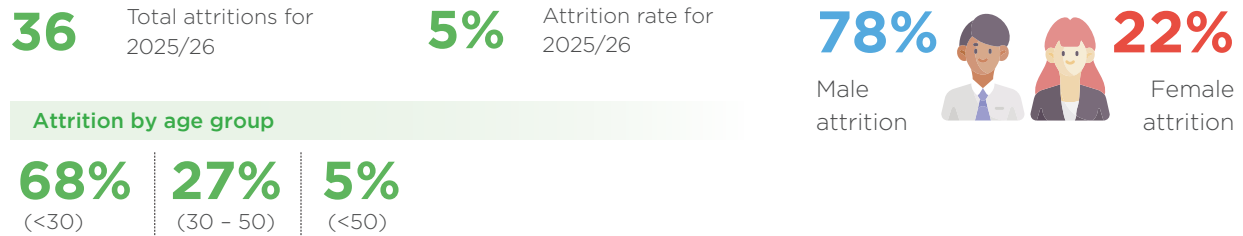


Attrition by Age



| Total number of employee turnover by age | 2025/26 | 2024/25 |
|--|---------|---------|
| Under 30 | 8 | 7 |
| Aged 30-50 | 24 | 29 |
| Over 50 | 4 | 6 |

During FY 2025/26, SAGT recorded lower turnover compared with the previous year, indicating improved workforce stability.



Benefits provided to full-time employees that are not provided to temporary or part-time employees (401-2)

The Company provides a range of benefits that extend beyond statutory requirements and are aligned with employee wellbeing priorities, market expectations and responsible employment practices. These benefits are intended to enhance quality of life, provide financial security, encourage work-life balance and reinforce employee commitment across the organisation.

| Benefits | Full time employees | Third party contractors |
|--|---------------------|-------------------------|
| Statutory benefits as per Sri Lanka's Employees' Provident Fund Act and Employees' Trust Fund Act | ✓ | ✓ |
| Statutory benefits as per Sri Lanka's Gratuity Fund Act | ✓ | ✓ |
| Personal Protective Equipment required for working at the SAGT site | ✓ | ✓ |
| Daily meals at a subsidised rate, onsite resting facilities and transportation within the Port of Colombo | ✓ | ✓ |
| Onsite medical care on site at the Company's medical centre, including ambulance facilities if required | ✓ | ✓ |
| Mandatory health and safety trainings | ✓ | ✓ |
| Health checkups every two years | ✓ | ✗ |
| Life insurance and disability/ invalidity coverage | ✓ | ✗ |
| Equitable remuneration | ✓ | ✗ |
| Parental Leave (Maternity and Paternity), including flexible working hours for breastfeeding mothers | ✓ | ✗ |
| Distress loan and benefits provided to employee's family in the event of an untimely passing of an employee. | ✓ | ✗ |
| Supporting the education of employee's children | ✓ | ✗ |
| Crisis allowance to alleviate hardships due to Sri Lanka's economic crisis | ✓ | ✗ |
| A weekend at a star class hotel funded for employees and their families to a nominal limit | ✓ | ✗ |

LABOUR PRACTICES AND SOCIAL RESPONSIBILITY

EMPLOYEE BENEFITS, ENGAGEMENT AND WELFARE

SAGT continued to maintain a people-centred approach to employee welfare, recognising that a motivated and supported workforce is essential to sustaining safe, efficient and dependable terminal operations. In a demanding operational environment that requires round-the-clock coordination, technical competence and strong teamwork, employee wellbeing remains closely linked to performance, engagement and long-term workforce stability. Accordingly, the Company's employee welfare framework is designed to support employees not only in the workplace, but also in their family and personal lives.

Remuneration and Statutory Benefits

SAGT's remuneration structure remains above the national minimum wage threshold and is guided by principles of fairness, equity and merit. Compensation is determined according to role responsibilities, capability, experience and performance, and is administered without discrimination on the basis of gender, age, race, ethnicity, religion, nationality, physical ability, political beliefs or other non-work-related factors.

In addition to salaries and wages, the Company continues to meet all statutory obligations relating to employee benefits, including contributions under the Employees' Provident Fund (EPF) Act and Employees' Trust Fund (ETF) Act. These schemes provide important long-term financial protection for employees.

The Company also maintains gratuity provisions for eligible employees completing more than five years of service, in line with the Sri Lanka Financial Reporting Standards (which mirror International Financial Reporting Standards-IFRS) and the Gratuity Act No 12 of 1983. The gratuity payment made at the end of the service period is half the employees' last drawn monthly salary, multiplied by the number of years the employee was in service. These arrangements support financial wellbeing across the employment lifecycle and reflect SAGT's commitment to responsible workforce management.

Workplace Support

SAGT continued to provide employees with access to three meals while on duty through the Company canteen at nominal rates, close to no cost. Snacks and beverages were also made available during morning and evening hours at highly subsidised rates.

Employees and Contractors also benefit from onsite changing room and rest area facilities, and internal transportation support within the Port of Colombo, contributing to

Educational Support for Employees' Children

SAGT maintained a strong focus on supporting the educational advancement of employees' families. During the reporting year, the Company continued the annual distribution of school supplies, including school bags, books and stationery. 678 packs of school supplies were provided to employees' children for the 2026 school year.

High-performing students were recognised through monthly bursaries awarded to children achieving success in the Grade Five Scholarship Examination and those entering State Universities. Career guidance programs were also conducted for children who had completed their GCE Advanced Level examinations, helping them make informed decisions regarding future studies and career pathways. During the year 7 scholarships were provided to state university entrants. Further, 14 scholarships were awarded to students performing well at the fifth grade scholarship exams.

These initiatives demonstrate a broader approach to employee welfare by contributing to the long-term development of employees' families and future generations.

convenience and smoother daily operations.

Family Assistance and Compassionate Support

The Company continued to demonstrate its commitment to employees and their families through welfare support during periods of hardship. In the event of the untimely death of an employee, SAGT provides a one-time cash bursary to support surviving family members.



Recognizing academic excellence through scholarships awarded to high-performing students in the Grade 5 Scholarship Examination and those entering State Universities.

Employee Engagement and Organisational Culture

SAGT continued to invest in initiatives that strengthen relationships, encourage belonging and promote a positive organisational culture. During the year, the Company organised its annual sports day at an external venue, enabling employees and family members to interact in a relaxed setting outside the workplace.

Such events help build camaraderie across departments, strengthen teamwork and foster stronger connections among employees who may otherwise work in different shifts or functions.

Employees and their families were also offered an annual one-night hotel stay at selected destinations. This benefit recognises the importance of rest, recreation and family time, while demonstrating appreciation for employee contribution in a meaningful manner.

In May 2025, SAGT organised a “Bakthi Geetha” event with the participation of employees and their family members. The program served as a cultural engagement platform that promoted togetherness, wellbeing as well as community spirit. By encouraging participation in shared cultural experiences, the Company continued to nurture an inclusive and respectful workplace culture.

Parental Leave (GRI 401-3)

SAGT recognises that supporting employees through parenthood is an important element of responsible employment practice, gender inclusion and workforce retention. The Company therefore continued to provide parental leave benefits in line with statutory requirements while promoting a supportive and family-friendly work environment.

Eligible female employees are granted maternity leave of 84 working days in accordance with Sri Lankan legal requirements. This enables mothers to recover from childbirth, care for newborn children and manage the transition into parenthood with employment continuity.



To further support working mothers, the Company provides flexible working hours for breastfeeding purposes upon return to work. This arrangement helps employees balance professional responsibilities with infant care needs during the post-maternity transition period.

SAGT also continued implementation of its paternity leave policy introduced in 2024. The policy enables new fathers to participate more actively in responsibilities associated with the birth or adoption of a child. The Paternity Leave policy which goes above and beyond statutory obligations entitles male employees to 21 days of paid leave within 12 months of the birth or adoption of their baby.

By extending parental support beyond maternity leave alone, the Company acknowledges the evolving role of fathers in caregiving and promotes a more balanced sharing of family responsibilities.

Through these initiatives, SAGT continued to reinforce its position as a responsible employer committed to employee wellbeing, family support and workforce engagement. The Company’s approach reflects the understanding that long-term business success depends on employees who feel valued, supported and empowered to contribute at their best.

Training and Development

SAGT continued to recognise employee capability development as an important enabler of safe operations, service quality and long-term competitiveness. As the maritime and logistics sector evolves through digitalisation, automation, changing customer expectations and increasing operational complexity, workforce skills must continue to adapt accordingly. The Company therefore remained focused on strengthening technical knowledge, behavioural competencies and leadership capability across all levels of the organisation.

Average hours of training per year per employee (GRI 404-1)

Training needs are identified based on performance appraisals, employee feedback and supervisor recommendation. As such there were no fundamental changes in the process of overall identification of training needs during the period under review.

A 20% decline in total training requirements has been recorded in 2025/26 in comparison to the previous year. Further a 21% and 17% decline in training hours has been recorded year on year for male and female employees respectively. In 2024/25 long term trainings were identified and provided for upskilling for both male and female employees which has resulted in the relative decline in training hours provided in 2025/26.

LABOUR PRACTICES AND SOCIAL RESPONSIBILITY

| Employee Training Hours by gender | 2025/26 | 2024/25 | % Change |
|-----------------------------------|---------|---------|----------|
| Male | 19,727 | 24,862 | -21% |
| Female | 2,679 | 3,236 | -17% |
| Total | 22,405 | 28,098 | -20% |

| Employee Training Hours by category | 2025/26 | 2024/25 | % Change |
|-------------------------------------|---------|---------|----------|
| Above Manager Grades | 367 | 646 | -43% |
| Managers | 481 | 581 | -17% |
| Assistant Managers | 1,255 | 1,508 | -17% |
| Executives | 5,641 | 11,559 | -51% |
| Non-executives | 11,984 | 13,805 | -13% |

| Training Hours per Employee | 2025/26 | 2024/25 | % Change |
|-----------------------------|---------|---------|----------|
| Male | 31 | 40 | -21% |
| Female | 58 | 77 | -24% |
| Total | 33 | 42 | -21% |

| Average Training Hours per Employee by Category | 2025/26 | 2024/25 | % Change |
|---|---------|---------|----------|
| Above Manager Grades | 27 | 38 | -30% |
| Managers | 63 | 53 | 19% |
| Assistant Managers | 63 | 72 | -12% |
| Executives | 61 | 97 | -37% |
| Non-executives | 24 | 28 | -12% |

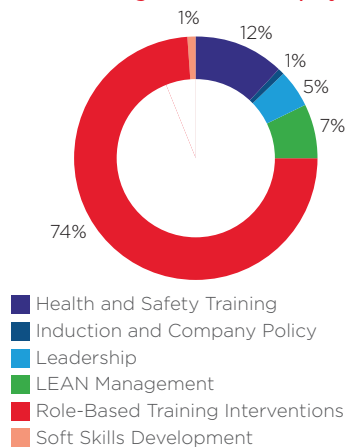
In addition to the full-time workforce, the Company also provides numerous training opportunities to interns, and industrial trainees on a temporary basis with 91 individuals provided such an opportunity during the year under review

Programs for upgrading employee skills and transition assistance programs (GRI 404-2)

Training and development form a key component of SAGT's people strategy. By investing in employee learning, the Company seeks to enhance operational effectiveness, reinforce safety standards, support career progression and prepare the workforce for future business requirements. In a specialised terminal environment, continuous learning is particularly important given the need for technical competence, disciplined execution and readiness to respond to changing operational demands.

The diagram below outlines the trainings provided to employees throughout the reporting period.

Total Training Provided to Employees



SAGT continued the adoption of organisation-wide LEAN management principles under the guidance of the APM Terminals Global LEAN Academy. Training and development of employees in LEAN is a key success fact in successful adaptation. LEAN level 1 training was conducted for all employees during the period, with the intention of continuing the LEAN level 2 program for selected employees in

the coming year. By aligning training more closely with identified business needs, SAGT continued to emphasise quality, applicability and effectiveness over training volume alone.

Percentage of employees receiving regular performance and career development reviews (GRI 404-3)

Objectives are established for all employees at the executive level and above, with performance reviewed through both mid-year and year-end appraisal cycles. The review process includes self-assessment by employees followed by supervisor evaluation, enabling two-way discussion on achievements, expectations and development needs.

Employee performance is graded on a scale of one to five, with results reviewed by a cross-functional career committee. This helps ensure that career-related decisions are fair, balanced and based on objective criteria. The Company also uses a digital performance management system to improve efficiency, transparency and consistency.

During the period, 100% of employees in the executive and above categories went through the annual performance appraisal process.

The performance of contract personnel working at SAGT is monitored and managed by their respective employers in accordance with their contractual obligations.

Employee Diversity and Equal Opportunity (GRI 405-1)

SAGT continues to identify diversity, equity and inclusion as important priorities within its people strategy. While the ports industry has traditionally faced barriers to female participation, the Company has taken deliberate steps to create a more inclusive work environment.

The Company's approach to diversity is grounded in equal opportunity, merit-based employment and respect for individual dignity. Employment-related decisions, including recruitment, remuneration, training, promotion and performance evaluation, are guided by objective criteria such as competence, qualifications, experience

and potential. Personal characteristics unrelated to job performance are not considered in employment decisions.

Currently SAGT has one female in its Senior Management Team (SMT) which accounts to a female composition of 14%.

SAGT continued to maintain zero tolerance for discrimination, harassment or unfair treatment on the basis of gender, race, ethnicity, religion, nationality, age, marital status, disability, political belief or any other non-work-related factor. This principle applies across all levels

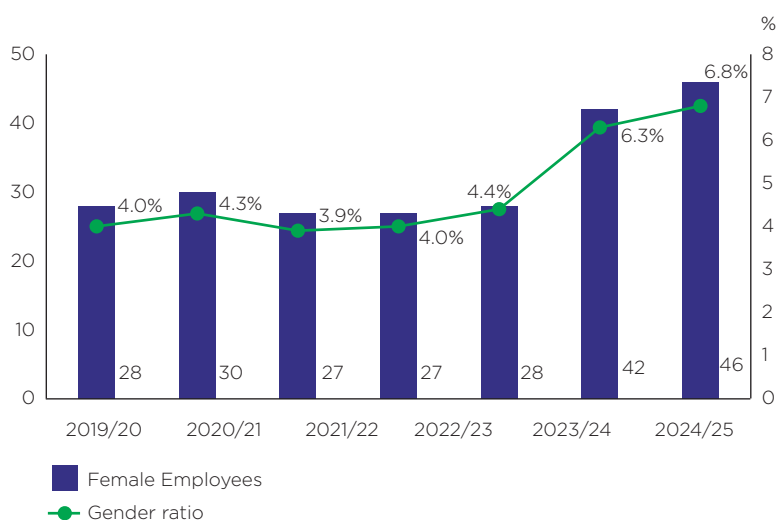
of the organisation and throughout the employee lifecycle. Through these standards, the Company seeks to create an environment where all employees can perform confidently and progress fairly.

The Company also ensures equal remuneration for men and women in similar job roles based on the number of hours worked.

SAGT considers the annual total compensation ratio of its highest paid individual to the median compensation levels to be confidential in nature.



SAGT is committed to building an inclusive workplace grounded in merit and equal opportunity.



Accelerating Inclusion: Advancing Women in Ports and Terminals

One of the Company's key diversity priorities has been increasing female representation in an industry where workforce participation by women has traditionally remained low. During the reporting period, SAGT continued to advance initiatives aimed at removing barriers to entry and broadening access to employment opportunities.

In 2024, SAGT achieved a significant breakthrough by securing approval to integrate women into select shift-based operational roles in the areas where historically dominated by men and less accessible to female employees. As a result, female representation rose from a previously stagnant 4% to 6%. This milestone marks a deliberate and impactful step toward expanding women's participation in non-traditional functions. Building on this progress, SAGT further strengthened female representation to 6.8% in FY 2025/26, demonstrating continued commitment to gender inclusion across all levels of operations.

Following approval to integrate women into selected shift-based operational roles, SAGT has set a target of increasing female workforce representation from 4% to 10% by 2029. This reflects the Company's commitment to broadening participation and strengthening the diversity of its talent pipeline.

HUMAN RIGHTS, FAIR EMPLOYMENT AND RESPONSIBLE LABOUR PRACTICES

SAGT continued to uphold a workplace culture founded on dignity, fairness, mutual respect and responsible employment practices during the year under review. As a leading participant in Sri Lanka's maritime and logistics sector, the Company recognises that sustainable business performance depends not only on operational capability, but also on maintaining ethical labour standards and protecting the rights of all people connected to its operations. Accordingly, the Company remains committed to providing a work environment free from discrimination, harassment, child labour, forced labour and any form of unfair treatment.

The Company's people policies are aligned with applicable Sri Lankan labour legislation, recognised international labour principles and internal standards of conduct. These principles apply across all stages of the employment lifecycle, including recruitment, onboarding, performance management, remuneration, promotion, training, disciplinary processes and separation. SAGT also expects contractors, service providers and other business partners operating within the terminal to uphold comparable standards of behaviour and labour responsibility.

Incidents of discrimination and corrective actions taken (GRI 406-1)

The Company maintains zero tolerance for discrimination on the basis of gender, age, race, ethnicity, nationality, religion, marital status, political belief, disability or any other protected characteristic.

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During the reporting period, no incidents of discrimination requiring formal external sanction or regulatory action were reported. Any employee concerns raised through internal channels are subject to review in line with established grievance and disciplinary procedures. Where necessary, corrective action is taken promptly to maintain a respectful workplace environment.

Regular communication, policy awareness and leadership accountability continue to reinforce behavioural expectations across the business. Through these measures, SAGT seeks to ensure that all employees are treated fairly and with respect.

Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk (GRI 407-1)

SAGT recognises the importance of employee voice, constructive dialogue and the right of workers to organise and participate in representative structures in accordance with applicable laws. The Company continued to support a positive industrial relations environment during the reporting year, based on mutual respect, transparency and good-faith engagement.

Employees are free to engage through recognised trade unions and representative mechanisms. SAGT encourages structured dialogue through Collective Labour Agreements and established communication channels that allow workplace matters to be discussed in an orderly and constructive manner.

During the FY 2025/26, 74% of employees were covered under collective bargaining agreements, reflecting strong workforce representation and mature employee relations practices.

There were no significant operational changes during the reporting period that materially restricted freedom of association or collective representation. Where organisational changes arise, the Company remains committed to timely communication and engagement with affected

stakeholders. SAGT follows an Open-Door policy, allowing Trade Union representatives to approach management with issues and concerns, promoting a transparent and accessible communication environment. Additionally, the Company has implemented a dispute resolution procedure, designed to address and resolve issues that may not be covered in the CLA.

Employees and contractors are encouraged to share their suggestions with management through suggestion boxes at toolbox meetings and during monthly team briefings, ensuring that all voices are heard and contributing to a culture of continuous improvement.

Operations and suppliers at significant risk for incidents of child labour (GRI 408-1)

Operations and suppliers at significant risk for incidents of forced or compulsory labour (409-1)

SAGT maintains a strict zero-tolerance approach to child labour across all aspects of its operations. The Company does not employ individuals below the legal minimum working age and requires robust verification of age and identity during recruitment processes.

All prospective employees are subject to documented hiring procedures that include review of official identification records and supporting documentation before employment is confirmed. These controls are designed to prevent underage employment and ensure compliance with legal requirements.

The nature of SAGT's operations involves heavy equipment, industrial traffic, lifting activity and technical work environments that are unsuitable for children and young persons outside legally permitted frameworks. Accordingly, strict employment controls remain essential to safeguarding vulnerable groups and maintaining responsible labour standards.

The Company also expects contractors and labour suppliers to comply fully with applicable employment laws, including minimum age requirements. Third-party personnel engaged within

the terminal are subject to onboarding controls and site access requirements intended to reinforce responsible workforce practices.

During the year under review, no incidents of child labour were identified within SAGT's direct operations. No material cases involving contractors or suppliers were reported through available oversight channels.

SAGT continued to prohibit all forms of forced or compulsory labour within its operations. Employment with the Company is entered into voluntarily, with terms and conditions communicated clearly to employees at the commencement of employment.

Employees are free to resign subject to applicable contractual notice requirements and are not required to lodge deposits, surrender identity documents or accept coercive employment conditions. Wages and benefits are administered through formal payroll systems, supporting transparency and lawful remuneration practices.

The Company's recruitment processes are structured to ensure that employment relationships are based on informed consent and documented contractual terms. Working hours, leave entitlements and statutory benefits are governed by applicable laws and internal policies.

SAGT also expects contractors, outsourced labour providers and service partners to uphold the same standards. Where third-party personnel operate onsite, the Company requires compliance with relevant labour, ethical and safety expectations as a condition of engagement.

During the reporting period, no incidents of forced or compulsory labour were identified within direct operations or reported through contractor oversight mechanisms.

Grievance Handling and Ethical Conduct

The Company recognises that strong labour standards are supported by accessible reporting mechanisms and confidence in fair resolution processes. Employees may raise workplace

concerns through line management, Human Resources, recognised representatives or other designated channels.

Matters relating to discrimination, misconduct, unfair treatment or labour concerns are reviewed in accordance with established procedures, with due regard for confidentiality, impartiality and timely resolution. Where substantiated issues arise, corrective or disciplinary action is taken as appropriate.

This framework supports early intervention, helps prevent escalation and reinforces a workplace culture grounded in accountability and respect.

Occupational Health and Safety

Occupational Health and Safety (OHS) remained one of the most critical priorities for South Asia Gateway Terminals (SAGT) during the financial year 2025/26. As a modern container terminal operating within a high-risk industrial environment, the Company's activities involve continuous vessel operations, container handling, engineering maintenance, heavy mobile equipment, traffic movement and contractor-based activities that require rigorous safety discipline at all times. SAGT therefore recognises that strong safety performance is fundamental not only to protecting people, but also to sustaining reliable operations, productivity and stakeholder confidence.

The Company's occupational health and safety framework encompasses two closely connected dimensions: workplace safety and health, and employee wellbeing. SAGT continues to maintain a proactive safety culture in which risk prevention, hazard awareness, accountability and continuous improvement are embedded across the organisation. The objective is to ensure that all employees, contractors and visitors return home safely each day while enabling terminal operations to be conducted efficiently and responsibly.

All stakeholders, including employees and contractors, adhere to internally developed Standard Operating Procedures (SOPs) and precautionary

measures when entering terminal premises. These procedures emphasise proactive risk management, continuous quality improvement, and contingency planning, ensuring that terminal operations are conducted in alignment with the highest safety standards.

Safety considerations are integrated into operational planning, work execution, supervision, contractor management and employee training. Rather than reacting only after incidents occur, the Company focuses on identifying risks early, implementing controls and continuously strengthening workplace conditions.

The Company continued to promote shared responsibility for safety across all levels of the organisation. Employees and contractors are expected to comply with procedures, use personal protective equipment correctly, report unsafe conditions and intervene where hazards are observed. All personnel are empowered to speak up and stop work where conditions are considered unsafe, reinforcing a culture in which safety ownership exists at the point of work.

From the point of recruitment, employees are trained in safety procedures and protocols. This ongoing training ensures that employees are well prepared for the specific risks associated with their roles and enhances the overall safety culture.

Moreover, the Company views occupational safety as an integral part of its culture, and by embedding safety into the Company's ethos, it becomes a shared responsibility, making safety a continuous and natural consideration in day-to-day operations.

Occupational Health and Safety Management System (GRI 403-1)

Whilst Sri Lanka's labour laws set minimum requirements to ensure worker safety, SAGT's Occupational Health and Safety Management System (OHSMS) goes beyond these regulatory standards to provide a more robust and comprehensive approach to health and safety. SAGT has implemented a structured and well-defined OHSMS framework that

is designed to not only meet but exceed the basic legal requirements, ensuring the safety and well-being of employees, contractors, and third-party visitors.

The comprehensive OHSMS is, further reinforced by a Health & Safety Policy and Standard Operating Procedures (SOP's) The Health & Safety Policy and SOP's are applicable to all employees, contractors and all third parties visiting SAGT, ensuring 100% coverage to support the Company's proactive management of risks.

The HSE Department, led by senior management, is responsible for operationalising the system across the terminal. Responsibilities include monitoring compliance, reviewing incidents, maintaining safety documentation, coordinating training and identifying areas requiring improvement.

The department plays a key role in ensuring that safety standards are not only adhered to but also continuously improved. The team is also responsible for the identification and rectification of any incidents or cases of non-conformity with the OHSMS. The OHSMS is audited by internal and external parties who review and determine its efficacy. Additionally, training programmes are reviewed to determine any potential improvements/advancements.

A comprehensive contractor management process ensures that contractors adhere to the same safety standards as SAGT permanent staff. This process includes weekly meetings and discussions with three of the critical contractor groups. These meetings provide an opportunity to review best practices which are followed by contractors, review operating conditions to ensure that working environment remain safe, identify unsafe activities or behaviours and to develop solutions to mitigate these risks. This collaborative approach not only strengthens the overall safety culture but also helps proactively address any safety concerns before they lead to incidents.

During the year, SAGT continued progressing its digital safety

LABOUR PRACTICES AND SOCIAL RESPONSIBILITY

management strategy. Following earlier phases of implementation, the Digital Safety Management System further strengthened the management of risk assessments, incident reporting, task tracking and access to safety data. By consolidating safety processes within a digital platform, the Company improved efficiency, visibility and responsiveness in the execution of safety responsibilities.

The Company's Occupational Safety and Health Committee continued to function as an important leadership and consultation platform. Chaired by the Chief Executive Officer and supported by a cross-functional membership, the Committee met regularly during the year to review performance, reinforce priorities and support continuous improvement.

Hazard Identification, Risk Assessment and Incident Investigation (GRI 403-2)

SAGT continued to apply a formal Hazard Identification and Risk Assessment (HIRA) process to identify workplace risks and ensure that appropriate controls are in place before work begins. Developed in alignment with best practices followed by A.P. Moller Terminals, a global leader in terminal operations, this grid plays a pivotal role in identifying and mitigating potential risks in the terminal environment. The HIRA grid sets the tone for SAGT's operations by providing a structured approach to assessing hazards and ensuring that appropriate controls are in place to prevent accidents and ensure worker safety. The HIRA grid specifically targets the "Fatal Five" risk categories that are known to pose the most significant safety threats in terminal operations. These critical areas are thoroughly assessed for risks and continuously reviewed as part of the application of the relevant Standard Operating Procedures (SOPs). The Fatal Five are:

- Transportation
- Suspended loads and lifting
- Working at heights
- Stored energy
- Control of contractors

These categories remain priority focus areas due to their potential to

result in serious injury if not effectively managed.

Daily toolbox meetings were conducted before each shift, particularly within operations and engineering functions, to discuss planned activities, site conditions, potential hazards and mitigation measures. These sessions help ensure that employees and contractors begin work with clear awareness of risks relevant to the day's activities.

During the year, the Company also continued Safety Walks across high-risk areas of the terminal. Employees are encouraged to identify unsafe conditions or behaviours, with observations escalated to relevant departments for timely action.

Where incidents occur, SAGT follows a structured investigation process. Immediate investigations are initiated to determine root causes, supported by formal incident reports containing details of the event, persons involved, possible rule violations, photographs and corrective actions. An Incident Report (IR) is raised by the executive on duty after each incident. An IR must include detailed information such as a description of the incident, the list of people involved, possible violations of safety rules and procedures that may have led to the incident, corrective action and photographs of the incident. The IR is then circulated amongst all managers of the Company within 24 hours of the incident taking place. Serious incidents trigger more comprehensive reviews and audits of associated procedures and controls.

STANDARD OPERATING PROCEDURES, RISK ASSESSMENTS AND LOTO PROCEDURE

A standard operating procedure (SOP) and Risk Assessment (RA) is mandatory for all activities that are conducted within the terminal. The SOPs and RAs are conducted by the relevant departmental functions under the guidance of the HSE Team. The Company also continues

to adhere to its "Lock Our Tag Out" (LOTO) procedure which involves a colour coded tagging system for all malfunctioning equipment in order to prevent the uninformed use of such equipment that could cause injury. Furthermore, materials storage and hoarding areas are high risk areas and require a safety data sheet to be displayed.

Use of Personal Protective Equipment

SAGT enforces a rigorous Personal Protective Equipment (PPE) policy to ensure the safety of all personnel and visitors in high-risk areas. The PPE includes safety shoes, hard-hats and a high visibility jacket; which is mandatory for all who enter high risk areas within the terminal. Reminder to wear the required PPE are displayed prominently at key points of entry to the terminal premises. Depending on the work and area of the terminal that is being accessed, the Company may also mandate other PPE accessories such as gloves, goggles and mufflers. It is noteworthy that all PPE used by SAGT is certified as meeting international standards. Additionally, all visitors entering the terminal are required to watch a safety induction video and sign a safety induction sheet confirming that he or she has understood the safety requirements for entering the terminal, following which a safety card is issued to the visitor to be used for the duration of the stay.

Safety Enhancements and Operational Risk Reduction

SAGT continued to invest in practical initiatives that strengthen workplace safety and reduce operational risk.

During the year, the Company commenced installation of a fatigue monitoring system on yard cabs. The system monitors driver alertness indicators and issues warnings where signs of fatigue are detected. This initiative is intended to enhance the safety of drivers, surrounding personnel and equipment, particularly within shift-based operations involving mobile machinery.



Halo lights were introduced on forklifts and reach stackers to project visible warning zones around equipment. These lights improve awareness for pedestrians and operators and support safer movement in busy operating areas.

A lockout switch was installed for ship-to-shore gantry crane spreader checks, ensuring that spreaders cannot be operated while inspections are in progress. This additional engineering control significantly reduces exposure to serious injury during maintenance activities.

Additional buses were introduced within the wharf and yard to eliminate routine walking by personnel in high-risk operating zones. This initiative reduces pedestrian exposure to vehicle movement and suspended load areas.

Stand-by drivers were also introduced for engineering teams, enabling safer and faster attendance to equipment breakdowns or urgent maintenance tasks.



Fire drill conducted for employees to strengthen emergency preparedness and ensure a safe and resilient workplace

Continuous Improvement Through Safety Innovation

SAGT continued to integrate safety into its lean management culture through practical improvement initiatives.

During the year, the Company onboarded SQDC (Safety, Quality, Delivery, Cost) visual management systems into daily operations. Through team huddle boards, daily performance is monitored against targets, with specific safety indicators focused on stevedoring activity, man-machine interaction and contractor control. This real-time approach encourages prompt problem-solving and ownership at team level.

Several “Just Do It” Kaizen initiatives were also implemented to strengthen safety and efficiency through simple frontline-led improvements. Examples included:

- Applying luminous paint to Rubber Tyred Gantry ladders to improve night visibility
- Introducing an improved mooring pull mechanism with auto release functionality
- Replacing forklift-based mooring support with a more stable pick-up vehicle
- Other employee-led improvements designed to remove hazards or improve safe execution

These initiatives demonstrate that meaningful safety progress can be achieved through both large-scale systems and smaller practical innovations driven by employees.

Contractor Safety Management

Given the significant presence of third-party personnel within terminal operations, contractor safety remained a major priority during the year.

SAGT continued to require contractors to comply with the same high standards expected of direct employees. Weekly engagement sessions were held with critical contractor groups to review safe practices, site conditions, unsafe behaviours and required improvements.

LABOUR PRACTICES AND SOCIAL RESPONSIBILITY

Contractors engaged in lashing operations were required to use certified personal protective equipment pre-approved by the Company in line with recognised safety expectations. Tools used for lashing operations were also upgraded.

In response to contractor feedback regarding night visibility, SAGT provided head-mounted flashlights to improve working conditions during night operations.

The Company also reinforced standard PPE requirements for all contractors working onsite.

Occupational Health Services (GRI 403-3)

Employee health remained an important component of the Company's overall safety strategy. All employees continue to undergo periodic medical examinations once every two years, with reports reviewed by qualified doctors and guidance provided where required. Key high-risk categories, including quay crane operators, RTG operators, and engineering maintenance staff, are prioritised for specific health monitoring and protection measures.

Pre-employment medical screening remains mandatory for new recruits to ensure fitness for role requirements. Additional monitoring is maintained for employees in higher-risk categories such as crane operators, equipment operators and maintenance personnel.

SAGT also maintained an onsite medical centre together with access to medical support for shift groups. Emergency medical assistance and ambulance facilities remained available where required. All medical services are provided free of charge to SAGT employees, emphasizing the Company's commitment to employee health.

Ensuring emergency preparedness among its workforce is a key priority area for SAGT. Emergency Response Teams (ERT) are identified among its employees and contractors. The Emergency Response Team (ERT) undergoes regular training to ensure that members remain knowledgeable about the correct procedures for different emergency situations.

In addition to the ERT members, all SAGT employees are trained on how to manage and mitigate the impacts of any accidents that may occur. This training includes comprehensive safety protocols and clear actions to take in case of an incident, ensuring employees are equipped to act swiftly and appropriately.

Knowledge sharing sessions on health and safety topics are facilitated to raise greater awareness among employees. These sessions encourage adoption of best practices that promote work life balance, improving mental wellbeing and a healthy lifestyle. During the year awareness sessions were conducted on topics such as Hazard Identification, Drug Awareness, Defensive Driving Training, First Aid Training and Fire Fighting.

In 2024/25, SAGT launched a campaign to raise awareness on the harmful effects of smoking and betel chewing. In the year 2025/26 the Company has implemented a ban on betel chewing within its premises.

Worker Participation, Consultation and Communication (GRI 403-4)

The Company recognises that effective safety performance depends on active workforce participation.

Employees and contractors are encouraged to report unsafe conditions promptly and seek supervisory guidance where required. Trade unions and employee representatives may also raise health and safety matters through written communication or formal meetings.

The Occupational Safety and Health Committee continued to serve as a structured consultation platform, while monthly briefings, toolbox talks, electronic displays, noticeboards and suggestion mechanisms were used to reinforce awareness throughout the organisation.

Awareness sessions on the OSH policy are conducted for newly inducted operations and engineering executives. These sessions provide them with the essential knowledge and skills to lead their teams effectively and communicate the importance of maintaining safe working conditions.

During the year, SAGT held its annual Safety Week under the theme "We Start With Safety. Lead With Care." Activities included emergency drills, competitions and awareness sessions for employees and contractors, promoting vigilance and collective responsibility.

Worker Training on Occupational Health and Safety (GRI 403-5)

The HSE Department continued to coordinate structured annual training plans for employees and contractors, supported by daily briefings in operational departments.

Mandatory annual refresher training remained in place for all relevant personnel, combining theoretical and practical components.

Specialised training programs conducted during the year included:



Hazard Identification and Risk Assessment



Fire Fighting Training



Defensive Driving Training



Emergency Response Procedures



First Aid Training



Train the Trainer Programmes

A specialised defensive driving program was delivered to personnel operating vehicles within the terminal. First aid training was also provided to Emergency Response Team members to strengthen readiness during medical emergencies.

Promotion of Worker Health and Wellbeing (GRI 403-6)

SAGT continued to promote employee wellbeing beyond physical safety alone. Counselling support remained available for employees experiencing stress or anxiety, while awareness sessions were conducted on mental health and mindfulness by qualified medical professionals.

The Company also continued to support work-life balance and family wellbeing through employee engagement initiatives and family recreation benefits. A complimentary one night stay at a resort of choice is offered to all employees and their immediate family members.

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships (GRI 403-7)

The Company's Occupational Health and Safety Management System (OHSMS), consisting of standard operating procedures (SOPs) and best practices, has been internally developed to ensure the safety of employees, contracted workers, and visitors on-site. Prior to entering SAGT premises, all individuals are required to undergo a mandatory safety induction, providing them with essential health and safety training to promote a safe working environment.

Workers covered by an occupational health and safety management system (403-8)

The Health & Safety Policy and SOP's are applicable to all employees, contractors and all third parties visiting SAGT, ensuring 100% coverage to support the Company's proactive management of risks.

Work-Related Injuries (GRI 403-9)

During the FY 2025/26, SAGT recorded no employee related fatalities, high consequence injuries or recordable injuries, resulting in zero lost time days and an employee work related injury rate of zero, calculated

based on 200,000 hours worked per 100 employees, with a total of 1,346,000 hours worked during the reporting period. In comparison two employee related recordable injuries were recorded in 2024/25 resulting in 72 lost days and a work related injury rate on 0.3.

Two recordable injuries were reported among contractor personnel during the year, giving rise to a recordable injury rate of 0.23, calculated on the basis of 200,000 hours worked per 100 contractor personnel, with total contractor hours amounting to 1,762,000 hours; these incidents were primarily related to manual handling activities and minor injuries from sharp objects.

This represents a significant improvement compared to the 2024/25 financial year, during which contractor personnel experienced five recordable injuries, including one fatality resulting in a recordable injury rate of 0.62.

In response to this incident, SAGT strengthened its health and safety framework by reinforcing contractor safety management processes, enhancing risk assessments for high risk tasks, increasing safety oversight and supervision, and conducting targeted safety training and awareness programs.

These measures, together with SAGT's continued focus on a strong safety culture, have contributed to improved safety outcomes during the period under review, with no high consequence injuries or recordable work related injuries reported among female contractors.

Dangerous Cargo Management

Given the nature of terminal operations, SAGT continued to apply strict procedures for the handling of dangerous cargo. Segregation within the yard is managed in accordance with international standards, supported by regular inspections and random audits by HSE and Operations teams.

Dedicated stacking areas remain available for leaking or compromised containers requiring controlled isolation.

Relevant employees continue to receive International Maritime Dangerous Goods (IMDG) training periodically, while emergency drills relating to dangerous cargo incidents are conducted to strengthen readiness.

Through continued investment in governance, training, technology, workforce participation and preventive controls, SAGT maintained a comprehensive occupational health and safety programme during FY 2025/26. The Company remains committed to continuously strengthening safety standards, protecting all personnel operating within the terminal and embedding responsible risk management into every aspect of its operations.

CUSTOMER HEALTH, SAFETY AND DATA PRIVACY

Incidents of non-compliance concerning the health and safety impacts of products and services (416-2)

SAGT continued to recognise that responsible service delivery extends beyond operational efficiency to include the protection of customer interests, cargo integrity, information security and the safe management of terminal services. As a leading container terminal serving global shipping lines, logistics operators, importers, exporters and other trade participants, the Company understands that customer confidence depends on reliable operations supported by strong governance, risk management and ethical business practices.

The nature of terminal operations means that customers entrust SAGT with the handling of cargo, vessel coordination, documentation flows and commercially sensitive operational information. Accordingly, the Company continued to maintain systems and controls designed to protect service quality, safeguard customer-related information and minimise risks that could adversely affect customers or supply chain stakeholders.

The Company's Health & Safety Policy and Health & Safety Management System (HSMS) work in tandem to ensure a comprehensive approach to safety, for employees, contractors

LABOUR PRACTICES AND SOCIAL RESPONSIBILITY

and all other individuals within its premises, including customers. This integrated system is designed to maintain a safe working environment and mitigate risks, demonstrating SAGT's commitment to protecting the health and well-being of everyone who interacts with the organisation. The HSMS includes specific Standard Operating Procedures (SOPs) that focus on safeguarding the customers, agents of shipping lines, and third parties who utilise SAGT's services. It is designed to provide a safe and secure environment by minimising avoidable injuries, conducting timely hazard assessments, implementing risk mitigation strategies, and following principles of preventive maintenance.

All reported customer health and safety incidents, if any, are tracked and monitored on a quarterly basis. A consistent evaluation of the Company's level of emergency preparedness is also carried out to ensure readiness in case of any unforeseen situations. In addition, Emergency Response Team (ERT) members have been appointed among contractors who provide services within SAGT, helping to propagate a safety culture throughout the value chain.

No incidents were reported during the year in which SAGT's services resulted in significant customer health or safety impacts requiring regulatory sanction or large-scale corrective action. However, SAGT raised concerns with shipping lines regarding safety onboard vessels following vessel safety inspections carried out by SAGT staff when required.

Substantiated complaints concerning breaches of customer privacy and losses of customer data (418-1)

Customer relationships involve access to commercially sensitive information such as vessel schedules, cargo movements, customer identities, billing records, documentation data and operational communications. Protecting such information remained an important governance priority during the reporting year.

The Company continued to maintain internal controls relating to access management, authorised system use, confidentiality obligations and

responsible handling of information. Customer data is accessed on a need-to-know basis within the normal course of operations, reducing unnecessary exposure and supporting accountability.

Digital systems used for operational and administrative purposes are supported through information technology controls, user permissions and monitoring processes intended to preserve confidentiality, integrity and availability of data. Employees handling customer information are expected to comply with internal standards of conduct and ethical business practices.

Where third-party service providers are engaged, SAGT expects them to maintain appropriate confidentiality and security standards relevant to the services performed.

The Company recognises that cyber risks and data protection expectations continue to evolve. Accordingly, management remains focused on strengthening digital governance, employee awareness and system resilience to protect customer trust over the long term. Regular audits are conducted to assess the adequacy of the Company's security systems and measures. Any vulnerabilities identified during these audits are promptly addressed to enhance data protection. Additionally, incidents of data privacy/security breaches and information loss, if any, are monitored by the Sustainability Division on a quarterly basis to ensure continuous vigilance.

During the reporting period, no substantiated complaints concerning breaches of customer privacy, loss of customer data or unauthorised disclosure of customer information were reported through formal channels.

Following a stringent quarterly risk assessment process, SAGT evaluates its environmental, social, and other regulatory requirements to ensure alignment with all relevant criteria. The results of this assessment are then used to implement any necessary modifications, allowing the Company to remain compliant and exceed

regulatory standards, helping to prevent any potential breaches. During the year, no fines were imposed on SAGT, demonstrating the effectiveness of its proactive approach to compliance and risk management.

CORPORATE SOCIAL RESPONSIBILITY AND COMMUNITY INVESTMENT

SAGT continued to recognise that long-term business success is closely connected to the wellbeing of the communities, institutions and stakeholders that support the Port of Colombo and the wider national economy. As a major employer and strategic contributor to Sri Lanka's trade infrastructure, the Company seeks to create positive social impact beyond its terminal boundaries through targeted community investment, partnerships and responsible citizenship initiatives.

The Company's social responsibility agenda focuses on healthcare, education, environmental stewardship, social inclusion, industry development and support for vulnerable groups. During the year under review, SAGT continued to implement initiatives intended to create practical and lasting value for communities while aligning support with genuine social needs.

Healthcare Support

Access to quality healthcare remained an important area of community focus during the year. SAGT continued to support national healthcare institutions through targeted contributions aimed at strengthening medical capacity and patient care.

SAGT undertook a corporate social responsibility initiative to refurbish the cardiology unit at the Apeksha National Cancer Hospital in Maharagama, which serves 80-100 patients daily. The previous facility was constrained by limited space and outdated infrastructure, impacting the hospital's ability to deliver quality care.

The comprehensive upgrade addressed key infrastructure needs, including ceiling repairs, installation of air conditioning, and provision of new furniture and medical examination beds. The project was executed by



Refurbished cardiology unit at the Apeksha Cancer Hospital

a cross-functional team and has significantly improved the treatment environment, enhancing comfort for patients while supporting healthcare staff.

This demonstrate SAGT's recognition that resilient healthcare systems are essential to social wellbeing and national development.

Education and Youth Development

Education remained a key pillar of SAGT's community investment approach. The Company continued to support students and young people through programs that enhance learning opportunities, confidence and future employability.

School support initiatives included the provision of sanitary products to students, helping address practical barriers to school attendance and wellbeing. Such assistance contributes positively to dignity, inclusion and educational continuity.

SAGT also supported mentorship and youth development initiatives designed to guide students and young professionals in career planning, leadership development and confidence building. As a part of that initiative, SAGT continues to invest in the development of future generations

by maintaining partnerships with institutions such as the University of Moratuwa and the Chartered Institute of Logistics and Transport (CILT) to deliver a mentorship program. The program offers students valuable insights into soft skills development, leadership potential, and career advancement preparation, while also providing a comprehensive understanding of terminal operations. SAGT ensures that each mentorship cohort is gender-diverse, aiming to increase female representation and exposure within the industry.

With gender equality as a strategic priority, SAGT maintains long-term partnerships with industry associations such as the Women's International Shipping and Trading Association (WISTA) and Maritime SheEO. These collaborations provide a platform for SAGT to advance the gender equality agenda within the maritime and logistics sector, promoting the entry and professional development of women in the industry.

By investing in education and youth capability, the Company helps strengthen future talent pipelines and broader socio-economic resilience.

Environmental Responsibility and Community Clean-up

SAGT recognises that environmental stewardship is closely connected to community wellbeing. During the reporting year, SAGT continued its strategic partnership with the Marine Environment Protection Authority of Sri Lanka (MEPA) to support coastal ecosystem health. As part of the Clean Sri Lanka initiative, SAGT contributed personal protective equipment (PPE) and cleaning supplies for volunteers participating in MEPA-led beach clean-up events. Additionally, SAGT employees actively took part in the Company's annual beach clean-up campaign conducted in collaboration with MEPA.



SAGT employees volunteering at beach clean up program held on World Oceans Day 2025

LABOUR PRACTICES AND SOCIAL RESPONSIBILITY

SAGT also supported and participated in MEPA's World Oceans Day Program held at Port City Colombo, reinforcing its commitment to marine conservation.

These activities help protect coastal ecosystems, raise public awareness and promote shared responsibility for preserving Sri Lanka's marine environment.

Support for Seafarers and Industry Stakeholders

Through its sustainability department, SAGT maintains ongoing engagement with the Mission to Seafarers (MtS) and collaborates to promote seafarer wellbeing. In addition, SAGT employees regularly interact with crews on vessels docking at the SAGT berth, extending appreciation for their service on key commemorative days such as New Year's Day and the Day of the Seafarer.

Community-oriented initiatives benefiting seafarers reflected SAGT's recognition of the demanding nature of life at sea and the importance of supporting those who enable international commerce.

This stakeholder-focused approach extends the Company's social responsibility beyond land-based communities to include the wider maritime ecosystem.

Responsible Community Partnerships

SAGT seeks to direct community investment towards areas where support can deliver meaningful and measurable benefit. Rather than isolated donations, the Company prioritises partnerships and interventions linked to long-term wellbeing, education, health and environmental outcomes.

This approach helps ensure that resources are used responsibly, and that social investment remains relevant to evolving community priorities.

Through continued investment in healthcare, education, inclusion, environmental stewardship and stakeholder wellbeing, SAGT reaffirmed its commitment to responsible corporate citizenship during the year under review. The Company remains focused on creating positive and lasting impact for communities while supporting sustainable national development alongside commercial success.

INDEPENDENT ASSURANCE STATEMENT



INDEPENDENT ASSURANCE STATEMENT to the Management of South Asia Gateway Terminals (Pvt) Ltd.

South Asia Gateway Terminals (Pvt) Ltd. ('SAGT' or 'the Company', Company Registration Number PV326) commissioned DNV Business Assurance India Private Limited ("DNV", "us" or "we") to conduct an independent assurance of its sustainability/non-financial disclosures in its Sustainability Report 2025-2026 (hereafter referred to as 'Report').

SCOPE OF WORK AND BOUNDARY

As per the agreed scope of work, we performed our assurance (Type 2, Moderate level) activities based on AccountAbility's AA1000 Assurance Standard v3, and DNV's assurance methodology VeriSustain™ protocol.

The scope of work included information on non-financial performance, which was disclosed in the Report prepared by SAGT based on GRI Topic-specific Standards for the identified material topics for the activities undertaken by the Company during the reporting period 01/04/2025 to 31/03/2026.

The reported topic boundaries of non-financial performance are based on the internal and external materiality assessment covering Company's operations as brought out in the section 'Report Scope and Boundary' of the report. Reporting and assurance boundary covers the performance of the operations of SAGT in the Port of Colombo that fall under the direct operational control of the Company's Legal structure unless otherwise specified 'Report Scope and Boundary' of the report.

REPORTING CRITERIA AND STANDARDS

The disclosures have been prepared by SAGT:

- in accordance with requirements of Global Reporting Initiative (GRI) standards 2021
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

Assurance Methodology/ Standard
DNV carried out assurance engagement in accordance with

DNV's VeriSustain™ protocol (V6.0), which is based on our professional experience and international assurance practice, and AccountAbility's AA1000 Assurance Standard (AA1000AS v3). DNV's VeriSustain™ Protocol (V6.0) has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's VeriSustain™ protocol (V6.0), DNV team has also followed ISO 14064-3 - Specification with guidance for the verification and validation of greenhouse gas statements to evaluate disclosures with respect to Greenhouse gases.

BASIS OF OUR CONCLUSION

As part of our independent assurance engagement, we have evaluated the reported environmental, social, and governance (ESG) information against the agreed criteria. Throughout the engagement, we exercised professional judgment and maintained professional skepticism to ensure the integrity and reliability of our conclusions.

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of SAGT. We carried out the following activities:

- We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders.
- Reviewed the disclosures in the report. Our focus included general disclosures, GRI topic specific disclosures and any other key metrics as stated in the reporting criteria.

Our competence and independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO/IEC 17029:2019- Conformity Assessment - General principles and requirements for validation and verification bodies and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. DNV has complied with the Code of Conduct during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e. FY 2025-26, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process.

INDEPENDENT ASSURANCE STATEMENT



OUR COMPETENCE AND INDEPENDENCE

- Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial ESG disclosures in report.
- Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting requirements.
- Collect and evaluate documentary evidence and management representations supporting adherence to the reporting requirements.
- Interviews with the senior managers responsible for management of disclosures and review of selected evidence to support ESG disclosures and metrics disclosed the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected ESG disclosures.
- DNV audit team conducted on-site audit for corporate office and site. Sample based assessment of site-specific data disclosures was carried out.
- Reviewed the process of reporting as defined in the reporting criteria and assurance methodology.
- Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per VeriSustain™ Protocol, V6.0 for Type 2, Moderate level of assurance for the disclosure.

OUR CONCLUSION

On the basis of the assessment undertaken and agreed scope of work, nothing has come to our attention to suggest that the disclosures (as mentioned in Annexure I of this statement) are not fairly stated and are

not prepared, in all material aspects, in accordance with the reporting criteria.

AA1000 ACCOUNTABILITY PRINCIPLES STANDARD (AA1000APS, 2018)

1. Inclusivity

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The Report brings out the stakeholders who have been identified as significant to SAGT, as well as the modes of engagement established by the Company to interact with these stakeholder groups. The key topics of concern and needs of each stakeholder group which have been identified through these channels of engagement are further brought out in the Report.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.

2. Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.

The Report explains out the materiality assessment process carried out by the Company, which has considered concerns of internal and external stakeholders, and inputs from peers and the industry, as well as issues of relevance in terms of impact for SAGT's business. The list of topics has been prioritized, reviewed, and validated, and the Company has indicated that there is no significant change in material topics from the previous reporting period.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

3. Responsiveness

The extent to which an organization responds to stakeholder issues.

The Report adequately brings out the Company's policies, strategies, management systems, and governance mechanisms in place to respond to topics identified as material and significant concerns of key stakeholder groups.

Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.

4. Impact

The level to which an organisation monitors, measures and is accountable for how its actions affect its broader ecosystems.

The Report brings out the key performance metrics, surveys and management processes used by SAGT to monitor, measure, and evaluate its significant direct and indirect impacts linked to identified material topics across the Company, its significant value chain entities, and key stakeholder groups.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Impact.

ADDITIONAL PRINCIPLES AS PER DNV VERISUSTAIN™ PROTOCOL (V6.0)

1. Accuracy

The extent to which the Report provides correct and sufficiently detailed information to allow an assessment of the organization's impacts.

The Report brings out the systems and processes that the Company has set in place to capture and report its performance related to identified material topics across its reporting



boundary. The Report presents both qualitative and quantitative information in a manner that is consistent with available evidence and other reported disclosures. It clearly distinguishes between measured and estimated data, provides adequate descriptions of measurement methodologies, and outlines assumptions and limitations where applicable.

Some of the data inaccuracies identified in the report during the verification process were found to be attributable to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction, and the related disclosures were reviewed post correction.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Accuracy.

2. Reliability

The extent to which the Report presents information that can be consistently and dependably verified and used for decision-making.

The Report provides disclosures that are supported by documented evidence, validated data sources, and established internal controls. It outlines the processes used to collect, compile, and review information, ensuring that the data presented is dependable and reproducible. The inclusion of third-party assurance further enhances the reliability of the disclosures and supports informed decision-making by stakeholders.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.

Inherent Limitations

DNV's assurance engagement assumes that the data and information provided by the Company to us as part of our review have been provided in good faith, is true, complete, sufficient, and authentic, and is free from material misstatements. The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of $\pm 5\%$ based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in the evaluation or assessment of any financial data/performance of the company. DNV's opinion on financial disclosures relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

3. Neutrality/Balance

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.

The Report brings out the disclosures related to SAGT's performance during the reporting period in a neutral tone in terms of content and presentation, while considering the overall macroeconomic and industry environment.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

4. Sustainability Context

This addresses the requirement related to the presentation of the organization's performance in its own sustainability and general business context, i.e. a local, regional and international context.

INDEPENDENT ASSURANCE STATEMENT



The Report outlines how the Company monitors and evaluates its impact across local, regional, and global sustainability contexts. It reflects the Company's efforts to align its performance with broader societal needs and planetary boundaries to monitor, measure and evaluate its significant direct and indirect impacts linked to identified material topics across the Company, its significant value chain entities and key stakeholder groups.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Sustainability Context.

RESPONSIBILITY OF THE COMPANY

SAGT has the sole responsibility for the preparation of the Report and is responsible for all information disclosed in the Report. The company is responsible for maintaining processes and procedures for

collecting, analyzing and reporting the information and ensuring the quality and consistency of the information presented in the Report. SAGT is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website.

DNV'S RESPONSIBILITY

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company. DNV disclaims any liability or co-responsibility for any decision a person or entity would make based on this assurance statement.

USE AND DISTRIBUTION OF ASSURANCE STATEMENT

This assurance statement, including our conclusion has been prepared solely for the Company in accordance

with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this assurance statement. We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

The use of this assurance statement shall be governed by the terms and conditions of the contract between DNV and the SAGT. DNV does not accept any liability if this assurance statement is used for any purpose other than its intended use, nor does it accept liability to any third party in respect of this assurance statement.

For DNV Business Assurance India Private Limited

| | |
|--|--|
| <p>Sarkar, Chandan</p> <p>Digitally signed by Sarkar, Chandan Date: 2026.06.25 15:57:24 +05'30'</p> | <p>Sharma, Anjana</p> <p>Digitally signed by Sarkar, Chandan Date: 2026.06.25 16:01:35 +05'30'</p> |
| <p>Chandan Sarkar Lead Verifier Sustainability Services, DNV Business Assurance India Private Limited, India.</p> | <p>Anjana Sharma Technical Reviewer Sustainability Services, DNV Business Assurance India Private Limited, India.</p> |

Verifiers: Jas Sahib Singh Chadha, So Hyun Kim

25/06/2025, Bengaluru, India



AA1000
Licensed Report
000-10/V3-5FN85



ANNEX I

Disclosures assured for Type 2, moderate level of assurance:

- GRI 2: General Disclosures 2021;
- GRI 3: Material Topics 2021 – 3-1, 3-2, 3-3;
- GRI 205: Anti-corruption 2016 –205-1, 205-2, 205-3;
- GRI 301: Materials 2016 – 301-1;
- GRI 302: Energy 2016 – 302-1, 302-3, 302-4;
- GRI 303: Water and Effluents 2018– 303-1, 303-2, 303-3, 303-4, 303-5;
- GRI 305: Emissions 2016 – 305-1*, 305-2**, 305-3, 305-4, 305-5, 305-6;
- GRI 306: Waste 2020 – 306-1, 306-2, 306-3, 306-4, 306-5;
- GRI 308: Supplier Environmental Assessment 2016 – 308-1;
- GRI 401: Employment 2016 – 401-1, 401-2, 401-3;
- GRI 403: Occupational Health & Safety 2018 – 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9;
- GRI 404: Training and Education 2016 – 404-1;
- GRI 405: Diversity and Equal Opportunity 2016 – 405-1;
- GRI 406: Non-discrimination 2016 – 406-1;
- GRI 407: Freedom of Association and Collective Bargaining 2016 – 407-1;
- GRI 409: Forced or Compulsory Labor 2016 – 409-1;
- GRI 416: Customer Health and Safety 2016 - 416-2;
- GRI 418: Customer Privacy 2016 – 418-1.

* Scope 1 GHG emissions are calculated as per the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard with the emission factors sourced from the Intergovernmental Panel on Climate Change’s (IPCC) Sixth Assessment Report (AR6), The UK Department for Environment, Food and Rural Affairs (Defra).

** Scope 2 GHG emissions are calculated as per the Average Emission Factor published by the Sustainable Energy Authority of Sri Lanka.

ANNEX II

SITES SELECTED FOR AUDIT

| Sr. No. | Site | Location |
|---------|---------------------------|----------------------------------|
| 1. | Corporate office and site | SAGT, Port of Colombo, Sri Lanka |








GRI CONTENT INDEX












STATEMENT OF USE

South Asia Gateway Terminals (Pvt) Ltd has reported in accordance with the GRI Standards for the period 1st April 2025 to 31st March 2026.








GRI 1 USED

GRI 1: Foundation 2021

| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | LOCATION | UNSDG Goals |
|---------------------------------|--|---|---|
| General Disclosures | | | |
| GRI 2: General Disclosures 2021 | 2-1 Organisational details | 12-13 | |
| | 2-2 Entities included in the organisation's sustainability reporting | 12-13 | |
| | 2-3 Reporting period, frequency and contact point | 4 | |
| | 2-4 Restatements of information | 4 | |
| | 2-5 External assurance | 5, 75-80 | |
| | 2-6 Activities, value chain and other business relationships | 4 | |
| | 2-7 Employees | 59 |    |
| | 2-8 Workers who are not employees | 60 | |
| | 2-9 Governance structure and composition | 18-22 |   |
| | 2-10 Nomination and selection of the highest governance body | 18-19 | |
| | 2-11 Chair of the highest governance body | 18 | |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | 18-19 | |
| | 2-13 Delegation of responsibility for managing impacts | 18-22 | |
| | 2-14 Role of the highest governance body in sustainability reporting | 18 | |
| | 2-15 Conflicts of interest | 19 | |
| | 2-16 Communication of critical concerns | 20-22, 58 | |
| | 2-17 Collective knowledge of the highest governance body | 18-19 | |
| | 2-18 Evaluation of the performance of the highest governance body | 18-19 | |
| | 2-19 Remuneration policies | 20, 61 | |
| | 2-20 Process to determine remuneration | 20 | |
| | 2-21 Annual total compensation ratio | 65. (Omitted due to SAGT's total compensation ratio being confidential in nature) | |
| | 2-22 Statement on sustainable development strategy | 6-11 | |
| | 2-23 Policy commitments | 30-41 |   |
| | 2-24 Embedding policy commitments | 18-20 | |
| | 2-25 Processes to remediate negative impacts | 35-36 | |
| | 2-26 Mechanisms for seeking advice and raising concerns | 20, 24, 35 | |
| | 2-27 Compliance with laws and regulations | 20-22 | |

| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | LOCATION | UNSDG Goals |
|-----------------------------------|--|---|---|
| | 2-28 Membership associations | 22 |  |
| | 2-29 Approach to stakeholder engagement | 21-22, 35-37 | |
| | 2-30 Collective bargaining agreements | 66 |  |
| Material Topics | | | |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | 35-36 | |
| | 3-2 List of material topics | 37-38 | |
| Anti-Corruption | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf |  |
| GRI 205: Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption | 20-21 | |
| | 205-2 Communication and training about anti-corruption policies and procedures | 21 | |
| | 205-3 Confirmed incidents of corruption and actions taken | 21 | |
| Materials | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf | |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | 47 | |
| Energy | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf |  |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organisation | 48 |   |
| | 302-2 Energy consumption outside of the organisation | Not Applicable | |
| | 302-3 Energy Intensity | 16 | |
| | 302-4 Reduction of energy consumption | 48-52 | |
| Water and Effluents | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf |   |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | 52 | |
| | 303-2 Management of water discharge-related impacts | 52 | |
| | 303-3 Water Withdrawal | 52 | |
| | 303-4 Water Discharge | 52 | |
| | 303-5 Water Consumption | 52-53 | |
| Emissions | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf |    |

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| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | LOCATION | UNSDG Goals |
|---|--|---|---|
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | 16, 49-52 | |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 16, 49-52 | |
| | 305-3 Other indirect (Scope 3) GHG emissions | 50. (Information incomplete) | |
| | 305-4 GHG Emissions Intensity | 16 | |
| | 305-5 Reduction of GHG Emissions | 16, 49-52 | |
| | 305-6 Emissions of ozone-depleting substances (ODS) | 50 | |
| Waste | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf |    |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | 53 | |
| | 306-2 Management of significant waste-related impacts | 53 | |
| | 306-3 Waste generated | 53-54 | |
| | 306-4 Waste diverted from disposal | 54 | |
| | 306-5 Waste directed to disposal | 54 | |
| Environmental Compliance | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf |  |
| Supplier Environmental Assessment | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf |  |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers screened using environmental impacts | 54-55 |  |
| Employment | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | 60-61 |  |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 61-63 | |
| | 401-3 Parental leave | 63 | |
| Occupational Health and Safety | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf | |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | 67-68 |   |

| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | LOCATION | UNSDG Goals |
|---|--|---|---|
| | 403-2 Hazard identification, risk assessment, and incident investigation | 68-70 | |
| | 403-3 Occupational health services | 70 | |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | 70 | |
| | 403-5 Worker training on occupational health and safety | 70-71 | |
| | 403-6 Promotion of worker health | 71 | |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 71 | |
| | 403-8 Workers covered by an occupational health and safety management system | 71 | |
| | 403-9 Work-related injuries | 71 |   |
| Training and Education | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf |   |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | 16, 63-64 | |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | 63 | |
| Diversity and Equal Opportunity | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf |   |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | 19, 64-65 | |
| Non-Discrimination | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf |   |
| GRI 406: Non-Discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | 65-66 | |
| Freedom of Association and Collective Bargaining | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf |  |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 66 | |
| Child Labour | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf |  |
| GRI 408: Operations and suppliers at significant risk for incidents of child labour | 408-1 Operations and suppliers at significant risk for incidents of child labour | 66 | |

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| GRI STANDARD/ OTHER SOURCE | DISCLOSURE | LOCATION | UNSDG Goals |
|---|---|---|---|
| Forced or Compulsory Labour | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf |  |
| GRI 409: Forced or Compulsory Labour 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour | 66 | |
| Customer Health and Safety | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf | |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | 54 | |
| GRI 416: Customer Health and Safety 2016 | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | 71-72 | |
| Customer Privacy | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf | |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 72 | |
| Socio Economic Compliance | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | https://d3bo42cmohq4cn.cloudfront.net/2021/12/SAGT-DMA-Report-latest-3.pdf |   |

