



Sustainability Performance Report 2025-26

1st of April 2025 to 31st of March 2026

This report has been prepared by the Teardrop Sustainability Team to inform our stakeholders about the long-term sustainability strategy, goals, initiatives, and performance of our hospitality operations. Covering Wallawwa, Fort Bazaar, Camellia Hills, Nine Skies, Goatfell, Kumu Beach, and Lunuganga, the report highlights the progress made towards our sustainability commitments and objectives during the 2025-26 reporting period.

*We are pleased to present Teardrop Hotels' Sustainability Report for the period **1st April 2025 to 31st March 2026**. This report outlines our continued commitment to responsible tourism and provides an overview of our sustainability priorities, achievements, and performance during the year.*

As Sri Lanka's tourism sector continued to strengthen, we remained focused on balancing business growth with our environmental and social responsibilities. Sustainability continues to be an integral part of our operations, guiding how we manage resources, support local communities, and create meaningful experiences for our guests.

I would like to thank our employees, guests, suppliers, and community partners for their ongoing support and contribution to our sustainability journey. Their commitment has helped us further embed responsible practices across the business and strengthen our positive impact.

Looking ahead, we remain committed to continuous improvement and encourage every member of the Teardrop family to play an active role in advancing our sustainability goals. Together, we will continue to build a resilient business that delivers long-term value for our stakeholders, communities, and the environment.

*Henry Fitch
CEO, Teardrop Hotels*



SUSTAINABILITY MANAGEMENT

The period from 1st April 2025 to 31st March 2026 was a year of both progress and challenge for Sri Lanka's tourism sector. While visitor confidence continued to strengthen and the industry continued its recovery from the challenges of recent years, the country was significantly impacted by Cyclone Ditwah between late November and December 2025, which caused widespread flooding, landslides, displacement of communities, and damage to homes, infrastructure, and businesses across the island. These events affected local livelihoods and tourism-dependent communities, while also disrupting travel and negatively impacting visitor arrivals during part of the peak tourism season.

Against this backdrop, Teardrop Hotels remained committed to embedding sustainability across all aspects of its operations while supporting the resilience and recovery of the destinations and communities in which we operate. As a responsible tourism operator, we recognize the growing importance of climate resilience, and the role businesses can play in supporting both environmental stewardship and community wellbeing during periods of disruption. Building on the foundations established through our Travelife certification, our primary focus during 2025-26 was to maintain compliance with recognized sustainability standards, identify opportunities for continuous improvement, and advance initiatives that reduce our environmental impact while creating positive social and economic benefits for local communities.

The Sustainability Team continued to meet regularly throughout the year to review performance, monitor progress against objectives, and coordinate sustainability activities across the group. Sustainability representatives at each property worked closely with management teams to implement initiatives, promote staff engagement, and ensure accountability at the local level. Training and awareness programs remained an important part of our sustainability strategy. Employees participated in sessions covering topics such as health and safety, environmental responsibility, community engagement, quality standards, human rights, and emergency preparedness, helping to strengthen both knowledge and practical application across our operations.

Guest feedback continued to be actively collected and reviewed, providing valuable insights into opportunities for improvement. We also encouraged guests to share their perspectives on our sustainability initiatives and identify ways in which we can further enhance our responsible tourism practices.

Community engagement remained a key priority during the year. We continued to work with local stakeholders, support community-led initiatives, and prioritize local sourcing wherever possible, ensuring that the benefits of tourism are shared more widely and contribute positively to the communities connected to our properties. In the aftermath of Cyclone Ditwah, particular emphasis was placed on supporting the resilience of local communities and strengthening relationships with stakeholders whose livelihoods were affected by the disruption.



Throughout 2025-26, our commitment to sustainability remained focused on continuous improvement, responsible growth, and creating lasting value for our guests, employees, communities, and the environment. Despite the challenges presented by extreme weather events and broader operating conditions, we remained dedicated to supporting sustainable tourism development and contributing to the long-term resilience of Sri Lanka's tourism sector and the communities that depend upon it.



ENVIRONMENT – ENERGY

It should be noted that all properties were required to rely extensively on backup generators during and in the aftermath of Cyclone Ditwah, as widespread power disruptions affected many parts of the country. As a result, fuel consumption and generator operating hours increased significantly during the reporting period, which has also influenced and potentially skewed energy consumption data when compared with normal operating conditions. Consequently, year-on-year energy performance should be interpreted within the context of these exceptional circumstances.

During the reporting period, we continued to strengthen our approach to energy management by monitoring consumption across all significant energy sources and analyzing performance against operational indicators. Tracking energy use on a per guest-night basis enabled us to better understand consumption patterns, identify opportunities for efficiency improvements, and benchmark performance across properties. As a result, Fort Bazaar, Wallawwa, and Kumu Beach demonstrated positive progress and successfully met their energy efficiency goals, while Lunuganga, Nine Skies, Camellia Hills, and Goatfell continued their efforts to improve performance, with outcomes highlighting further opportunities to enhance energy efficiency initiatives in the coming year.

Property-level monitoring and regular performance reviews helped management and engineering teams assess trends, implement corrective actions where required, and support ongoing efforts to improve energy efficiency. These measures form part of our broader objective of reducing the environmental impact of our operations while maintaining high standards of guest comfort and service.

Measurements for Energy Consumption Benchmarks

The following table shows our average overall energy consumption across all energy sources in both kWh per guest night and kg CO₂e.

Property	Guest Nights (Yearly)			Average KWH per guest night (Yearly)					
	2023-24	2024-25	2025-26	2023-24		2024-25		2025-26	
				KWh	kgCo2e	KWh	kgCo2e	KWh	kgCo2e
Camellia Hills	2066	2042	2203	62.87	20.34	73.65	23.95	73.04	24.56
Goatfell	1783	1939	1769	61.25	18.58	63.34	20.00	64.31	22.72
Nine Skies	2749	2729	2773	38.08	13.93	38.66	14.73	48.69	17.22
Fort Bazaar	5304	6860	8848	74.8	29.70	71.89	28.50	68.63	27.29
Wallawwa	5976	7254	7629	55.75	19.59	50.41	17.75	50.48	18.45
Kumu Beach	3442	3540	3851	65.17	25.74	60.1	23.41	53.75	21.44
Lunuganga	3249	3742	3892	38.56	14.76	39.91	25.30	50.25	18.55

Measurements for Energy Saving Systems

The following chart shows the % of LED lights

LED Lights % 2025-26	CH	GF	NS	FB	WA	KB	LG
Use of low energy light bulbs (LED)	97%	100%	100%	100%	100%	95%	100%
Key card-controlled power	NA	NA	NA	100%	NA	NA	NA

LED Lights % 2024-25	CH	GF	NS	FB	WA	KB	LG
Use of low energy light bulbs (LED)	96%	90%	97%	100%	100%	95%	100%
Key card-controlled power	NA	NA	NA	100%	NA	NA	NA

What worked well for 2025-26

- We increased our LED light bulb count across some of our properties.
- Where possible we upgraded our older machinery to new energy efficient models.
- Identifying and installing motion sensor lights in back of house areas.
- Implementing simple procedures like switching off pool motors and where possible ovens when the generator is on has also contributed.
- Our on the job training and reminders on energy saving tips and lights on/off policy have also made a positive impact.

Future Plans 2026-27

We are targeting to reduce our energy consumption by 1% across our properties.

- Increase the training on energy saving and efficiencies.
- Planning for further replacements of items with energy-efficient units.
- Identify opportunities to install solar lights in back of house areas.
- With some of our properties being over 100 years old, we are brainstorming unique ways to address any gaps in insulation in air-conditioned rooms.

ENVIRONMENT – WATER

Water stewardship remains an important priority for Teardrop Hotels, particularly as hospitality operations require significant volumes of water for guest services, housekeeping, landscaping, laundry operations, food preparation, and recreational facilities. During the reporting period 1st April 2025 to 31st March 2026, we continued to focus on managing water resources responsibly while maintaining the quality of our guest experience.

In line with our sustainability commitments and Travelife requirements, water consumption was monitored across all properties and measured against guest-night data to provide a more meaningful assessment of operational efficiency. This approach enables us to track trends, identify opportunities for improvement, and benchmark performance across our portfolio. During the reporting period, Wallawwa and Fort Bazaar achieved their water efficiency goals and delivered encouraging results, while insights gained from performance across the other properties helped identify further opportunities to strengthen water management practices and support continuous improvement across the group.

Throughout the year, employee awareness programs and operational training reinforced water-saving practices in housekeeping, kitchens, gardens, and other service areas. Guests were also encouraged to support our conservation efforts through in-room communications promoting our towel and linen reuse program, helping to reduce unnecessary water and energy consumption associated with laundry operations.

Wastewater management continued to be effectively maintained across all properties. At most locations, greywater is managed through approved soakage systems. At Kumu Beach, greywater continues to be removed by authorized municipal collection services, while Fort Bazaar operates a treatment system that processes wastewater before discharge in accordance with local requirements. Blackwater is managed through septic tank systems at the majority of our properties, while Fort Bazaar and Kumu Beach utilize municipal collection services. These systems continued to function effectively throughout the reporting period, supporting responsible wastewater management and environmental protection.

As part of our ongoing commitment to sustainability, we will continue to monitor water consumption, improve operational efficiency, and promote responsible water use among employees and guests across all our properties.



Measurements for Water Consumption Benchmarks

Property	Guest Nights (Yearly)			Average Water consumption per guest night (Yearly)					
	2023-24	2024-25	2025-26	2023-24		2024-25		2025-26	
				Total m3	m3/G	Total m3	m3/G	Total m3	m3/G
Camellia Hills	2066	2042	2203	2046	0.99	2079	1.02	2564.13	1.16
Goatfell	1783	1939	1769	1975	1.11	2140	1.10	2151	1.21
Nine Skies	2749	2729	2773	1975	0.72	2526.23	0.93	2842.35	1.02
Fort Bazaar	5304	6860	8848	3324	0.62	4441	0.65	4237	0.47
Wallawwa	5976	7254	7629	6316	1.06	8147	1.12	7093	0.93
Kumu Beach	3442	3540	3851	1731	0.50	1973	0.56	2764	0.72
Lunuganga	3249	3742	3892	3334	1.03	3286.5	0.88	3573	0.92

What worked well for 2025-26

- We updated our Garden Maintenance & Watering SOPs inline with the new Travelife criteria which had a positive impact, especially with the properties with larger gardens.
- Our on the job training and reminders on water saving tips, towel and linen policy and washing full loads of laundry have also made a positive impact.

Future Plans 2026-27

We are targeting to reduce our water consumption by 1% across our properties.

- Implement trigger nozzles for garden watering.
- Analyze how to implement drip irrigation in certain parts of some of the properties.
- Identify areas to install water stop valves across the properties which will also help reduce wastage when any repairs need to be done.
- Increase on the job training on water saving and efficiencies.

ENVIRONMENT – WASTE

During the period from 1st April 2025 to 31st March 2026, Teardrop Hotels continued to focus on reducing the environmental impact of its operations through responsible waste management practices and resource-efficient purchasing decisions. Guided by the principles of waste reduction, reuse, recycling, and responsible disposal, our efforts aimed to minimize the volume of waste sent to landfill. Overall, Wallawwa, Lunuganga, Nine Skies, Camellia Hills, and Goatfell successfully achieved their waste management goals, demonstrating strong performance and a continued commitment to responsible waste reduction practices, while Kumu Beach and Fort Bazaar continued to identify opportunities to further strengthen waste reduction initiatives. Waste segregation remained a standard practice across all properties, with dedicated systems in place to separate organic waste, paper, plastic, glass, and other waste streams. Designated waste sorting areas at back-of-house facilities supported effective waste management, while guests were encouraged to participate through clearly identified disposal points in public areas. Organic waste continued to be composted on-site wherever feasible, contributing to landscape maintenance and reducing the volume of waste requiring external disposal.

Sustainable purchasing practices also played an important role in waste reduction. Preference was given to local suppliers and producers demonstrating responsible environmental practices, while procurement planning was aligned with occupancy forecasts to minimize unnecessary purchasing and food waste. Where appropriate, properties continued to utilize locally sourced and home-grown produce to reduce packaging and transport-related impacts.

To further reduce single-use plastics, refillable amenity dispensers remained in use across guest rooms and public washrooms. The transition away from single-use plastic water bottles was maintained throughout the reporting period, with guests provided water in reusable or glass packaging alternatives.

Employee awareness and engagement remained central to the success of our waste management program. Team members received ongoing guidance on waste segregation procedures and the waste hierarchy of Reduce, Reuse, and Recycle, while being encouraged to identify opportunities for operational improvements. Recyclable materials such as glass and metal were directed to authorized recycling partners, while other recoverable materials were managed through local collection and recycling systems where available.

In support of pollution prevention, measured chemical dosing systems continued to be used in laundry and pool operations to minimize chemical consumption and waste. Additionally, grease traps were maintained in all kitchen operations to prevent oils and fats from entering wastewater systems and support effective environmental management across our properties.

Through these initiatives, Teardrop Hotels remained committed to improving waste management performance throughout 2025/26, supporting both operational efficiency and our broader sustainability goals.



Measurements for Waste Generation Benchmarks

Property	Guest Nights (Yearly)			Average Waste generation per guest night (Yearly)					
	2023-24	2024-25	2025-26	2023-24		2024-25		2025-26	
				Total KG	KG/G	Total KG	KG/G	Total KG	KG/G
Camellia Hills	2066	2042	2203	6665.72	3.23	9437.7	4.62	4924.3	2.24
Goatfell	1783	1939	1769	3633.32	2.03	3525.59	1.81	2464.01	1.39
Nine Skies	2749	2729	2773	4349.86	1.58	5045.05	1.85	4509.71	1.63
Fort Bazaar	5304	6860	8848	19016	3.59	15549.56	2.27	21304.82	2.41
Wallawwa	5976	7254	7629	8483.49	1.42	10972.88	1.51	11528.06	1.51
Kumu Beach	3442	3540	3851	10469.76	3.04	10837.33	3.06	12267.77	3.19
Lunuganga	3249	3742	3892	7645.68	2.35	9342.93	2.50	7612.67	1.96

What worked well for 2025-26

- We have invested in and transitioned to paperless check in procedure
- Identified further opportunities to purchase more goods in bulk.
- Implementation of composting at certain properties.

Future Plans 2026-27

We are targeting to reduce our waste by 1% across our properties.

- Identifying further opportunities of reducing packaging – one example being the properties currently working on increasing the quantity of slippers delivered per bag from 20 to 50.
- Increase on the job training on waste separation, waste storage and “reduce reuse and recycle” initiatives.
- Increase across certain properties the frequency of Zero Food Waste Day in the staff canteens.
- Implement the reuse of towels and linen for back of house operation, including cleaning cloths, dusters and floor mats.

ENVIRONMENT – HAZMAT

During the period **1st April 2025 to 31st March 2026**, Teardrop Hotels continued to prioritize the safe handling, storage, and disposal of hazardous materials used within its operations. Recognizing that cleaning agents, pool chemicals, fuels, and refrigerants present potential health and environmental risks, we remained committed to maintaining effective controls that protect our employees, guests, contractors, and the environment.

All properties maintained designated chemical storage facilities with appropriate signage, clearly labelled containers, and safe storage arrangements designed to minimize the risk of spills, leaks, or accidental exposure. Chemicals were stored according to established safety procedures and were readily accessible to authorized personnel while ensuring compliance with health and safety requirements.

Employee training remained a key component of our hazardous materials management program. Team members who handle chemicals received instruction on safe handling practices, emergency response procedures, and the correct use of personal protective equipment (PPE). Managers and supervisors continued to monitor compliance and reinforce safe working practices through routine inspections and operational oversight. Fire safety and first aid awareness programs were also conducted during the reporting period to support overall workplace safety.

Hazardous chemical consumption was monitored and recorded across all properties to support responsible chemical management and minimize environmental impacts. Regular record-keeping enabled us to track usage patterns, identify opportunities for efficiency improvements, and promote safe handling practices. Positive improvements were recorded across all seven properties during the reporting period, with Nine Skies, Fort Bazaar, Wallawwa, and Lunuganga demonstrating particularly strong results.

We also continued to review opportunities to reduce the environmental impact of refrigerants used in our cooling systems. Where equipment replacement and maintenance programs permitted, preference was given to more environmentally responsible alternatives to ozone-depleting refrigerants. As systems reach the end of their operational life, we remain committed to transitioning towards equipment and refrigerants with lower environmental impacts.

Through these measures, Teardrop Hotels continued to strengthen its hazardous materials management practices during **2025-26**, supporting a safer workplace and contributing to the responsible management of environmental risks.



Measurements for Hazmat Consumption Benchmarks

Property	Guest Nights (Yearly)			Average Hazmat consumption per guest night (Yearly)					
	2023-24	2024-25	2025-26	2023-24		2024-25		2025-26	
				L/G	KG/G	L/G	KG/G	L/G	KG/G
Camellia Hills	2066	2042	2203	0.39	0.19	0.28	0.18	0.47	0.17
Goatfell	1783	1939	1769	0.32	0.34	0.19	0.17	0.12	0.18
Nine Skies	2749	2729	2773	0.18	0.34	0.10	0.24	0.10	0.20
Fort Bazaar	5304	6860	8848	0.68	0.00	0.44	0.02	0.13	0.01
Wallawwa	5976	7254	7629	0.26	0.33	0.24	0.10	0.16	0.04
Kumu Beach	3442	3540	3851	0.10	0.05	0.11	0.09	0.08	0.15
Lunuganga	3249	3742	3892	0.11	0.14	0.13	0.13	0.12	0.10

What worked well for 2025-26

- What Worked Well
- Successfully reduced hazardous chemical consumption per guest night across most properties through improved chemical management and housekeeping practices.
- Increased operational efficiency by maintaining or lowering chemical usage despite growth in guest nights at key properties such as Fort Bazaar and Wallawwa.
- Greater staff awareness and adherence to responsible chemical handling, dosing, and storage procedures contributed to reduced wastage.
- Expanded use of environmentally preferable cleaning products and optimized procurement processes, helping to improve consumption benchmarks.

Future Plans 2026-27

- Strengthen staff on the job training on housekeeping, efficient dosing, and safe chemical management.

HIGH EMISSION FOODS

Teardrop Hotels implemented the monitoring and recording of high-emission food purchases, including meat, fish, and dairy products, as part of our ongoing commitment to responsible sourcing. Tracking these purchases on a per guest-night basis has provided valuable insights into consumption patterns across our properties and established a baseline for identifying opportunities to reduce the environmental impact associated with food procurement.

As part of our efforts to support more sustainable dining choices, all properties continued to offer a range of vegetarian options across their menus, providing guests with lower-impact alternatives while maintaining the quality and authenticity of the dining experience. Menu planning also places importance on locally sourced ingredients, helping to reduce food miles and support local producers.

Encouraging results were observed across the portfolio, with Kumu Beach recording the strongest reduction in high-emission food consumption per guest night, while Fort Bazaar, Nine Skies, and Goatfell also demonstrated positive progress during the reporting period. The data collected has strengthened our understanding of purchasing trends and will support future initiatives aimed at increasing sustainable menu offerings, promoting responsible sourcing practices, and further reducing the carbon footprint associated with food consumption across all properties. We are targeting to reduce our high emission food consumption by 1.2% across our properties.

Measurements for High Emission Food Consumption Benchmarks

Property	Guest Nights (Yearly)			Average high emission food purchased per guest night (Yearly)					
	2023-24	2024-25	2025-26	2023-24		2024-25		2025-26	
				L/G	KG/G	L/G	KG/G	L/G	KG/G
Camellia Hills	2066	2042	2203	0.38	1.03	0.51	1.05	0.69	1.25
Goatfell	1783	1939	1769	0.33	1.40	0.28	1.08	0.27	1.14
Nine Skies	2749	2729	2773	0.29	0.89	0.29	1.01	0.39	0.87
Fort Bazaar	5304	6860	8848	0.81	1.51	0.65	1.23	0.55	1.31
Wallawwa	5976	7254	7629	0.18	0.75	0.19	0.79	0.23	0.80
Kumu Beach	3442	3540	3851	0.37	1.20	0.35	1.14	0.35	1.10
Lunuganga	3249	3742	3892	0.25	0.70	0.22	0.98	0.33	1.17

LABOUR & HUMAN RIGHTS

During the period 1st April 2025 to 31st March 2026, Teardrop Hotels remained committed to upholding fair labour practices, protecting human rights, and fostering a safe, inclusive, and respectful workplace for all employees. These commitments are supported by established policies, employee training programs, and regular performance reviews designed to ensure compliance with both our organizational values and industry best practices. Relevant policies are accessible to employees through internal communication channels and are available to other stakeholders through our public platforms.

Our people remain at the heart of our success. We are committed to creating an environment where team members feel valued, supported, and empowered to develop both professionally and personally. Through ongoing training, mentoring, and career development opportunities, we aim to equip employees with the skills and knowledge needed to grow within the organization and contribute to delivering exceptional guest experiences.

Diversity, equity, and inclusion continued to be important priorities throughout **2025-26**. We believe that a diverse workforce strengthens innovation, enriches workplace culture, and enhances business performance. We therefore continued our efforts to promote equal opportunities and ensure employment decisions are based on merit, capability, and potential.

With the majority of our properties located outside major urban centres, local employment remained a key focus area during the reporting period. Wherever possible, we prioritized recruiting employees from surrounding communities, helping to create employment opportunities, support local livelihoods, and strengthen community relationships. This approach remains central to our commitment to ensuring tourism generates positive economic benefits in the destinations where we operate.

Clear grievance and disciplinary procedures continued to be maintained across all properties to ensure fair and transparent treatment of employees. Information relating to these procedures is communicated to staff and made available in relevant languages, enabling employees to raise concerns, seek support, and access formal resolution mechanisms where necessary.

We also continued to encourage greater workforce diversity, including increased female participation across different areas of the business. Recruitment and development initiatives were designed to attract, retain, and support talented individuals from diverse backgrounds, while creating an inclusive workplace where everyone has the opportunity to succeed.

Throughout **2025-26**, Teardrop Hotels remained committed to strengthening workplace wellbeing, supporting employee development, and promoting human rights and fair labour practices across all aspects of our operations.



Employee Demographic 2025-26

Demographic	Camellia Hills	Fort Bazaar	Goatfell	Kumu Beach	Lunuganga	Nine Skies	Wallawwa	TBM	Total
Gender									
Male	20	50	19	32	45	20	48	40	274
Female		8		1	3		5	25	42
Age									
Below 20	1	1		1			1		4
20-29	7	17	5	8	12	5	14	21	89
30-39	7	24	5	17	17	10	16	27	123
40-49	4	12	8	5	13	3	14	9	68
50 above	1	4	1	2	6	2	8	8	32
Ethnicity									
Sinhala	11	46	11	31	47	16	46	55	263
Tamil	9	2	7		1	3	3	3	28
Muslim		7	1	1		1	1	4	15
Burgher								2	2
Other		3		1			3	1	8
Expatriates									
Senior Executives								1	1
General Workforce		3		1			3		7
Senior Executives by Gender									
Male	2	4	2	3	3	2	8	18	42
Female		2						10	12
Colleagues' with Disabilities by Gender									
Male			1		1				2
Female									0
Employee reside within 20 Km radius	6	32	7	16	33	9	21	65	189

We have published and distributed an employee handbook, and a copy is also available at each of the properties.

Below are the training data for 2025-26 across our properties

Property	Total Hours of Training	Training Hours per Employee
Wallawwa	2179.67	3.4
Fort Bazaar	2898.83	4.15
Goatfell	590.75	2.49
Nine Skies	1211.42	5.41
Camellia Hills	1049.37	4.21
Lunuganga	1704.67	3.01
Kumu Beach	1605.81	4.2

COMMUNITY ENGAGEMENT & SUPPORT

During the period 1st April 2025 to 31st March 2026, Teardrop Hotels remained committed to creating positive social and economic value in the communities where we operate. We recognize that the success of Sri Lanka's tourism industry is closely linked to the wellbeing of local communities and the preservation of the country's rich cultural and natural heritage. As such, we strive to ensure that our operations contribute meaningfully to local development while promoting responsible and sustainable tourism.

Through our CARE (Creating a Rewarding Experience) Foundation, we continued to support community-focused initiatives aimed at improving quality of life and creating opportunities for vulnerable and underserved groups. Throughout the reporting period, assistance was provided through a range of programs including support for education, healthcare, livelihoods, and community wellbeing, with a focus on addressing locally identified needs.

We also continued to promote employment and skills development opportunities for young people interested in pursuing careers in the hospitality sector. By offering training, mentorship, and practical workplace exposure, we aim to help build a skilled workforce while supporting economic development within the regions where our properties are located.

Our community engagement activities are guided by the principle of creating long-term, sustainable benefits. We seek to work collaboratively with local stakeholders and invest in initiatives that deliver positive social outcomes while respecting cultural values and the environment. Teardrop Hotels does not support political activities and remains committed to ensuring that all community programs are conducted responsibly and in a manner that safeguards human health, community wellbeing, and environmental integrity.

Throughout **2025-26**, we continued to view community engagement not as a corporate obligation, but as an integral part of our commitment to responsible hospitality and sustainable tourism in Sri Lanka.



Here below are some of the community related initiatives that have taken place in the recent past:

The Wallawwa

- Showcasing the spirit of compassion and collective action, Wallawwa staff members joined hands in a blood donation initiative at the Ragama Main Hospital Blood Bank, making a valuable contribution to the community's healthcare needs.
- Demonstrating its commitment to community welfare, Wallawwa contributed funds to Jayawardena Children's Orphanage in Ja-Ela to support the repair of its boundary wall.
- Wallawwa hosted an educational CSR initiative for the Advanced Level students and teachers of Kotugoda Rahula College, offering valuable industry exposure through an immersive hotel tour and a hospitality management workshop. The program helped equip students with practical knowledge and a deeper appreciation of career opportunities in the hospitality sector.
- Supporting creativity and learning among young children, Wallawwa contributed a stock of empty Olu water bottles to the Sunday School program at Weligampitiya St. Anne's Church, enabling a range of hands-on activities and projects.

Fort Bazaar

- Fort Bazaar conducted a Blood Donation Program as part of its commitment to community well-being, encouraging voluntary blood donation to help save lives and support healthcare services.
- In celebration of community spirit and cultural traditions, Fort Bazaar organized a Dansala Program for the public.
- Fort Bazaar organized a Breast Cancer Awareness Program to raise awareness about one of the most prevalent health concerns affecting women, fostering greater understanding of risk factors, screening methods, and the benefits of early detection.
- As part of its commitment to supporting education and child development, Fort Bazaar donated school uniforms to the 'Fort Kids Montessori', a nursery school in Galle Fort, easing the financial burden on families while ensuring children are better prepared for their learning journey.
- As part of its commitment to environmental stewardship, Fort Bazaar undertook a tree-planting initiative around Galle Fort, enriching the local landscape, promoting biodiversity, and contributing to a greener future for the community.
- As part of its commitment to skills development and community empowerment, Fort Bazaar provided English language training for a local resident, helping her build the confidence and expertise required to conduct guided tours of Galle Fort for hotel guests.

Camellia Hills

- Several years ago, Camellia Hills established the "Eco Warriors," a dynamic environmental stewardship group comprising school children from Dunkeld Estate and the surrounding communities. The initiative engages students from Grades 8 to 11, fostering environmental awareness, leadership skills, and a sense of responsibility towards sustainable conservation practices.
Through a series of interactive birdwatching and biodiversity awareness programs, Camellia Hills empowered the Eco Warriors team to deepen their understanding of local ecosystems under the guidance of the resident naturalist.
- As part of its commitment to environmental education, Camellia Hills facilitated an annual field excursion for the Eco Warriors to the Royal Botanic Gardens, Peradeniya. The program offered participants a unique opportunity to deepen their understanding of plant diversity, ecological conservation, and the importance of protecting natural ecosystems.
- Camellia Hills organized a one-day leadership development workshop for Grade 11 students and teachers from Dunkeld School, fostering confidence, and empowering young participants with essential leadership, teamwork, and personal growth skills.
- Championing youth development and future career readiness, Camellia Hills conducted six job training and career exposure sessions for 45 students from the Tea Leaf Trust. Through hands-on learning and industry-focused guidance, the program enhanced employability skills, broadened career perspectives, and prepared participants for future opportunities in the professional world.
- Reinforcing its commitment to community development and educational support, Camellia Hills conducted a comprehensive clean-up of the Dunkeld School playground, helping to create a cleaner, safer, and more enjoyable environment for students to learn, play, and thrive.
- As part of its commitment to environmental stewardship, Camellia Hills conducted several road clean-up campaigns along the route from Camellia Hills to Gap Junction. The initiative engaged employee volunteers in maintaining the area's cleanliness, enhancing the local environment, and raising awareness of responsible waste management practices.
- As part of its community engagement initiatives, Camellia Hills provided cement bags to the Dunkeld Kovil to assist with infrastructure improvements, contributing to the upkeep of a valued religious and cultural institution serving the local community.

Goatfell

- As part of its community outreach efforts, Lunuganga contributed freshly harvested jackfruit from its gardens to a Dansela organised for the Dedduwa community, supporting a cherished cultural tradition while promoting community well-being and social connection.
- As part of its ongoing support for local communities, Goatfell organized a clean-up program at the village Hindu Kovil, contributing to the upkeep of an important religious and cultural landmark.
- Goatfell conducted separate clean-up initiatives at a local temple and a Hindu Kovil, both of which serve as important religious and cultural landmarks within the community. By contributing to the preservation and upkeep of these cherished places of worship, the initiative helped create clean and welcoming spaces for devotees, strengthened community ties, and reinforced Goatfell's commitment to protecting the cultural and spiritual heritage of the region.
- Demonstrating its commitment to community welfare and disaster relief, Goatfell, on behalf of Teardrop Hotels, provided essential food supplies to the local communities affected by the Ditwah cyclone. Supported by the dedicated efforts of employee volunteers, the initiative benefited approximately 410 individuals, delivering much-needed assistance to families impacted by the disaster and supporting community resilience during a period of recovery.
- Further extending its support to relief efforts, Goatfell also prepared and provided packed meals for medical professionals serving at a cyclone relief medical camp established at Goatfell Primary School. Through the active participation of team members, the initiative helped ensure that frontline healthcare personnel were well supported as they delivered critical medical services to affected residents. Together, these efforts reflect Teardrop's commitment to standing alongside local communities in times of need and contributing meaningfully to their recovery and well-being.

Kumu Beach

- Reinforcing its commitment to environmental conservation and responsible tourism, Kumu Beach conducted beach clean-up programs that removed a substantial amount of plastic waste from the local coastline. These initiatives not only helped safeguard fragile marine ecosystems and coastal habitats but also demonstrated the property's dedication to preserving the natural environment that is central to the destination's appeal and the well-being of the local community.
- Demonstrating its commitment to community support and responsible resource stewardship, Kumu Beach made several meaningful contributions through the Divisional Secretariat to benefit individuals and families in need. These included the donation of school bags to support children's educational needs, as well as a range of quality reusable linen items that were repurposed for community use. By extending the useful life of valuable materials and directing them to those who could benefit

most, the initiative not only reduced waste but also contributed to improved well-being and sustainable resource utilization within the local community.

- enforcing its commitment to community welfare and cultural heritage, Kumu Beach supported the Poson Dansala organized by the Walagedara Sports Club through the donation of essential resources. The contribution helped facilitate the provision of free refreshments and meals to devotees and members of the public during this important religious observance, fostering community spirit while supporting a long-standing cultural tradition.
- Reinforcing its commitment to community care and sustainability, Kumu Beach donated reusable linen items to Anula Wijerama Girls' House, providing practical support to a residential care facility for girls. The initiative enhanced the comfort and well-being of the residents while promoting the responsible repurposing of resources, aligning social responsibility with environmental stewardship.

Lunuganga

- Marking World Children's Day, Lunuganga welcomed 77 participants from Dedduwa Primary School, including students, teachers, and community representatives, for an educational visit to the renowned Geoffrey Bawa Garden. The visit provided a unique opportunity for young learners to experience the rich natural and architectural heritage of the estate, fostering appreciation for culture, design, and the environment. The day concluded with the distribution of takeaway refreshments by the Lunuganga Staff Welfare Committee.
- As part of its ongoing commitment to community engagement and environmental sustainability, the Lunuganga team donated reusable pool towels to Sugatha Elderly House in Bentota, benefiting elderly residents while reducing waste through the responsible repurposing of usable materials.
- As part of its community outreach efforts, Lunuganga contributed freshly harvested jackfruit from its gardens to a Dansela organised for the Dedduwa community, supporting a cherished cultural tradition while promoting community well-being and social connection.

Nine Skies

- As part of its ongoing commitment to environmental sustainability, Nine Skies conducted a tree-planting initiative involving staff members, planting 150 Mee trees in strategically selected locations near the paddy fields and railway station. The project contributed to habitat enhancement, increased green cover, and the promotion of long-term environmental resilience within the local community.
- As part of its community outreach initiatives, Nine Skies provided dry ration packs to underprivileged pregnant women identified in collaboration with the local Pradeshiya Sabha, supporting maternal health and easing the financial burden on expectant mothers and their families.

- Nine Skies extended support to families affected by adverse weather conditions by organizing a meal distribution initiative for cyclone-affected residents at the Kitha Ella Centre, helping to meet immediate nutritional needs while contributing to community resilience and recovery efforts.
- Nine Skies organized a clean-up initiative at the iconic Nine Arch Bridge, mobilizing employee volunteers to help preserve the site's natural beauty, enhance the visitor experience, and promote environmental responsibility within the local community.
- Nine Skies undertook a large-scale tree planting initiative around Demodara Lake, cultivating Kumbuk trees to enhance local biodiversity, strengthen ecosystem resilience, and contribute to the long-term conservation of the area's natural environment.

Future Plans 2026-27

- Building on the positive impact of our Breast Cancer Awareness Program, we hope to extend this initiative across additional properties in the coming year. By broadening its reach, we aim to empower more employees and community members with vital knowledge on breast health, early detection, preventive care, and the importance of regular screening. Through these awareness sessions, we aspire to encourage informed health decisions, and contribute to improved health outcomes for individuals and their families.
- As part of our ongoing commitment to community development and youth empowerment, we plan to deepen our engagement with schools across the communities in which we operate. By providing students with exposure to hospitality and tourism careers, we hope to foster awareness, encourage aspiration, and help build a pipeline of future industry professionals equipped to contribute to Sri Lanka's growing tourism sector.
- Building on the success of previous initiatives, we aim to continue its collaboration with the Tea Leaf Trust in the coming year through career exposure and skills development programs. By providing practical industry insights, hands-on learning experiences, and mentorship opportunities, the initiative will help equip young people with the confidence, knowledge, and employability skills needed to pursue successful careers in the hospitality sector and beyond.
- In the coming year, we hope to expand our community health initiatives through Blood Donation Programs that encourage voluntary participation, support healthcare services, and make a meaningful contribution to saving lives.
- Looking ahead, we aspire to establish small gift shops across our properties that will serve as a marketplace for locally produced handicrafts, artwork, and specialty products. This initiative will provide selected local artists and entrepreneurs with valuable exposure to a broader audience, helping to strengthen livelihoods, encourage innovation, and support community-based economic development.
- Having successfully implemented tree-planting initiatives across multiple properties in previous years, we look forward to strengthening our environmental stewardship efforts in the year ahead. By continuing to invest in reforestation and landscape enhancement projects, we aim to promote biodiversity, support climate resilience, while fostering greater employee and community engagement in conservation efforts.

CHILD PROTECTION

During the period 1st April 2025 to 31st March 2026, Teardrop Hotels remained committed to safeguarding the rights, wellbeing, and safety of children across all areas of our operations. We recognize that the tourism industry has an important role to play in protecting children from abuse, exploitation, neglect, and any form of harm, and we maintain a zero-tolerance approach to child exploitation in all its forms.

As a responsible hospitality operator, we are committed to ensuring that our properties provide a safe environment for children, whether they are guests, visitors, members of the local community, or participants in community engagement programs. Child protection considerations are integrated into our policies and operational practices, and employees are expected to uphold the highest standards of conduct when interacting with children.

Staff members are encouraged to remain vigilant and to report any suspected incidents or concerns relating to child abuse, exploitation, trafficking, neglect, or other forms of harm. Where concerns are identified, they are escalated through the appropriate channels and, where necessary, reported to the relevant authorities in accordance with legal and ethical obligations.

We also seek to raise awareness among employees of their role in identifying and responding appropriately to potential child protection risks. Through ongoing communication and training, we aim to foster a culture of responsibility and accountability that prioritizes the safety and wellbeing of children.

Teardrop Hotels remains committed to supporting responsible tourism practices that respect and protect children's rights. We will continue to strengthen child safeguarding measures across our operations and work collaboratively with stakeholders to help ensure that the communities and destinations in which we operate remain safe environments for all children.



SUSTAINABLE PROCUREMENT

During the period 1st April 2025 to 31st March 2026, Teardrop Hotels continued to strengthen its commitment to responsible procurement practices that support environmental stewardship, social responsibility, and sustainable economic development. We recognize that the choices we make when sourcing goods and services can significantly influence our overall sustainability performance and that of our supply chain.

Our procurement activities are guided by our Sustainable Purchasing Policy SOP and checklist which encourages the selection of suppliers and products that align with our environmental and social values. Preference is given, where commercially and operationally feasible, to locally produced goods, environmentally responsible products, and suppliers that demonstrate a commitment to ethical business practices. By prioritizing local sourcing, we support Sri Lankan businesses, reduce transportation-related impacts, and contribute to local economic development.

Throughout the reporting period, we continued to maintain and review our supplier database, which includes information on supplier sustainability practices and performance. This enables us to make more informed purchasing decisions and to identify and encourage suppliers who are actively adopting responsible environmental, labour, and social standards.

Collaboration with suppliers remains an important element of our sustainability journey. During **2025-26**, we continued to communicate our sustainability expectations to suppliers and business partners, encouraging alignment with our commitments relating to environmental protection, fair labour practices, human rights, and responsible business conduct.

As we continue to develop our sustainable procurement program, our focus remains on building long-term partnerships with suppliers who share our commitment to responsible tourism and sustainable business practices. Through these efforts, we aim to create positive value not only for our business and guests, but also for the communities and environments that support our operations.

What worked well for 2025-26, and Future Plans 2026-27

- Recognizing the importance of responsible sourcing, we have made steady progress in increasing the proportion of sustainability-certified suppliers within our supply chain. While the availability of certified suppliers remains limited in most categories here on the island, we remain committed to advancing our sustainable procurement practices. In the coming year, we will continue to actively explore the market and seek opportunities to partner with suppliers who meet recognized sustainability standards, while also aligning with our quality, service, and value requirements. Through this balanced approach, we aim to further strengthen the sustainability of our supply chain without compromising the standards expected by our guests and stakeholders.

- Staff training will remain a key pillar of our responsible purchasing approach. By continuing to build awareness of sustainable procurement principles and best practices, we aim to empower our teams to make informed sourcing decisions that support both our operational objectives and broader sustainability commitments. In the coming year, we will further strengthen these efforts by prioritizing bulk purchasing where feasible to reduce packaging waste, aligning procurement more closely with guest occupancy and staff forecasts to minimize over-ordering, and working collaboratively with suppliers to reduce unnecessary packaging and promote more sustainable alternatives. Through ongoing engagement, planning, and education, we seek to embed responsible consumption practices throughout our supply chain while reducing waste and improving resource efficiency across our operations.

GUEST SATISFACTION

During the period 1st April 2025 to 31st March 2026, Teardrop Hotels remained committed to delivering authentic hospitality experiences that reflect the unique character, culture, and warmth of Sri Lanka. Understanding our guests' expectations and preferences continues to be essential in ensuring high service standards and creating memorable stays across our portfolio.

Guest feedback remains a key component of our continuous improvement process. We actively encourage guests to share their experiences through post-stay surveys, online review platforms, direct correspondence, and in-person interactions with our teams. This feedback provides valuable insights into guest satisfaction levels and helps us identify opportunities to enhance both service delivery and operational performance.

Throughout the reporting period, guest comments and satisfaction data were reviewed regularly by management teams across all properties. Where opportunities for improvement were identified, corrective actions were implemented and monitored to ensure service standards continued to meet guest expectations.

By maintaining an open dialogue with our guests and responding proactively to their feedback, we aim to strengthen guest loyalty, enhance the overall visitor experience, and support Teardrop Hotels' commitment to delivering responsible and sustainable hospitality throughout **2025-26**.

Examples of feedback from different hotels

Wallawwa
Feedback: During dinner, the guest mentioned that the A/C in his room was not cooling sufficiently. The Maintenance team checked the unit and confirmed that there was no fault; however, the guest did not wish to change rooms at that time. Later, at around 01:30 a.m., he approached Front Office again and requested a room change, stating that the A/C was still insufficient, and he was accordingly moved to Room 08. During departure, Prasad M spoke with the guest, who commented that the larger rooms require A/C units with higher cooling capacity and also mentioned that the bathroom requires renovation.
Action: The A/C unit in the original room was thoroughly checked by the Maintenance team, including its cooling performance. The A/C in Room 08 was also checked following the room move and confirmed to be functioning correctly. As the guest highlighted the cooling capacity of the larger rooms, the A/C performance in the larger room categories was reviewed and the units were serviced and adjusted where required. The bathroom in the affected room was also inspected, and the areas requiring attention were rectified. The feedback has been shared with the Front Office, Housekeeping and Maintenance teams for closer monitoring of room comfort.

Lunuganga
Feedback: The linen used on the dining tables appeared slightly discoloured and did not fully reflect the standard of the overall presentation.
Action: The dining table linen was inspected, and the discoloured pieces were immediately removed from use. Fresh, well-maintained linen has been provided, and the team has been reminded to ensure that only linen meeting the required presentation standards is used for

dining service. The condition of the linen is now being checked as part of the regular F&B and housekeeping quality checks.

Kumu Beach

Feedback: The wooden pathway at the arrival area would benefit from a fresh coat of paint or polishing. The exposed concrete wall on the left-hand side when entering the Ocean View Suite area also stood out prominently and could be softened through colour washing or the introduction of natural greenery.

Action: The wooden pathway at the arrival area has been cleaned, polished and refreshed to improve its overall appearance. The exposed concrete wall near the Ocean View Suite has also been treated and the surrounding area enhanced with greenery to create a more natural and visually appealing setting. Both areas have now been incorporated into the property's regular maintenance and landscaping checks.

Nine Skies

Feedback: The existing signboards were torn and would benefit from being replaced with larger and more visually appealing signage. Signboards are important for branding and are also relied upon by chauffeurs for directions.

Action: The damaged signboards have been replaced with larger, professionally designed and more visually appealing signage. The new signs have been positioned to provide better visibility for chauffeurs and arriving guests while also strengthening the property's overall branding and presentation.

Camellia Hills

Feedback: The rooms tend to become quite warm during both daytime and nighttime. Considering international guests, it would be worthwhile to look into improving the air conditioning.

Action: All guest rooms have now been equipped with A/C units to ensure a comfortable stay for our guests. The Maintenance team has completed the installation and checked each unit to ensure proper operation, cooling performance, airflow, and temperature control. The rooms have been monitored to ensure the A/C units are functioning effectively and maintaining a comfortable temperature for guests.

Fort Bazaar

Feedback: The Wi-Fi signal in the room was very weak.

Action: The Wi-Fi coverage in the affected room was immediately checked by the IT team. The relevant access point and network connection were tested, and the necessary adjustments were made to improve signal strength and stability. The connection was subsequently tested from within the room and confirmed to be functioning satisfactorily.

Goatfell

Feedback: The guest mentioned on the comment card that the menu choice should be improved, with at least a four-course meal plan comprising soup, salad, main course and dessert.

Action: The feedback was shared with the F&B and culinary teams, and the menu was reviewed accordingly. A four-course option comprising soup, salad, main course and dessert has been incorporated into the dining offering, with additional choices provided to give guests greater variety. The team has also been briefed to ensure guests are offered suitable menu options within their meal plan.

The table below presents guest satisfaction survey results across our portfolio for 2025-26. Overall, the results reflect consistently high levels of guest satisfaction, with strong performance across all key measures, including Net Promoter Score (NPS), service, facilities, room quality, and value for money. While these results underscore the high standards maintained across our hotels, they also highlight opportunities for further enhancement, particularly in strengthening service delivery and guest engagement at selected properties. By continuing to invest in our people, refine the guest experience, and proactively respond to feedback, we aim to further elevate satisfaction levels and reinforce our reputation for exceptional hospitality.

Guest Satisfaction Measurements for 2025-26

Total Responses: 716				Response Rate: 9.04%	
Property	Net Promoter Store	Service	Standard of Facilities	Room	Value for Money
Wallawwa	87.13	9.78	9.42	9.29	9.19
Nine Skies	84.02	9.67	9.59	9.51	9.27
Lunuganga Estate	88.19	9.34	9.17	9.12	8.93
Fort Bazaar	84.89	9.45	9.54	9.53	9.19
Kumu Beach	87.04	9.83	9.71	9.57	9.21
Goatfell	91.03	9.93	9.69	9.75	9.72
Camellia Hills	86.17	9.69	9.55	9.53	8.97

Guest feedback across the portfolio remained highly positive during the reporting period, with all seven properties achieving Net Promoter Scores (NPS) above 84, indicating strong guest loyalty and a high likelihood of recommendation. The consistently elevated scores across service, facilities, room quality, and value for money demonstrate the sustained commitment of each property to delivering exceptional hospitality experiences.

Goatfell emerged as the highest-performing property, achieving the strongest Net Promoter Score of 91.03 while also recording the highest ratings for Service (9.93), Room Quality (9.75) and Value for Money (9.72). This highlights both outstanding guest satisfaction and a remarkable ability to exceed guest expectations.

Kumu Beach and Wallawwa also recorded excellent results, particularly in service delivery, with scores of 9.83 and 9.78 respectively, reflecting the dedication and professionalism of their teams. Meanwhile, Fort Bazaar, Nine Skies, and Camellia Hills maintained consistently high ratings across all categories, demonstrating a well-balanced guest experience encompassing accommodation standards, facilities, and personalized service.

Lunuganga Estate achieved the second-highest NPS (88.19), underscoring the property's unique appeal and memorable guest experience, although opportunities remain to further enhance perceptions of value for money relative to other properties in the portfolio.

Across the collection, service scores ranged from 9.34 to 9.93 out of 10, while ratings for facilities and room quality consistently exceeded 9.1, indicating strong guest appreciation for both the physical product and the quality of hospitality delivered. Value-for-money ratings remained robust

across all properties, with scores ranging from 8.93 to 9.72, reflecting guests' recognition of the quality and experiences offered.

Overall, the results demonstrate a highly satisfied guest base, strong brand advocacy, and consistently high service standards across the portfolio. The positive feedback received provides a solid foundation for continued excellence while highlighting opportunities to further enhance value perception and elevate the guest experience even further across all properties.

Future Plans 2026-27

In the coming year, we aim to strengthen our guest feedback culture by increasing participation in guest satisfaction surveys and creating more opportunities for meaningful guest engagement throughout the guest journey. By encouraging a higher proportion of guests to share their experiences through feedback forms, we hope to gain deeper insights into guest expectations, identify opportunities for continuous improvement, and further enhance service excellence across our properties.

At the same time, we will continue to encourage team members to proactively engage with guests during their stay, fostering genuine conversations and capturing valuable real-time feedback. These personal interactions not only help us address guest needs promptly but also provide rich qualitative insights that complement formal survey responses. Through a combination of increased survey participation and meaningful on-site engagement, we aspire to strengthen guest satisfaction, build loyalty, and ensure that every stay reflects the high standards of hospitality for which our properties are known.

SIGN OFF

Please sign the below when you have read and approved the report.

Name	Title	Signature
Johanna Jameel	Group General Manager	