

THE BAY

an Vga experience

Sustainability Report 2025

1st January to 31st December 2025

Our commitment to preserving nature, empowering communities demonstrating the essence of a responsible business

Issued - February 2026

Vga SUSTAINABILITY

LET'S JOIN HANDS FOR A BETTER FUTURE

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1. INTRODUCTION

UGA Resorts were born in the ancient kingdom of Anuradhapura hidden amidst acres of greenery and lush paddy fields surrounded by several irrigation tanks and built around a historic 150 year old mansion, once home to a village chieftain. Form the very beginning of the planning process; sustainability, community, ecosystems, biodiversity and responsible business ethos were a highlight. The very first Uga property opened its doors uplifting the values and the hospitality of Sri Lanka naming 'Ulagalla' in July 2010 as a LEED Silver Certified resort.

Uga Bay was opened on 20th of October 2012 along the Pasikudah coastline in the Eastern Province of Sri Lanka. The resort was developed within a former coconut plantation and carefully designed to blend with the natural coastal landscape. Located on one of Sri Lanka's most pristine beaches, the property enjoys nearly 3 km of uninterrupted shoreline, offering a peaceful and scenic beachfront setting. Since its opening, the resort has continued to operate successfully while implementing responsible sustainability practices to minimize environmental impact and protect the surrounding ecosystem.

Can luxury and sustainability really go hand in hand? At Uga we believe so, and we make it happen. Our hotels are defined by their rich heritage, natural environment and thriving local communities, and it is our mission to preserve them for us, our communities and the generations to come.

Sustainability is considered at every level of our operations from construction of new properties to maintaining the properties in operations. We are constantly evaluating how we can surpass our environmental goals, working diligently to ensure that our hotels follow the Global Sustainable Tourism Council (GSTC) guidelines, playing an active role in achieving United Nations Sustainable Development Goals (UNSDG).

This report contains information about Uga Bay's Sustainability performance in 2025. This report shows the progress that has been made towards our sustainability goals. The report has been prepared following the Travelife/GTSC Sustainability standards, GRI reporting guidelines and integrates the recommendations from external sustainability consultants and auditors.

Through the information shared in this document we invite all our stakeholders to assist us in establishing our goals towards a sustainable operations and minimise the environmental and social impacts our operation result. We value your participation as well as sharing your ideas or suggestions whenever possible.



This report has been produced to inform our stakeholders about the long-term strategy, goals, initiatives and performance relating to sustainability activities of our hotels. In addition, this report shows the progress made towards our goals and the information and data are presented to the best of our ability and highest accuracy.

MESSAGE FROM THE DEPUTY CHAIRMAN



Priyanjith Weerasooria
Deputy Chairman

At Uga, we recognize that the success of our business is inseparable from our ability to operate and grow sustainably. As one of Sri Lanka's most sought-after hotel companies, we carry a deep responsibility to protect our communities, preserve our environment, and safeguard the natural beauty that makes our island so unique. As a company, and as an industry, we must rise to this challenge to ensure that Sri Lanka remains authentic and beautiful for generations of travelers to come.

The tourism industry in Sri Lanka continued its growth in 2025, steadily recovering from the economic changes and the devastating weather events in November. Throughout this period, Uga remained firmly committed to our sustainability goals. Even in times of uncertainty, our dedication to responsible tourism never wavered.

I am truly inspired by our team and immensely proud of all that we accomplished in 2025. Our collective efforts have strengthened our impact and reinforced our position as a leader in sustainable travel. I am confident that we will continue to lead the way in responsible tourism in Sri Lanka, setting new standards for our industry. I extend my heartfelt thanks to every member of our team and wish you all the very best as we continue this important journey together.

MESSAGE FROM THE DIRECTOR/CEO



Ramli Ghaffoor
Director/CEO

At Uga, our journey has always been guided by a deep respect for place—its landscapes, its heritage, and its people. This year's sustainability report reflects a continued commitment in driving responsible business with enhanced sustainability management.

Over the past year, we have taken measured steps to reduce our environmental footprint, protect the ecosystems that surround us, and support the communities whose traditions and livelihoods enrich the experiences we offer. From mindful resource use and waste reduction to sourcing locally and nurturing community partnerships. We remain committed to measuring our impact with clarity and transparency, recognizing that stewardship is an ongoing responsibility rather than a final achievement.

As we look ahead, we will continue to pursue thoughtful, refined growth—ensuring that our presence enhances, rather than compromises, the integrity of the environments and communities we are privileged to be part of. I extend my sincere gratitude to our guests, colleagues, partners, and local communities for sharing in this journey with us.

MESSAGE FROM THE GENERAL MANAGER



Neranjan Morais
General Manager
Uga Bay

At Uga Bay Resort, sustainability is more than a promise — it is a daily practice embedded in every operation. Over the past year, we have significantly reduced our environmental footprint by minimizing the waste generation through responsible procurement and improved waste segregation. Regular beach clean-ups and continuous staff training programs have strengthened a culture of environmental awareness across our team.

Our commitment extends to the local community. We recently completed new restroom facilities for a nearby school and are currently building a fully equipped science classroom to support students' education and future opportunities.

A dedicated Sustainability executive now oversees data collection and monitoring, ensuring accurate records, improved control measures, and transparent reporting. We are proud to maintain one of the highest ratios of local staff employment at Uga Bay, prioritizing local talent. Additionally, most seafood and fresh produce are sourced from local markets, supporting livelihoods while reducing our carbon footprint.

2. OUR RESORT



Uga Bay is located on a 9-acre property amidst coconut groves along a pristine 3-kilometre private beach in Paasikudah, within the Batticaloa District of Sri Lanka's Eastern Province.

The resort features 48 spacious rooms designed to blend comfort with coastal elegance. Renowned for its calm and picturesque coastline, Uga Bay offers refined signature dining experiences, an underground spa with authentic Balinese treatments, and a range of beachside water sports and leisure activities. Surrounded by golden sands and vibrant coral reefs rich in marine life.

2.1 Accommodation

The resort comprises 22 upper-floor rooms featuring private balconies with breathtaking views, and 22 ground-floor rooms offering direct access to the golden shores of Pasikudah through a landscaped garden pathway. In addition, the resort features the Bay Suite, an intimate and elegantly appointed space. The exclusive Beach Villa further enhances the accommodation offering, complete with a private open-air plunge pool, expansive terrace, outdoor bar, two upstairs bedrooms, and a spacious ground-floor living area, ensuring enhanced privacy and luxury for guests.



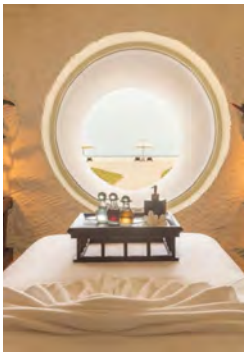
2.2 Food and Beverage

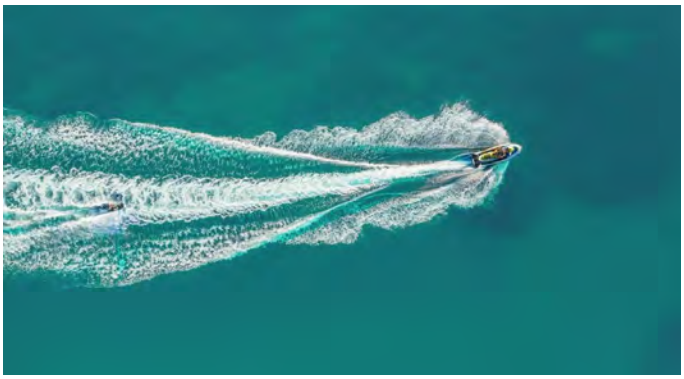




Uga Bay offers an exceptional culinary journey, featuring both Sri Lankan and international cuisines crafted to deliver refined luxury dining experiences. Our signature restaurant, overlooking the infinity pool and the Indian Ocean, presents an extensive selection of menu choices. Our skilled culinary team artfully blends the freshest seafood sourced from the pristine waters of Pasikudah with the finest locally grown produce, creating dishes that celebrate authentic island heritage alongside global flavours. The Main Bar overlooks the resort's tropical gardens, offering a serene and intimate ambiance, while the Beach Bar presents two distinctive drinking and dining experiences set against the scenic coastline of Pasikudah. Guests are offered the option of an exclusive beachfront sand table dining experience, as well as in-room dining services that allow for a personalized culinary experience within the comfort of their room, private terrace, or balcony.

2.3 Activities and Excursions





Uga Bay's location offers guests convenient access to some of Sri Lanka's most significant cultural and natural attractions. Within a day's visit are the UNESCO World Heritage Sites of Sigiriya, Polonnaruwa, and Dambulla, showcasing the island's rich history and architectural heritage. Wildlife experiences are equally accessible, with Minneriya National Park and Kaudulla National Park offering opportunities to witness large herds of Asian elephants in their natural habitat.

Pasikudah's vibrant coral reefs, historic WWII shipwrecks, and diverse marine life make it ideal for seasonal snorkeling (May–October) and diving. The bay's calm, shallow waters also support leisure water sports such as swimming, kayaking, sailing, and diving.

A short drive from the resort lies Batticaloa, a historic coastal town bordered by the Batticaloa Lagoon. Points of interest include the Batticaloa Dutch Fort, lagoon boat excursions, and visits to the local main market. Approximately 20 minutes away is Kalkudah Bay, a tranquil, palm-fringed beach largely untouched by commercial development, where guests may observe traditional beach seining practiced by local fishing communities.

Additional guest experiences include ocean adventures such as coral snorkeling (seasonal), water sports and sailing, rural village bicycle rides, and hands-on Sri Lankan cookery classes designed to introduce guests to authentic local cuisine.

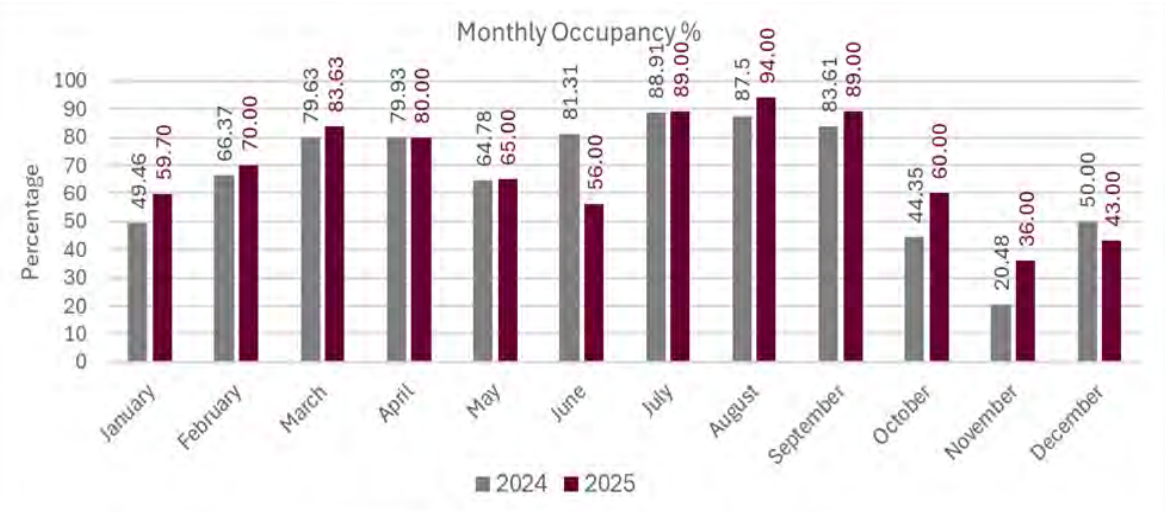
3. MARKET AND BUSINESS PERFORMANCE SUMMARY

3.1 Occupancy Data

The 2024 and 2025 operational year for Uga Bay Resort was defined by a strategic balance between steady guest service and long-term infrastructure investment. While total room nights show a moderate increase in 2025, indicating slightly improved occupancy levels, guest nights remained almost consistent with a marginal decline. Overall, the resort maintained steady occupancy performance with a positive trend in room utilization.

METRIC	2024	2025
Total Number of Room Nights	11,647	11,848
Total Number of Guest Nights	24,907	24,847

Prior to this closure, the resort showed strong resilience, particularly during the peak months of July and August in 2025, where guest nights reached their highest volumes for the year at 2,871 and 3,215 respectively. Although July, August, and September performed strongly in 2025 (with August reaching 94%), the significant drop in June 2025 (56%) reduced the overall peak-season average compared to 2024. The resort continued to meet its core efficiency targets, setting a strong foundation for increased capacity and improved performance in 2026.



The analysis of Top Performing Nationalities reveals a diverse international guest profile, with European markets serving as the primary driver of resort occupancy.

Germany stands as the leading source market, contributing a substantial 28% of total guests, followed by the United Kingdom (15%) and Russia (10%). Domestic tourism also remains a vital pillar of our business.

Simultaneously, the strong 14% contribution from Sri Lankan guests highlights our commitment to fostering domestic tourism and local economic resilience making Jungle Beach remains as a sustainable destination for travelers from across the globe.



3.3 Average nights spent by each guest

This summary details the guest activity and occupancy trends for the 2025 reporting period. Throughout the year, the resort experienced its highest operational volume in July with 1390 total occupancy nights and 379 arrival rooms, while the longest average length of stays occurred in March at 5.45 during the reporting period, indicating that guests stayed at the property for an average of just five nights per booking concluding the annual cycle with an average stay duration of 3.95 nights.

Month	Total Room Nights	Arrival rooms	Average Length of Stay (ALOS)
January	980	205	4.78
February	946	183	5.16
March	1221	224	5.45
April	1158	255	4.54
May	993	241	4.12
June	808	365	2.21
July	1326	379	3.50
August	1390	338	4.11
September	1287	265	4.86
October	896	260	3.45
November	520	130	4.00
December	645	200	3.23

4. SUSTAINABILITY GOVERNANCE

At Uga our business activities release emissions into the air, consume fresh water, generate wastewater and waste. In addition, we use materials that can adversely affect the environment if not handled properly. We aim to minimize our impact on the environment and have developed strategies to improve our environmental performance. This includes making the most efficient use of increasingly depleting scarce resources.

4.1 Operational Standards

Minimizing negative environmental impacts and taking meaningful climate action require a holistic approach while also constantly monitoring practices and performance. Our goal is to decouple business growth from negative environmental impacts wherever possible.

Our approach to environmental management and responsible business operations is founded on our Sustainability Policy, which has been approved by our Executive Board. Aligned with the requirements of the Sri Lankan Government Law, Sri Lanka Tourist Boards standards, Travel life certification criteria, this policy underscores our leaders' responsibility for environmental protection and health and safety.

Internal guidelines, standards and standard operating procedures define how we put the principles of our Sustainability Policy in to practice, structure our environmental protection efforts and implement occupational safety Group wide.

In addition, we have in place a number of further internal environmental protection standards such as our Air Emissions Standard, Waste Management Standard, Sustainable Water Management Standards, and Energy Management Standards.

Our annual policy review supports continual process improvement and adherence to our environmental and sustainability objectives in accordance with internal and external best practices and targets. We are committed in sharing our best practices with our staff, guest and other stakeholder and join them with our sustainability practices where possible.

4.2 Roles and Responsibilities

The Deputy chairman, CEO and the Executive Committee of our company is responsible for environmental protection, which also covers climate action, water management, waste management and recycling, air emissions, biodiversity, and safety aspects.

The Head of Sustainability and ESG holds overarching responsibility for managing environmental and social aspects across all Uga properties. This role is responsible for steering Group wide strategy and ensuring all resorts operations align with our environmental and social goals.

At the operational level, Sustainability and Compliance Executives are stationed at each of our four main resorts. They oversee daily compliance, monitoring, and the implementation of site specific initiatives.

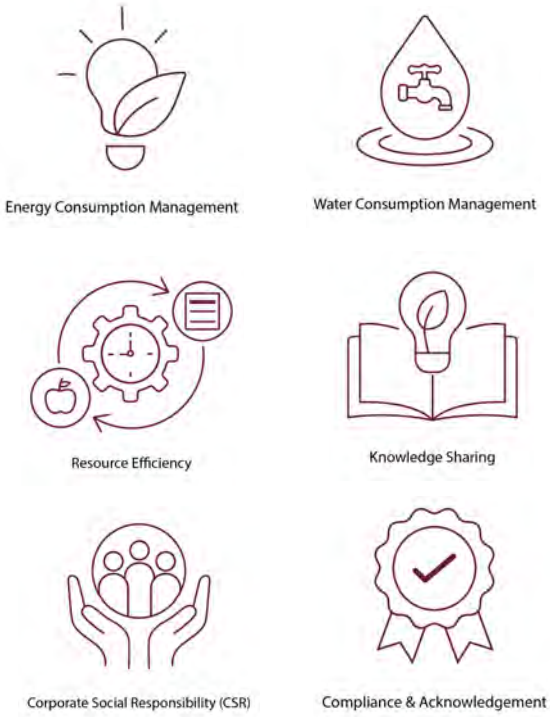
To ensure continuous improvement, each resort maintains a Sustainability Committee chaired by the Resort Manager. This committee meets monthly to discuss performance, finalize strategic decisions, and coordinate Corporate Social Responsibility (CSR) activities. The committee provide a direct feedback loop between resort level operations and the Head of Sustainability and ESG, ensuring our policies are effectively translated into action.



4.3 Sustainability Objectives

At Uga, we firmly believe we are accountable for our part in protecting the environment, managing our operations in a sustainable manner being accountable for the resource consumption, energy usage, water usage, waste generation and the impact these can have on our environment. Focusing a steady commitment and performance, we implemented 6 objectives for our sustainability operations. Namely;

1. Energy Consumption Management
2. Water Consumption Management
3. Resource Efficiency
4. Corporate Social Responsibilities (CSR)
5. Knowledge Sharing
6. Compliance and Acknowledgment



5. ENVIRONMET

5.1 Energy - *GRI 103*

Energy is a critical resource that powers every aspect of the guest experience at Uga Resorts, from climate control, lighting, water heating and culinary operations. However, we recognize that energy consumption is also our primary source of operational greenhouse gas emissions and a significant driver of our environmental footprint. In alignment with ***GRI 103***, we view energy management not merely as an operational cost, but as a core pillar of our commitment to climate action. By prioritizing energy efficiency and transitioning toward renewable sources, we aim to mitigate our contribution to climate change, ensure long-term business resilience, and meet the growing expectations of our guests and stakeholders for responsible, low-carbon hospitality.

5.1.2 Total Energy Consumption Analysis - *GRI 302*

The total energy consumption (kWh) is calculated by converting all energy sources used into kilowatt-hours. In 2024, total energy consumption was 1,451,553.13 kWh, while in 2025 it decreased to 1,319,423.57 kWh in accordance with ***GRI 302: Energy*** reporting requirements. .

This represents a reduction of 132,129.56 kWh, equivalent to a 9.1 % decrease in total energy consumption compared to 2024. The total energy consumption per occupied room night and per guest night is presented in the table below.

METRIC	UNIT	2024	2025	% OF CHANGE
Total Energy Consumption	kWh	1,451,553.13	1,319,423.57	▼ -9.10
Per Room Night Total Energy Consumption	kWh	124.63	111.36	▼ -10.65
Per Guest Night Total Energy Consumption	kWh	58.28	53.10	▼ -8.89

5.1.3 Energy Consumption Analysis - by energy type - *GRI 302-1, GRI 302-3*

Our energy profile consists of grid electricity, diesel, petrol, and liquefied petroleum gas (LPG). All energy sources are converted into kilowatt-hours (kWh) for consolidated reporting under ***GRI 302-1: Energy consumption within the organization***.

During the reporting year, an online energy monitoring system was introduced to track consumption across all energy sources in alignment with internationally recognized measurement and reporting standards. This system enhances data accuracy, enables real-time performance tracking, and strengthens internal energy management practices.

In accordance with ***GRI 302-3: Energy intensity***, the organization measures energy intensity using the kWh per Guest Night metric. This approach ensures that energy performance is assessed independently of occupancy fluctuations and allows for consistent year-on-year comparability. The selected intensity metric reflects the operational nature of the business and supports transparent performance benchmarking.

ENERGY SOURCE	2024	2025	CHANGE %
Grid Electricity (kWh)	886,941.00	832,034.00	▼ -6.19%
Diesel (kWh)	149,097.89	120,258.59	▼ -19.34%
Gasoline (kWh)	3,094.00	2,293.20	▼ -25.88%
LPG (kWh)	253,203.69	243,654.50	▼ -3.77%
Other (kWh)	3,610.43	5,137.07	▲ 42.28%
Renewable (kWh)	155,606.12	116,046.20	▼ -25.42%
TOTAL RESORT ENERGY SOURCED (kWh)	**1,451,553.13**	**1,319,423.57**	▼ -9.10%

The energy performance results demonstrate Uga Bay 's continued transition toward a leaner energy profile under its Energy Efficiency Strategy. In 2025, the resort achieved a **9.10 % reduction** in total energy consumption, in line with ***GRI 302-4: Reduction of energy consumption***, reflecting measurable progress in operational efficiency and structured energy management.

The reduction was primarily driven by a significant decrease in grid electricity consumption, alongside a **3.77 % reduction in liquefied petroleum gas (LPG)** usage and a **19.34 % reduction in diesel** consumption. These reductions were achieved through the implementation of standardized energy-saving operational guidelines and efficiency initiatives, including mandated temperature set points for HVAC systems, improved monitoring through an online energy management platform, and targeted technical upgrades such as motion sensors to reduce unnecessary electrical load.

While renewable energy generation declined during the reporting period, the overall reduction in total energy demand strengthens the resort's decarbonization pathway. Lower base load requirements increase the proportional contribution of on-site solar photovoltaic and solar thermal systems to overall consumption, supporting improved renewable energy integration and long-term carbon intensity reduction.



5.1.4 Renewable Energy

The integration of both solar PV and solar thermal technologies strengthens the organization's renewable energy portfolio and contributes to improved performance under ***GRI 302-1 (Energy consumption within the organization)*** and ***GRI 302-4 (Reduction of energy consumption)***.

5.1.4.1 Solar Photovoltaic (PV) Systems:

On-site solar panel installations generate direct renewable electricity to support operational energy demand. The electricity is connected with the national grid via a net metering system.

5.1.4.2 Solar Thermal Systems:

Solar water heating systems are utilized to generate hot water for guest rooms and operational areas. By harnessing solar energy for thermal applications, these systems significantly reduce the electrical load associated with water heating, thereby decreasing overall energy consumption and improving energy intensity performance.

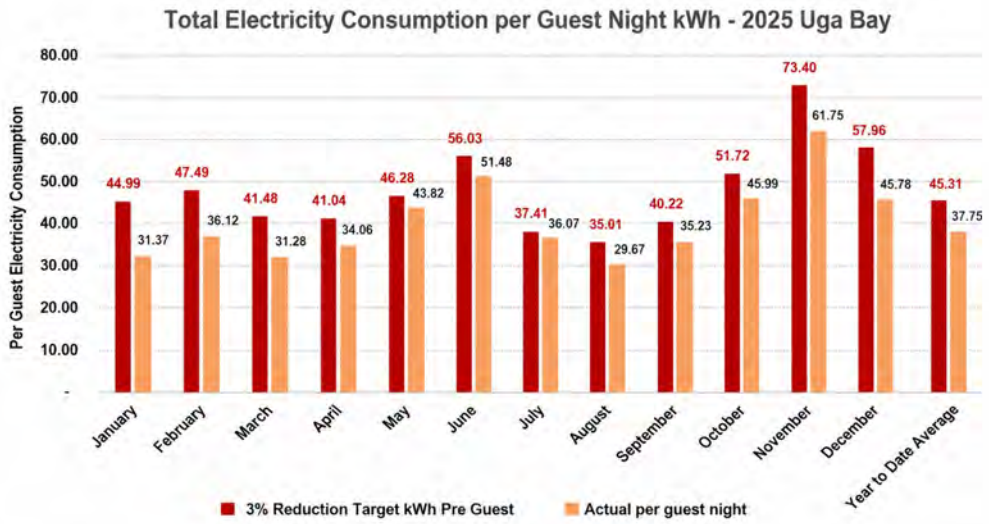
INDICATOR	2024	2025	CHANGE
Total Solar Energy Generation (kWh)	155,606.12	116,046.20	-25.42%
Share of Renewable Energy in Total Electricity Usage	15%	12%	-17.99%
Share of Renewable Energy in Total Energy Mix	11%	9%	-17.95%

5.1.5 Electricity Monitoring and Verifica-

At Uga Resorts, accountability in energy management is embedded within our Key Sustainability Performance Indicators (KSPI) system — a robust, data-driven framework designed to monitor electricity efficiency across our entire portfolio.

The KSPI system enables us to benchmark our performance against international hospitality standards while identifying targeted opportunities for operational optimization. These indicators are rigorously reviewed during our monthly management audits to evaluate the effectiveness of our energy-saving initiatives and operational controls.

In alignment with ***GRI 302-3 (Energy intensity)*** and ***GRI 302-4 (Reduction of energy consumption)***, Uga Resorts has established **2024 as the base year** for energy performance measurement. Based on this baseline, the organization has set a **3% annual reduction target in electricity consumption for 2025**, measured against normalized operational indicators to ensure comparability across properties.



For the 2025 reporting period, the resort achieved a year to date average of 37.75 kWh per guest night, successfully surpassing our established 3% reduction target of 45.31 kWh.

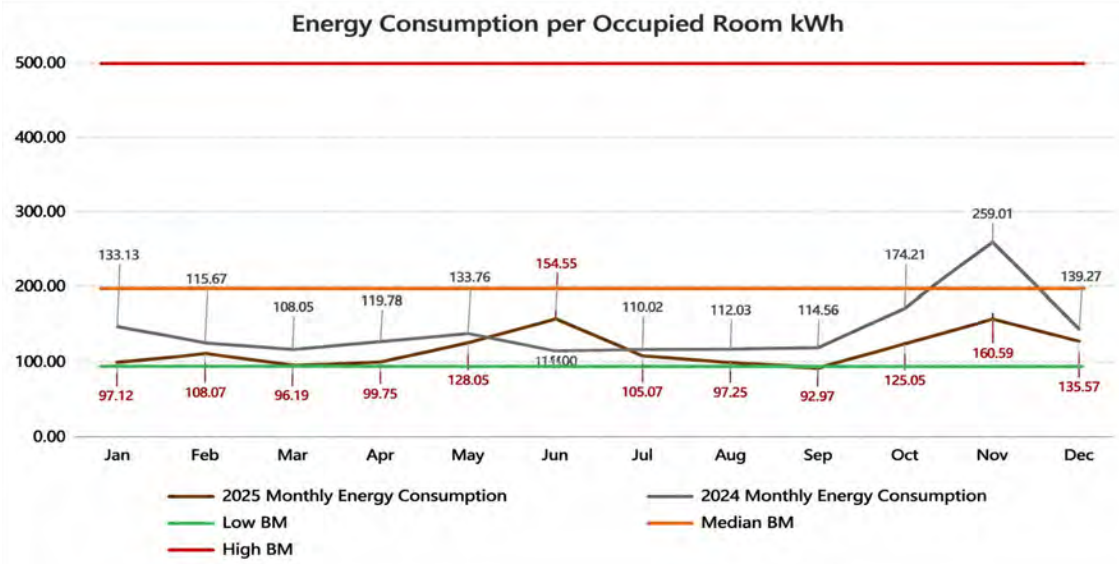
From January to December, the resort maintained energy consumption per guest night below the 3% reduction target, reflecting steady progress in energy efficiency. While a few months recorded values closer to the target threshold, overall performance remained consistent, demonstrating effective energy management practices. This reflects the effectiveness of the resort's energy management practices, including regular monitoring of consumption patterns and the implementation of operational efficiency measures. Continued tracking of energy use and the introduction of further efficiency initiatives will support sustained improvements and strengthen the resort's overall environmental performance in the coming years.

To evaluate energy performance against internationally recognized hospitality benchmarks, Uga Bay utilizes the **Cornell Hotel Sustainability Benchmarking (CHSB) Index**, developed by the Cornell University School of Hotel Administration. The CHSB Index provides comparative energy consumption metrics across global hotel portfolios, enabling standardized performance assessment.

(CHSB) Cornell Hotel SUSTAINABILITY BENCHMARKING INDEX

For the reporting year, Uga Bay's energy intensity performance was positioned between the median and low benchmark thresholds within the CHSB Index. This placement indicates that the property performs above the global median and aligns with leading energy-efficient hospitality operators.

All reported energy data is consolidated and verified through monthly records maintained within the organization's centralized sustainability management system. Data validation procedures include cross-verification against utility invoices and internal operational logs to ensure accuracy, consistency, and reliability of disclosures.



5.1.6 Energy Mix Comparison - *GRI 302-1*

Following table presents a year-on-year comparison of the organization's energy mix for the 2024 and 2025 reporting periods.

Although the total energy footprint decreased in 2025, the proportional contribution of grid electricity and Liquefied Petroleum Gas (LPG) increased compared to the previous year. This shift indicates a relatively higher dependence on grid-supplied electricity for primary operations and Liquefied Petroleum Gas (LPG) for particularly within kitchen and laundry functions during the reporting period.

Conversely, the share of diesel, gasoline in the overall energy mix declined in 2025. This reduction is attributable to improved operational efficiencies, where process optimization and enhanced energy management practices contributed to lower diesel consumption.

ENERGY SOURCE	2024 %	2025 %	CHANGE %
Grid Electricity	61.10%	63.06%	+3.20%
Diesel	10.27%	9.11%	-11.27%
Gasoline	0.21%	0.17%	-18.46%
LPG	17.44%	18.47%	+5.87%
Other	0.25%	0.39%	+56.53%
Renewable	10.72%	8.80%	-17.95%

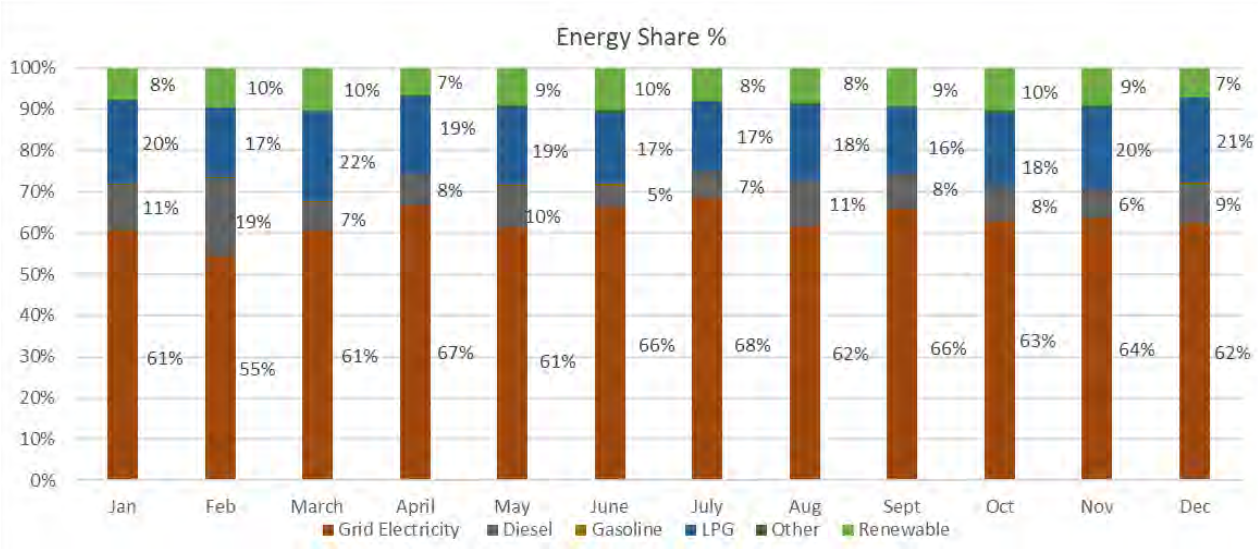
The monthly breakdown of Uga Bay Resorts' energy composition for 2025, illustrate the organization's progress in managing its energy share.

Grid electricity consistently represents the largest portion of the resort's energy profile. The resort's "Energy Efficiency" strategy is reflected in the integration of renewable energy, significantly contributing to the mitigation of greenhouse gas emissions.

Fluctuations in the use of diesel and LPG underscore the importance of our standardized operational guidelines in stabilizing demand across varying occupancy levels. In 2025, resort showed an average 9% of reliance on renewable source, the data identifies critical seasonal opportunities to expand our solar photovoltaic and thermal systems to meet a higher proportion of the resort's total base load throughout the year.

Building on this success, we anticipate that the recent renovations will further enhance our operational performance in 2026 by integrating more efficient fixtures and optimized systems during the refurbishment.

Uga Bay Resort is well-positioned to drive even greater reductions in energy intensity, ensuring that our infrastructure supports our long-term goal of a leaner, more sustainable energy profile.



5.2 Water

Water plays a key role in our hotel operations, supporting both our guest and employee needs. It is essential for consumption, hygiene, and food preparation in our kitchens. Additionally water is integral to various guest services, including laundry facilities and the swimming pools. Our landscaping and garden maintenance also require water for irrigation purposes.

5.2.1 Water Sources - *GRI 303-3*

The main source of water for the resort is grid water, which is treated water supplied by the Sri Lanka Tourism Development Authority (SLTDA). Therefore, the resort does not operate a separate water purification plant. By the end of 2025, water sub-meters had been installed in most areas of the resort to enable continuous monitoring of water consumption across different sections of the property.

Drinking water is supplied by an externally verified supplier for staff consumption and is also used to operate the resort's water bottling plant. The bottled water produced is provided to guests.

WATER SOURCE	2024 (m^3)	2025 (m^3)	CHANGE %
Surface Water	-	-	-
Groundwater (RO Out put)	-	-	-
Grid water (From SLTDA)	15,739.00	18,203.00	↑ 15.56%
Drinking water (From Local Suppliers)	134.80	128.54	↓ -4.64%
Rain water & other Sources	-	-	-
Reused Water	-	-	-
Total	15,873.80	18,331.54	↑ 15.48%

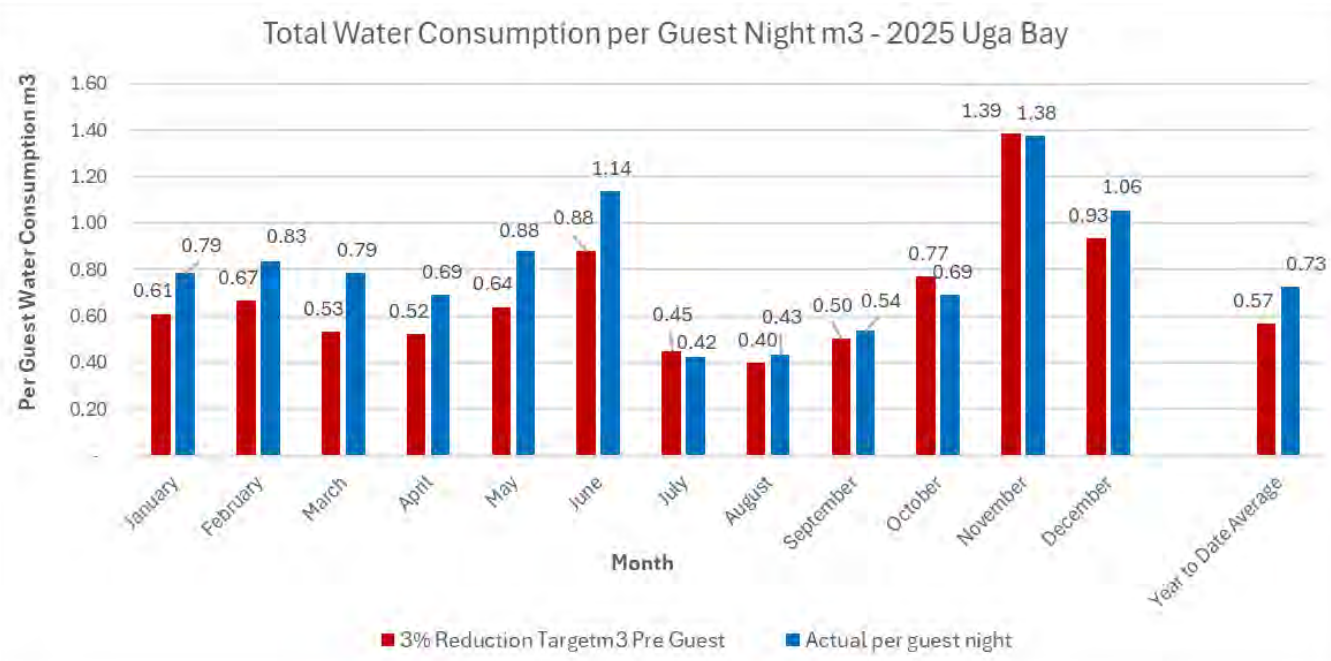
The total water consumption increased by 15.48% in 2025 compared with the previous year. The table below presents water consumption intensity metrics, calculated on a per occupied room night and per guest night basis, to provide a normalized comparison of performance:

	2024 (m^3)	2025 (m^3)	Change %
Per Room Night Total Water Consumption	1.36	1.55	13.52
Per Guest Night Total Water Consumption	1.31	1.56	18.50

5.2.2 Water Consumption Monitoring and Verification - *GRI 303-3, GRI 303-5*

Total water consumption, along with section-wise usage, is systematically measured and recorded through the KSPI platform. This integrated system enables us to benchmark performance against internal standards and international hospitality benchmarks, while identifying targeted opportunities for operational optimization and efficiency improvements.

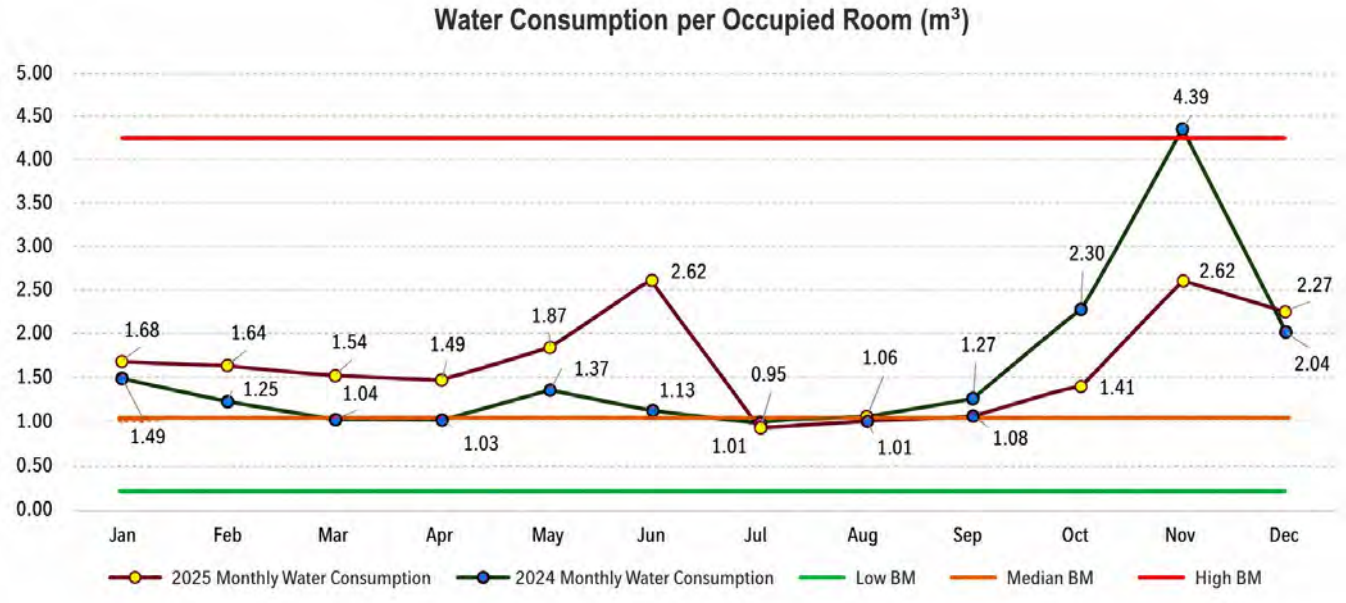
Uga Resorts has designated 2024 as the base year for measuring water consumption performance. Based on this baseline, the organization has established a 3% annual reduction target for 2025. Progress is assessed using normalized operational indicators to ensure accurate comparability across properties and alignment with the requirements of Global Reporting Initiative (GRI) Standard ***303: Water and Effluents 2018, particularly GRI 303-3 (Water Withdrawal) and GRI 303-5 (Water Consumption)***.



For the 2025 reporting period, the resort recorded a year-to-date average water consumption of 0.73 m³ per guest night, which did not meet the established 3% reduction target of 0.57 m³ per guest night

While most months recorded a noticeable increase in per-guest water consumption, July, October, and November showed a significant reduction. The improved performance during these months helped balance the earlier increases and contributed to achieving the overall annual water consumption reduction target.

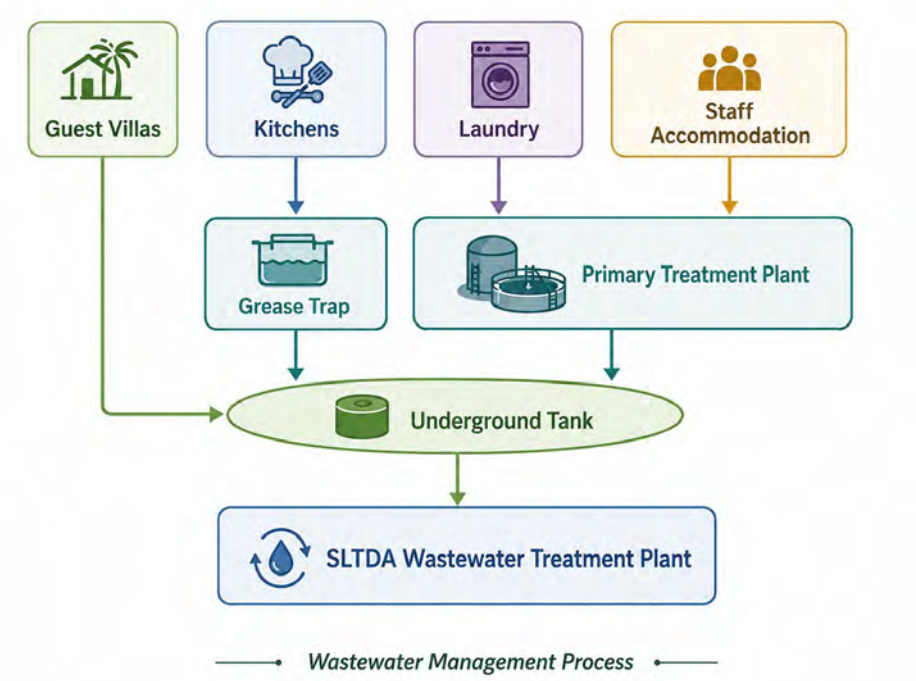
As per the Cornell Hotel Sustainability Benchmark (CHSB), Uga Bay's water intensity performance was positioned between the median and upper benchmark thresholds within the CHSB Index in majority of the months. This placement indicates that the property performs above the global median and aligns with leading water-efficient hospitality operators.



5.2.3 Wastewater Management - *GRI 303-4*

The primary water treatment plant treats wastewater generated from staff accommodation facilities, including both blackwater and greywater, as well as effluent from laundry operations. In the plant, the wastewater is well aerated to control chemical oxygen demand (COD) and maintain adequate dissolved oxygen levels.

The treated water from this plant is then combined with wastewater generated from kitchen operations and guest accommodation and directed to an underground tank. From this tank, the wastewater is pumped to the external treatment plant operated by the Sri Lanka Tourism Development Authority (SLTDA) for further treatment.





By the end of 2025, the resort installed sub-water meters to monitor the volume of wastewater treated by the primary treatment plant and the wastewater discharged to the SLTDA wastewater treatment facility. These meters also help track the total wastewater generated from overall resort operations and support the calculation of treatment fees paid to the authority.

This initiative improves data accuracy, transparency, and environmental performance monitoring by enabling systematic measurement of wastewater generation and treated effluent volumes. It also supports more effective reporting under ***GRI 303: Water and Effluents*** while strengthening the resort's overall water stewardship practices.

The treated effluent is regularly monitored to ensure compliance with applicable environment regulations and discharge standards. Key water quality parameters monitored include Biochemical Oxygen Demand (BOD), Chemical Oxygen Demand (COD) and residual chlorine.

This systematic monitoring approach enables effective control of effluent quality and ensures that treated wastewater meets regulatory requirements prior to discharge. Compliance is further reinforced through annual monitoring and inspections conducted by the Central Environmental Authority (CEA), confirming adherence to national environmental standards.

5.3 Waste Management

Waste generated from our operations comprises both non-hazardous and hazardous waste streams. These arise from routine resort activities, including accommodation services, food and beverage operations, maintenance activities, and administrative functions.



Our waste management approach is guided by the waste hierarchy, prioritizing prevention, reduction, reuse, and responsible disposal. Emphasis is placed on minimizing waste generation at source, improving segregation practices, and promoting continuous monitoring to enhance overall waste performance.

Our waste management framework includes the following key objectives;

1. Separation of the waste at the origin
2. Prevention of the waste generation
3. Responsible waste recycling
4. Waste Recovery from landfills
5. Aim zero waste culture
6. Waste data and annual waste audit

5.4.1 Waste Generation and Composition - *GRI 306-3: Waste Generated*

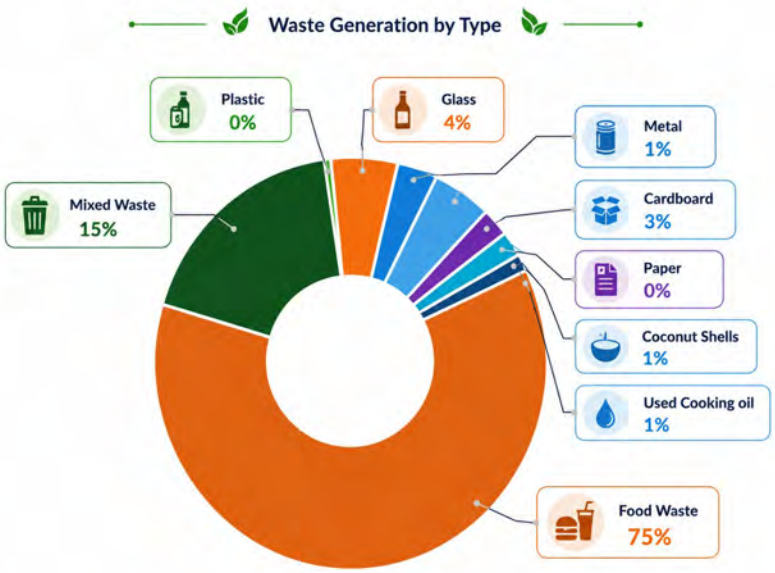
During the reporting year 2025 a total of 97,934 kg of waste was generated resulting 8.27 kg of waste per occupied room night and 3.94 kg per guest night. Percentage of change from the previous year can not be calculated as a complete and verified waste data was not available for 2024. The resort is strengthening its data collection and monitoring systems to enable year-on-year performance analysis in future reporting cycles.

METRIC	2024 (kg)	2025 (kg)	CHANGE %
Total Waste Generation	-	97,934.65	-
Per Room Night Waste Generation	-	8.27	-
Per Guest Night Waste Generation	-	3.94	-

Out of the total waste generated, food waste accounted for 75% and mixed waste accounted for 15%.

Form the remaining 10% accounted for recyclable waste. Within the recyclable waste stream, glass, coconut shells, metals and cardboard accounted for the largest proportion by weight.

Food waste represents the most significant waste stream and remains a key focus area for reduction initiatives, improved segregation practices, and enhanced resource recovery efforts.



5.4 Waste Disposal - *GRI 306-4: Waste Diverted from Disposal, GRI 306-5: Waste Directed to Disposal*

From the total waste generated 1% of the waste was reused (externally), and 9% of was waste was recyclable.



All recyclable waste was handed over to registered recyclable waste collectors, ensuring responsible downstream processing and compliance with applicable waste management regulations.

Despite establishing a sustainability KPI to maintain landfill waste at or below 20% of total waste generated, this target was not achieved during the reporting year. The primary reason for this shortfall was the discontinuation of food waste collection by a local collector who previously repurposed food waste as farm feed. As a result, a significant portion of food waste had to be diverted to landfill.

This operational challenge highlights the resort's dependency on external waste management infrastructure and underscores the need to explore alternative food waste treatment solutions, such as on-site composting or partnerships with multiple organic waste processors, to improve diversion rates and strengthen resilience in waste management practices.

6. EMPLOYEES



6.1 Career with us

At Uga Bay, we believe our people are at the heart of our success. Joining our team is a significant milestone in one's career, as Uga offers a unique opportunity to experience and deliver the true essence of the authentic hospitality for which Sri Lanka is renowned.

We provide rare opportunities for team members to engage with luxury service standards that are seamlessly connected to local traditions, arts, culture, authentic cuisine, and responsible business practices.

Uga is not just a workplace—it is a holistic environment that brings together profession, teamwork, genuine hospitality, and continuous career development.

6.2 Hiring Process - *GRI 401-1*



We are committed to responsible employment practices, secure jobs, inclusivity, and empowering the communities around us.

We prioritise local recruitment to enhance livelihoods and reduce commuting-related carbon emissions, while ensuring equal opportunities and promoting gender equality. Our recruitment processes are fair and transparent, with all employment entered into voluntarily and with respect for personal dignity.

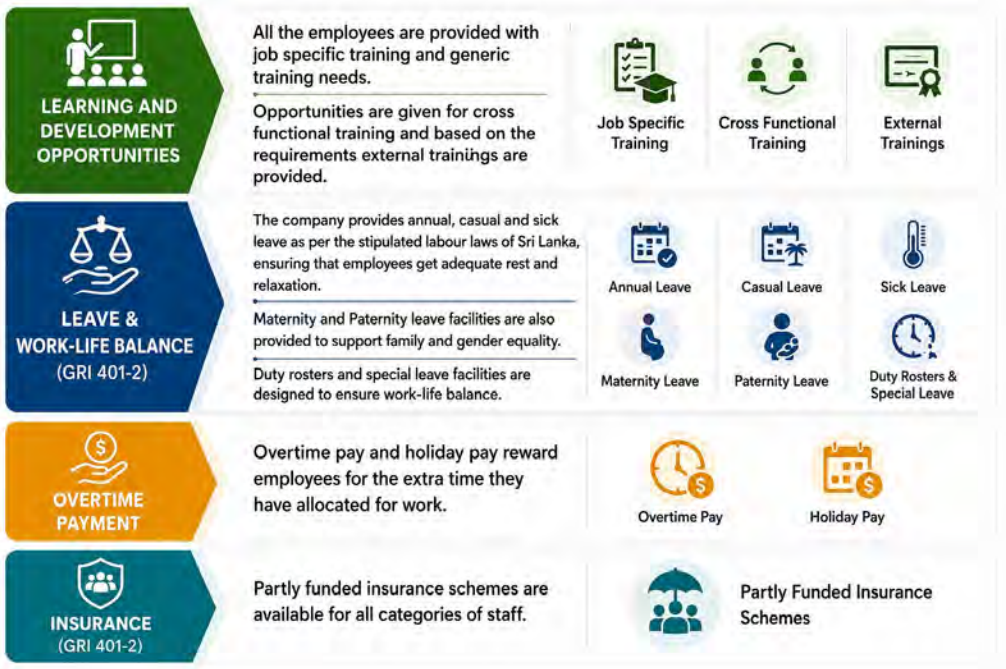
We provide written contracts, fair wages in line with national labour laws, reasonable working hours, adequate rest, and safe working conditions. Female employees are supported through non-discriminatory practices and necessary workplace protections.

Through continuous training and development initiatives, we invest in our people, enabling them to grow professionally while contributing to the long-term success of our organisation.

6.3 Employee Benefits - *GRI 401 Employment - 2016*

Uga Bay is committed to providing fair, inclusive and competitive employee benefits that support the well-being, safety and professional development of our workforce. The following benefits are provided to the employees as per labor rules and organizational policies:





6.4 Corporate Culture



Our corporate culture is built on respect, integrity, and shared responsibility. We foster a workplace that values teamwork, accountability, and continuous improvement, recognizing that our people are central to delivering exceptional guest experiences while upholding our sustainability commitments.

We promote an inclusive and supportive environment where employees are encouraged to share ideas, develop their skills, and take ownership of their roles. Open communication and cross-department collaboration are key to maintaining transparency and mutual respect.

Our culture is guided by Uga's Sustainability Value System — the 3Ws: Water, Wildlife, and Women — which drives responsible environmental practices, community engagement, and value-based decision-making, ensuring alignment between our people and our long-term sustainability goals.

6.5 Labour Practices and Standards

Uga Bay only engages employees who have voluntarily offered their services, and all employees were recruited through ethical means and within the legal age. None of the employee is required to pay any fee for recruitment, surrender any personal or identity documents, or be subject to any coercion, threat, intimidation, or any form of duress to work.

The terms and conditions of the contract of employment, including the scope of work, remuneration, working hours, and notice period, is communicated to the employees in writing before the commencement of duties. An employee can leave their jobs in accordance with the terms and conditions of the contract of employment and the applicable labour law at anytime.

Knowledge of labour rights and organisational policies is disseminated through employee orientation and employee communication structures. Employees are encouraged to express grievances and/or concerns through established structures without fear of retaliation. During the reporting period, there were no grievances reported.

The organisation requires suppliers and service providers to adhere to relevant labour laws and ethical practices, such as the prohibition of forced or compulsory labour and legal age.

6.6 Human Rights

Respect for human rights is a fundamental value embedded in our business practices and core principles. We are committed to fostering an environment where human rights are effectively upheld and where every individual is treated with dignity, fairness, and respect.

Our Human Rights Policy applies to all employees, contractors, and relevant stakeholders. It promotes a workplace free from discrimination, sexual harassment, and unethical labour practices, while ensuring full compliance with national labour laws, recognised international human rights standards, and the principles outlined in the Global Reporting Initiative (GRI) Standards.

6.6.1 Non-discrimination – *GRI 406 Non-Discrimination 2016*

Uga Bay follows a zero-tolerance policy towards any kind of discrimination in the work environment. Equal opportunity in every aspect related to employment is provided. Employment is purely based on merit and skill shown without any consideration of race, creed, color, sex, age, marital status, pregnancy, etc., but only based on the skill required for the respective job.

Emphasis is also laid on the protection of the rights of female employees. There is no need for pregnancy tests for recruitment or continued service. No employee is dismissed on the basis of pregnancy or confinement alone. Necessary care is taken to protect pregnant female employees from detrimental or dangerous work to ensure continued health, safety, and well-being.

Internal training and awareness is provided to the employees to express their grievances regarding any form of discrimination, harassment, and human rights abuse without fear of retaliation or any other form of victimization. All grievances are always handled confidentially.

During the reporting period, no substantiated incidents of discrimination were reported across Uga Bay operations.

6.7 Diversity, equity & inclusion – *GRI 405 Diversity and Equal Opportunity 2016*

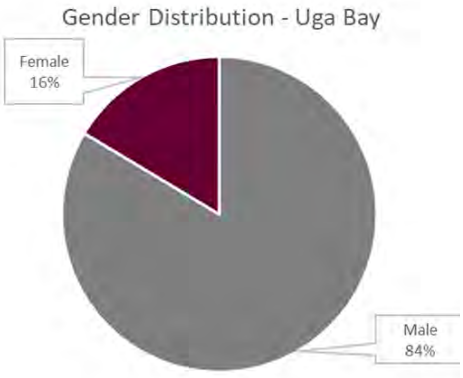
Our core people strategy and sustainability initiatives focus on diversity, equity, and inclusion. We provide an environment of diversity, equality of opportunity, and fairness in our treatment of all employees regardless of their gender, age, and level of ability.

The diversity of our workforce is tracked on a representative basis, with data provided for the purposes of inclusive decision-making.

6.7.1 Gender Distribution - *GRI 401-1*

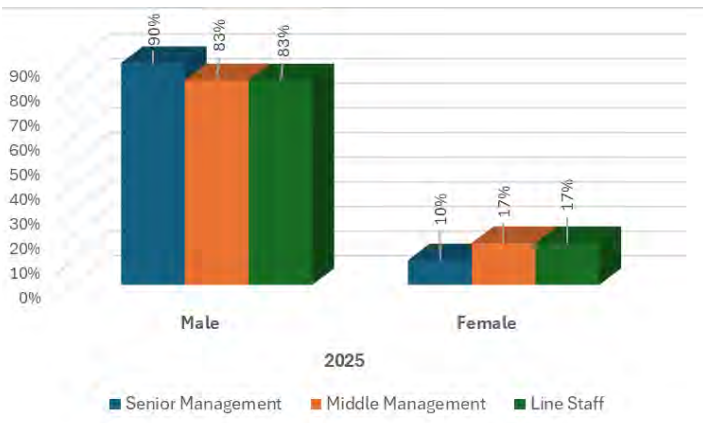
Current gender distribution shows a male dominated work force. Given the location of the resort, there is a tendency of more male employees over female employees.

In order to increase female representation, there are set KPI targets.



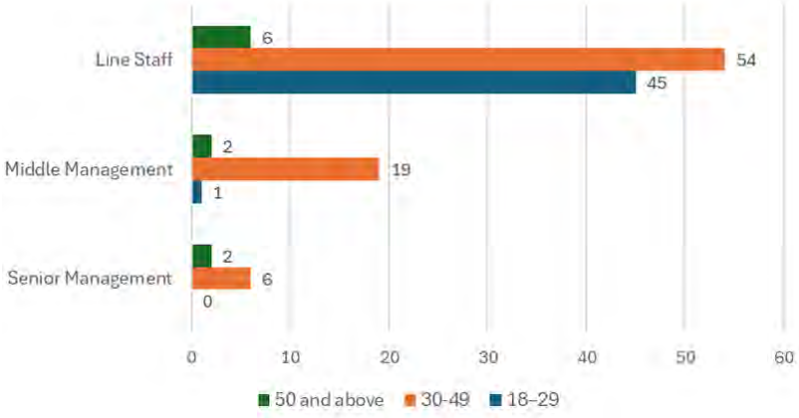
6.7.2 Gender by Employment Categories

Above 10% female representation is available in the all management level and the largest female representation is shown in the Middle management and line level, which is 17%.

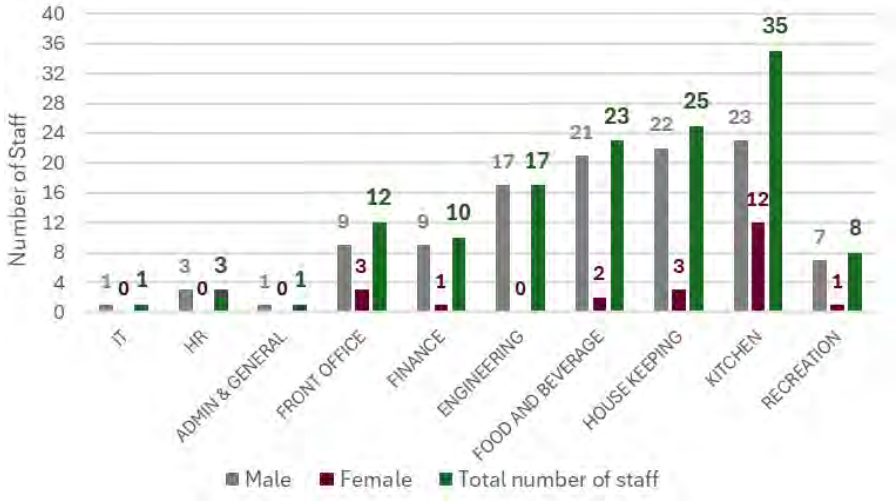


6.7.3 Age Group Distribution
GRI 401-1

Age group 30-49 is the largest potion of every operational level. 6 staff members in the Senior Management level, 19 staff members in the Middle Management level and 54 staff members in the line level staff.



6.7.4 Employee Distribution by Department



Engineering, Human resource, Admin and IT departments consist only male staff. female staff members present in Kitchen, Food and Beverage Front office, Engineering, Recreation, Housekeeping and Finance departments.

6.7.5 Employees with disabilities

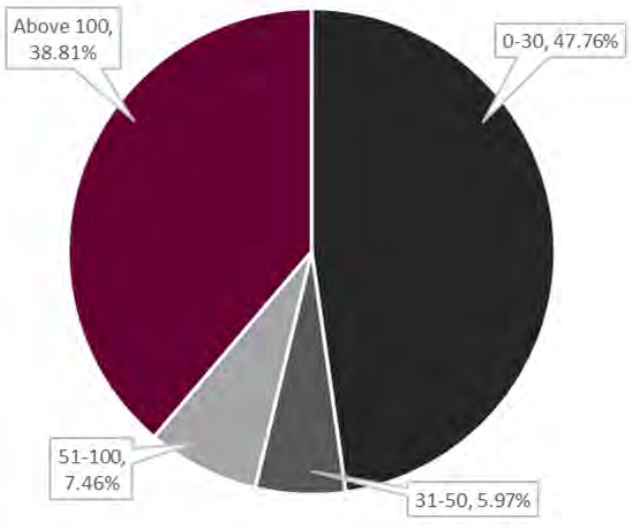
Uga Bay promotes inclusive employment practices and provides equal opportunities for persons with disabilities, in line with role suitability and workplace safety requirements. In 2025, the organization did not receive any employment applications from persons with disabilities.

6.8 Employment Disclosures - *GRI 401: Employment* 2016

6.8.1 Local Employment & Distance from Residence - *GRI 401-1*

Uga Bay employees 100% local staff. We have emphasized the importance of recruiting more staff members with a 30km radius from the resort location to enhance direct economical benefits to the local communities around us.

Due to the resort location, Uga Bay has achieved 47.76% of its workforce by recruiting staff within a 30 km radius, demonstrating its commitment to supporting the local community by providing employment opportunities.



6.8.2 Employee by Contract Type

The workforce includes permanent, contract, trainee, and part-time employees, along with externally sourced service providers, ensuring operational flexibility while maintaining fair employment practices. International service providers are engaged specifically for spa and therapy services at the resort. In addition, the organization supports skills development by offering trainee and internship opportunities, with a total of eight trainees receiving such opportunities during 2025.

Employee Contract Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year Average
Permanent	0	0	0	0	0	0	0	0	0	0	0	0	0
Contract - Budgeted	142	142	142	142	142	142	142	142	142	142	142	142	142
Contract - Actual	**119**	**119**	**124**	**125**	**124**	**126**	**128**	**146**	**125**	**132**	**132**	**130**	**128**
Trainee - Budgeted	0	0	0	0	0	0	0	0	0	0	0	0	0
Trainee - Actual	**12**	**9**	**9**	**7**	**8**	**9**	**9**	**7**	**6**	**6**	**8**	**5**	**8**
Part-time	0	0	0	0	0	0	0	0	0	0	0	0	0
Externally Sourced	2	2	2	2	2	2	2	2	2	2	2	2	2
Total Staff on-site	133	130	135	134	134	137	139	155	133	140	142	137	137

6.9 Child Labour



At Uga Resorts, we maintain a zero-tolerance policy toward child labor. We believe that every child deserves a childhood free from exploitation, and we recognize our duty to protect these rights across our operations and supply chains.

Our policy is guided by the UN Convention on the Rights of the Child and the ILO Conventions, specifically ensuring that we:

- **Prohibit Employment under 18:** We strictly refrain from hiring any person under the age of 18 for any level of operations, exceeding many local minimum age requirements to ensure a clear safeguard.
- **Strict Verification Protocols:** Our recruitment policy requires rigorous age verification during the onboarding process. To ensure no candidate under the age of 18 is recruited, we require mandatory copies of the Birth Certificate and National Identity Card (NIC) for all prospective employees for their personal files.
- **Advocate through the Value Chain:** We prioritize suppliers who mirror our commitment to child protection and fair labor.

To ensure our policy is more than just words, we have integrated the following "due diligence" measures into our operations.

ACTION AREA	ENGAGEMENT & IMPLEMENTATION
RISK ASSESSMENT	We conduct regular audits of our business activities to identify potential adverse impacts on human rights. This includes monitoring high-risk departments (like seasonal housekeeping or projects) where labor gaps might occur.
SUPPLIER SCREENING	As part of our sustainable procurement, we screen regional suppliers for their labor practices. Contracts include clauses that mandate compliance with child labor laws.
EMPLOYEE TRAINING	All staff receive specific training on the “Human rights and Child protection”. This includes how to identify and report potential child protection issues involving guests, local communities, or the supply chain.
GRIEVANCE MECHANISMS	We maintain transparent communication channels. Employees and stakeholders can report concerns regarding child welfare or labor violations without fear of retaliation.

7. TRAINING AND DEVELOPMENT

The hotel recognizes that employee training and development are critical to delivering exceptional guest experiences, operational excellence, and long-term business sustainability. Our learning and development framework is designed to enhance technical competencies, service quality, leadership capabilities, and employee engagement across all levels of the organization.

Training needs are identified through annual performance appraisals, guest feedback, operational audits, regulatory requirements, and departmental training needs assessments. A blended learning approach is adopted, combining classroom training, on-the-job coaching, and external professional training programs.





7.1 Types of Training *- GRI 404-2: Programmes for Upgrading Employee Skills & Transition Assistance*

All the training programs conducted for the staff members are categorized into two main categories. Subject Specific training handled by the relevant Heads of the Departments (HODs) and the industry professionals and consultants and generic training programmes conducted by the L&D Manager, Sustainability Executive and external professionals.

Key focus areas include guest service excellence, hospitality skills, food safety and hygiene, culinary skills, front office operations, housekeeping standards, leadership development, health and safety, sustainability awareness, and information technology skills. In addition, all newly hired employees complete two days' introductory training sessions called Uga Promise.

7.2 Training Time Analysis *- GRI 404-1: Average Hours of Training Per Employee*

Month	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Year Total
Total Number of Employees in the Resort	119	119	124	125	124	126	128	146	125	132	132	130	128
Total Training Hours	93	80	118	67.5	73.65	76.5	119	116	83.5	91.4	103	118	1138.75
Average training hours per employee = (Total number of training hours provided to employees / Total number of employees)	**0.78**	**0.67**	**0.95**	**0.54**	**0.59**	**0.61**	**0.93**	**0.79**	**0.67**	**0.69**	**0.78**	**0.91**	**8.90**

During the reporting year 2025, Uga Bay provided an average of **8.90** training hours per employee, demonstrating the Company's commitment to continuous learning and employee skill development.

7.3 Sustainability Related Training - *GRI 404-2: Programmes for Upgrading Employee Skills & Transition Assistance*

Sustainability training programs are conducted for all employees to enhance awareness and strengthen sustainability knowledge across the organization. Key topics were delivered in 2025, with additional sessions on HACCP, water saving, and energy saving planned to further reinforce food safety standards and responsible resource management. Training is delivered through classroom learning and practical sessions, where required, to ensure effective understanding and application of sustainability principles in daily operations.





The training in Waste Management, Plastic and Plastic waste and Human rights at workplace not provided to the employees in 2024 and these trainings are rolled out in 2025. The number of employees training attendance of 2025 is comparatively lower than 2024, as the trained employees resigned, and employees who did not yet complete the assigned trainings.

Training Topic	No. of Staff attended (%)	
	2024	2025
Introduction to Sustainability	87%	60%
Waste Management	-	40%
Plastic and Plastic waste	-	16%
Chemical Handling	20%	32%
Human rights at workplace	-	13%

7.4 COMPLIANCE TRAINING - *GRI 404-2: PROGRAMMES FOR UPGRADING EMPLOYEE SKILLS & TRANSITION ASSISTANCE, GRI 403-5: WORKER TRAINING IN OCCUPATIONAL HEALTH & SAFETY*

Fire safety, emergency preparedness, and first aid training are integral components of the hotel's occupational health and safety framework and regulatory compliance. These programs are designed to enhance employee awareness, strengthen emergency response capabilities, and ensure safe handling of hazardous materials.

Training Topic	No of staffs attended	No of staff attended from total staffs count	Training Hours per employee	Average Training Hours per Employee	Expenses (LKR)
Fire Safety Training with Practical	130	98.48	3	0.02	204,000.00
Fire Warden Training with Practical	25	18.94	2.5	0.10	
Basic First Aid training with Practical	85	64.39	6.75	0.08	113,000.00
Chemical handling and Safety Training	42	31.82	7	0.17	Free

Comprehensive fire safety, fire warden, and basic first aid training programs, including practical simulation sessions, are conducted annually by certified external trainers to ensure high standards of competency and emergency readiness.

While all employees receive fire safety and first aid training, specialized fire warden training with practical exercises is provided to members of the designated fire safety team to strengthen emergency coordination and response capabilities. All external training costs are fully paid by Uga Bay, and employee participation takes place during paid working hours, reflecting the organization's strong commitment to employee safety, well-being, and continuous professional development.

The chemical handling and safety training conducted to the employees directly handle the chemical including housekeeping, stewarding and maintenance department.





8. HEALTH & SAFETY

The hotel is committed to providing a safe, healthy, and secure working environment for employees, contractors and a safe experience for guests and visitors. Our Occupational Health & Safety (OHS) management framework is designed to proactively identify, assess, and mitigate workplace risks, ensuring compliance with legal requirements, industry best practices, and international safety standards.

Health and safety risks are assessed through regular workplace inspections, hazard identification processes, safety audits, and employee consultations. Preventive controls include safety policies, standard operating procedures, training programs, emergency preparedness plans, and continuous monitoring mechanisms.

The hotel maintains a dedicated Health & Safety Committee comprising management and employee representatives to oversee safety performance, review incidents, and recommend corrective actions.





Guest-related incident reports are managed and recorded by Front Office Executive staff, while employee-related incident reports are maintained by the respective Department Heads and formally filed by the Human Resources Department. All reported incidents are promptly reviewed, and corrective measures are implemented at the earliest opportunity. Root cause assessments are conducted to prevent recurrence and to ensure the continued health and safety of both guests and employees.

8.1 OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM - *GRI 403-1*



The hotel operates an Occupational Health & Safety management system aligned with national regulations and international hospitality industry standards. The system includes hazard identification, risk assessments, incident reporting procedures, emergency preparedness plans, fire safety systems, and continuous improvement mechanisms.

To ensure a safe working environment, the hotel provides appropriate Personal Protective Equipment (PPE) to employees based on job roles and risk exposure, including gloves, safety shoes, masks, goggles, aprons, and other necessary protective gear.

Comprehensive safety measures are in place to manage workplace hazards, including the availability of chemical spill kits to effectively respond to and control accidental spills, thereby minimizing environmental and health risks. Clearly identified and accessible fire assembly points have been established across the premises to support safe and orderly evacuation during emergencies.

8.2 EMPLOYEE HEALTH & WELLBEING - *GRI 403-6: WORKER HEALTH PROMOTION*



The hotel is committed to promoting the physical, mental, and emotional well-being of employees, recognizing that a healthy workforce is essential for service excellence, productivity, and long-term organizational sustainability. A holistic approach is adopted to enhance employee health through preventive healthcare, wellness initiatives, mental well-being programs, and healthy workplace practices.

To promote physical fitness and relaxation, the hotel provides comprehensive recreational and wellness facilities for employees. A fully equipped gym facilities is available to encourage regular exercise and healthy living. For relaxation and mental rejuvenation, television entertainment, dedicated indoor gaming area has been established, offering facilities for carrom and chess.

The hotel also promotes healthy lifestyle practices through the provision of nutritious and balanced meals at staff dining facilities. Ergonomic assessments are conducted for operational and administrative workstations, and periodic monitoring is carried out for employees exposed to occupational health risks such as heat, noise, chemicals, and manual handling. Corrective actions are implemented where necessary to minimize potential health impacts and enhance workplace comfort and safety.

Recognizing the importance of outdoor physical activity and team spirit, dedicated time is allocated in the evenings for sports activities, including volleyball, cricket, and badminton.

These activities promote physical fitness, teamwork, stress reduction, and interpersonal relationships, while also fostering a sense of camaraderie and belonging among employees. Participation in sports and recreational activities is encouraged across all departments, contributing to an active and engaged workforce.



8.3 WORK RELATED INJURIES (GRI 403-9)

During the two-year reporting period from 2024 to 2025, the hotel recorded low incident levels, reflecting the effectiveness of its preventive health and safety management systems, employee training programs, and guest safety protocols.

Employee-related incidents remained exceptionally low, with zero cases recorded across most injury categories from 2024 to 2025. Only There were no fatalities reported among guests or employees throughout the two year reporting period.

During the stay of guests in 2024, a total of five minor incidents were reported. These incidents were promptly investigated, and corrective actions were implemented, including enhanced housekeeping practices, improved floor safety measures, staff awareness training, and strengthened food allergen communication procedures.

In 2025, guest-related incidents remained low, with six minor cases recorded, including two food allergy-related incidents and two incidents categorized under 'other'.

Accident / Incident Type	2024			2025		
	Guests	Staffs	Total	Guests	Staffs	Total
Slip, Trip, or Fall	3	0	3	0	0	0
Cuts	0	0	0	0	1	1
Burns	0	0	0	0	0	0
Head Injury	0	0	0	0	0	0
Eye Injury	0	0	0	0	0	0
Food Allergy	1	0	1	2	0	2
Chemical Related	0	0	0	0	1	1
Other	1	0	1	2	0	2
TOTAL	5	0	5	6	2	6

9. CORPORATE SOCIAL RESPONSIBILITY (CSR)

We firmly believe in creating meaningful and lasting impact through our business operations. Building strong connections with the communities in which we operate, prioritizing the well-being of our colleagues, and fostering awareness and responsible action are fundamental to our success. These efforts ultimately enhance the experience we deliver to our guests.

Sustainability serves as the bridge between our business practices and the broader world. It guides us in maintaining harmony in our interactions with the environment and society, while ensuring long-term economic viability.

Our Corporate Social Responsibility initiatives are carried out through the Uga Foundation, which leads and oversees our community and environmental programs. Guided by the unique characteristics of our resort locations, our CSR strategy focuses on three core pillars: **Water, Wildlife, and Women (3Ws)**.

Water – Addressing water scarcity and promoting responsible water management in the regions where we operate.

Wildlife – Protecting biodiversity and supporting conservation efforts to preserve natural ecosystems.

Women – Empowering women within local communities through education, opportunity, and sustainable livelihood initiatives.

Given the environmental sensitivities of our locations, particularly the challenges of water scarcity and the importance of wildlife and biodiversity, our efforts are purpose-driven and location-specific. Through these three pillars, we strive to create sustainable value for our communities, our environment, and future generations. In addition, we refer to the UN Sustainability Development Goals and try to maintain maximum participation the applicable UNSDGs to us.

9.1 SUSTAINABILITY FUND

To strengthen governance, accountability, and long-term impact of our Corporate Social Responsibility (CSR) initiatives, we formalized a structured funding mechanism dedicated exclusively to CSR activities.

Effective October 2024, a separate and ring-fenced account was established to ensure transparency in the allocation, management, and monitoring of CSR funds. This mechanism enables systematic budgeting, clear fund segregation from operational finances, and enhanced oversight of expenditures related to our CSR pillars.

The establishment of this dedicated funding structure reinforces our commitment to sound governance practices, financial transparency, and measurable social and environmental impact.

USD 1.5 worth of Sri Lankan rupees was allocated monthly basis at the prevailing exchange rate and transferred to the dedicated CSR account on the revenue room nights for each month.

Year	Funds allocated based on the revenue room nights	Donations received by the guests	Other Direct Donations	Total Fund Generation LKR
2024	699,507.11	2,985.00	-	702,492.11
2025	5,315,637.05	-	-	5,315,637.05





9.3 CSR PROJECTS 2025

9.3.1 GLOBAL RECYCLING DAY CELEBRATION

DATE	11th March 2025
LOCATION	BT/KK/Kalkudah Namagal College
BENEFICIARIES	School Children, Staff and Parents
FUNDS	LKR 174,760.50

Uga Bay celebrated Global Recycling Day on March 11th at Kalkudah Namagal College, promoting awareness on waste segregation, recycling, and sustainability. Students showcased crafts made from recycled materials, encouraging responsible waste management.

Color-coded waste bins were also donated to support proper waste disposal, with students, teachers, parents, and Uga Bay staff participating in the programme



9.3.2 EARTH HOUR CELEBRATION

DATE	22nd March 2025
LOCATION	Uga Bay
BENEFICIARIES	Staffs, and the guests of Uga Bay
FUNDS	LKR 30,000.00

Celebrated Earth Hour 2025 on March 22nd, promoting energy conservation and environmental awareness.

Guests switched off non-essential lights and joined a sustainability-themed evening featuring a student dance, a 60+ logo lighting ceremony using discarded rope, a sustainability pledge station, and unplugged acoustic music.











9.3. 3 WORLD ENVIRONMENT DAY

DATE	05th June 2025
LOCATION	BT/KK/Kalmadu Vivekanantha School
BENEFICIARIES	60 students and Teachers
FUNDS	LKR 42,500.00

An awareness program and art competition were held at Kalmadu Vivekanantha School to educate students on the dangers of single-use plastics.

Students participated in a “End Plastic Pollution” drawing contest, with reusable water bottles gifted to all as a reminder of sustainable choices.



9.3.4 WORLD CHARITY DAY

DATE	5th of September 2025
LOCATION	Theresa House - Vaalaichenai
BENEFICIARIES	18 girl children
FUNDS	N/A

In recognition of the International Day of Charity, snacks and fresh fruit juice were shared with the 18 children at Theresa House, Valaichenai.

The initiative brought joy to the children and reflected a commitment to compassion, community care, and supporting those in need.











9.3.5 WORLD TOURISM DAY_BEACH CLEANUP

DATE	27th October 2025
LOCATION	Pasikudah coastline
BENEFICIARIES	Staffs and Local community
FUNDS	N/A

For World Tourism Day, 18 Uga Bay staff joined over 50 volunteers in a beach cleaning initiative along a 2 km stretch of Pasikudah coastline. Together, they collected 150 kg of waste, helping preserve the area's natural beauty.

This effort reflects our commitment to sustainable tourism and environmental conservation, contributing to a cleaner, greener future for the community and visitors alike.



9.3.6 ENHANCE THE SANITARY FACILITIES FOR KALMADU VIVEKANANDA SCHOOL

DATE	24th December 2025
LOCATION	BT/KK/Kalmadu Vivekananda School
BENEFICIARIES	134 students and 16 teachers
FUNDS	LKR 567,750.00

This project was launched in response to the school's request to support students well-being by improving hygiene standards. The initiative focuses on renovating toilet facilities and installing handwashing stations to create a healthier and safer environment for students.











9.3.7 DONATION TO GOOD SHEPHERD CHILDREN'S HOME

DATE	28th December 2025
LOCATION	Good Shepherd Home
BENEFICIARIES	30 girl children
FUNDS	LKR 150,000.00

Mr. Damjee Ediriweera is repeat guest and during a second visit, he made a kind donation to Uga Bay to support the provision of school bags and shoes for 30 girls at the care-taking home of Good Shepherd Home, Valaichenai, contributing positively to their education and daily needs.

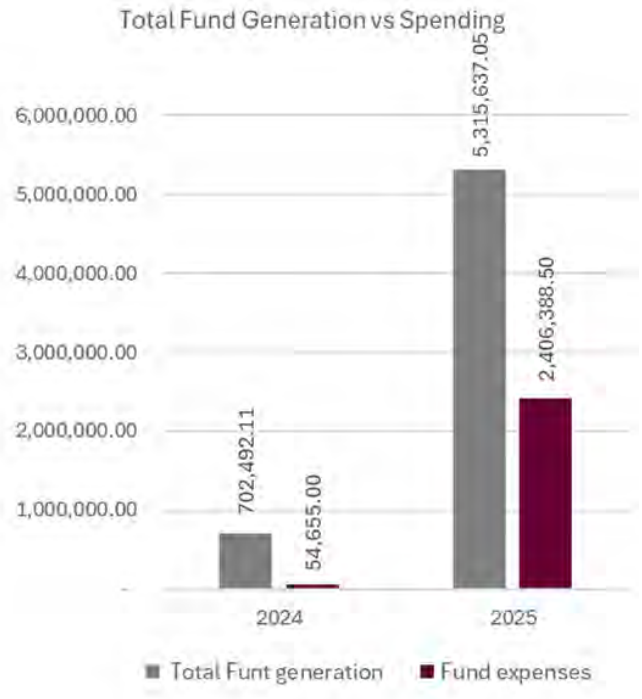


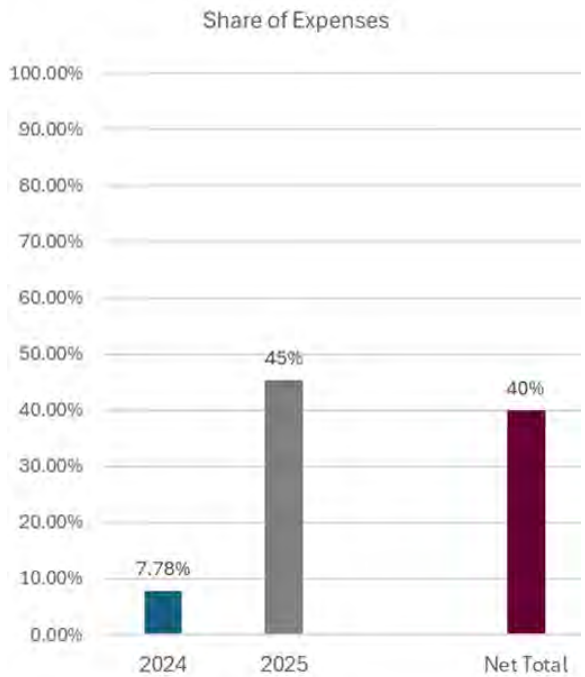
9.4 CSR PROJECT SUMMARY

DATE	PROJECT NAME	EXPENSES
2025.03.11	Global Recycling Day Celebration and Waste Equipment Giveaway	174,760.50
2025.03.22	Earth Hour event	30,000.00
2025.06.10	World Environment Day	42,500.00
2025.09.05	World Charity Day	-
2025.10.27	World Tourism Day_Beach Cleanup	-
2025.12.24	Enhance the Sanitary Facilities for Kalmadu Vivekananda School	567,750.00
2025.12.15	Implement digital learning facilities for Kalmadu Vivekananda School	581,428.00
2025.12.28	Donation to Good Shepherd Children's home	-
	Total Expenses	**1,396,438.50**

9.5 SUSTAINABILITY FUND FINANCE REPORT

Year	Resort Contribution	Waste Sales Revenue	Guest Donations	Other	Total LKR
2024	**699,507.11**	**-**	**2,985.00**	**-**	**702,492.11**
	99.6%	0%	0.4%	0%	
2025	**5,315,637.05**	**-**	**-**	**-**	**5,315,637.05**
	100%	0%	0%	0%	





10. COMPLIANCE MANAGEMENT

The hotel maintains a structured Compliance Management Process to ensure adherence to applicable laws, regulations, internal policies, brand standards, and sustainability commitments. Compliance responsibilities are assigned to the management and department heads; covering key areas such as , environmental management, food safety and hygiene (HACCP), labor practices, guest safety occupational health and safety.

Compliance is monitored through regular internal audits, inspections, and comments received from other stakeholders. Identified gaps are addressed through corrective action plans and follow-up evaluations to ensure continuous improvement. To strengthen compliance verification, water quality parameter testing and food and microbiological testing are conducted by accredited third-party laboratories, ensuring adherence to health, safety, and regulatory standards.

10.1 INTERNAL AUDIT SUMMARY

A structured internal audit process covering sustainability, compliance, and quality assurance is implemented to assess the effectiveness of operational controls, risk management practices, and compliance systems. Audits are conducted monthly across key operational, financial, safety, hygiene, and environmental functions.

Sustainability and compliance audits are led by the Sustainability Manager, while quality assurance audits are conducted by the Learning and Development Manager at the resort level and officials visiting from the head office. Audit findings and recommendations are reviewed by senior management, and corrective actions are implemented within defined timelines, supported by follow-up audits to ensure effective closure of gaps and continuous improvement of organizational performance.

AUDIT CATEGORY	2024		2025	
	NUMBER OF AUDITS	% OF SHARE	NUMBER OF AUDITS	% OF SHARE
Sustainability & Compliance – by Sus. Executive	5	50%	7	53%
Sustainability & Compliance – by Head of Sustainability & ESG	2	50%	2	53%
Number of Audits on Quality assurance	4	29%	4	24%
Third party organizations including Travellife, Travel Agents and SLTDA	3	21%	4	24%
TOTAL AUDITS	14	–	17	–

10.2 SUMMARY OF COMPLIANCE REPORTS

The hotel conducts regular drinking water quality testing and Legionella laboratory analysis through accredited third-party laboratories. Water samples are periodically tested to verify compliance with national health regulations and applicable safety standards.

DRINKING WATER

Parameters	Total No of sample		No of Sample in standard parameters		% of Samples in standard parameters	
	2024	2025	2024	2025	2024	2025
Aerobic Plate Count	13	35	13	33	100	94.29
Total Coliforms	13	37	13	36	100	97.30
E. coli	14	37	14	37	100	100.00
Color	14	37	14	37	100	100.00
pH	14	37	14	35	100	94.59
Total Dissolved Solids (TDS)	14	13	14	13	100	100.00
Turbidity	14	13	14	13	100	100.00
Total Alkalinity (as CaCO3)	14	8	14	8	100	100.00
Total Hardness (as CaCO3)	14	12	14	12	100	100.00
Free Residual Chlorine	14	7	14	7	100	100.00
Free Ammonia (as NH3)	14	7	14	7	100	100.00
Chloride (as Cl-)	-	7	-	7		100.00
Fluoride (as Fluorine)	14	-	14	-	100	
Nitrate (as NO3-)	14	7	14	7	100	100.00
Nitrite (as $NO2^-$)	14	7	14	7	100	100.00
Sulphate (as SO42-)	-	7	0	7		100.00
Arsenic (As)	-	4	0	4		100.00
Calcium (Ca)	-	4	0	4		100.00
Cadmium (Cd)	-	4	0	4		100.00
Copper (Cu)	14	4	14	4	100	100.00
Iron (Fe)	-	7	-	7		100.00
Lead (Pb)	-	4	-	4		100.00
Total Phosphates (PO43-)	-	3	-	3		100.00
Magnesium (Mg)	-	5	-	5		100.00

LEGIONELLA SP. TEST

Parameter	Total No of sample tested		No of Sample in standard parameters		% of Samples in standard parameters	
	2024	2025	2024	2025	2024	2025
Legionella spp.	1	5	1	5	100	100

WASTEWATER WATER

Parameter	Total No of sample tested		No of Sample in standard		% of Samples in	
	2024	2025	2024	2025	2024	2025
pH	7	7	7	7	100.00	100.00
Total Suspended Solids (TSS)	7	7	6	7	85.71	100.00
Total Dissolved Solids (TDS)	-	6	-	6	-	100.00
Oil & Grease	7	7	7	6	100.00	85.71
Biochemical Oxygen Demand (BOD)	7	7	7	6	100.00	85.71
Chemical Oxygen Demand (COD)	7	7	6	6	85.71	85.71
Free Residual Chlorine (as Cl^-)	-	6	-	6	-	100.00

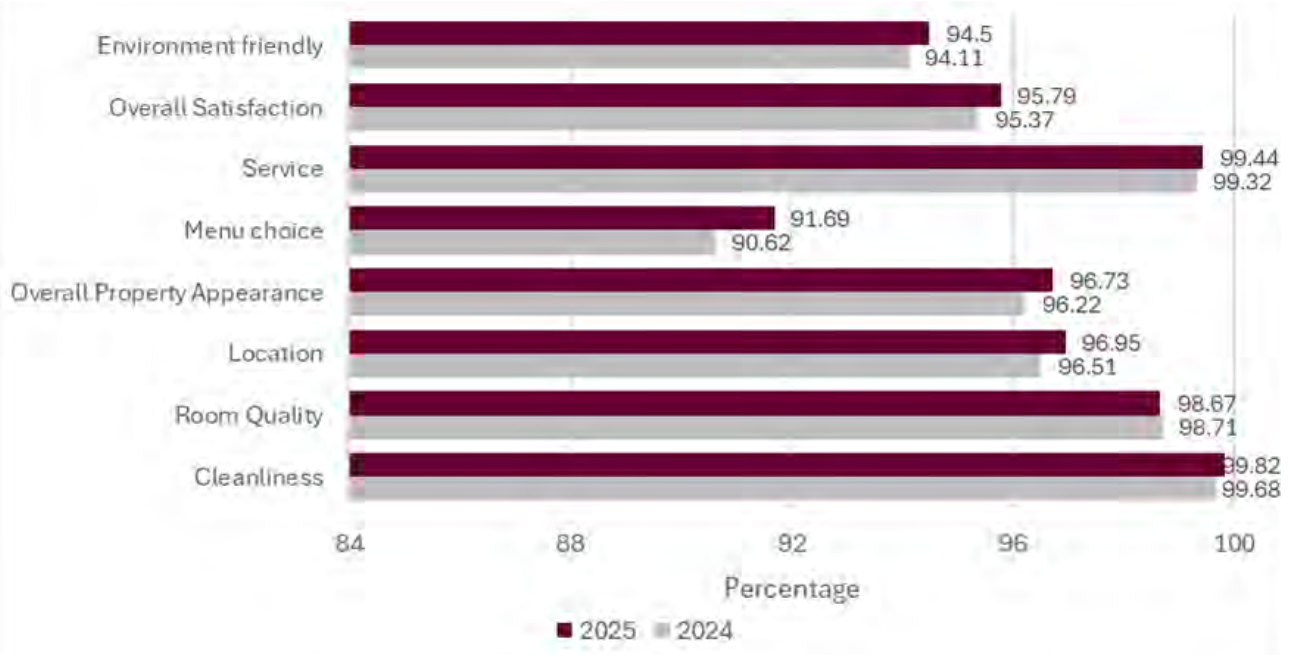
SWIMMING POOL WATER

Parameter	Total No of sample tested		No of Sample in standard		% of Samples in	
	2024	2025	2024	2025	2024	2025
pH	2	8	2	5	100	62.5
Total Dissolved Solids (TDS)	2	8	2	8	100	100
Turbidity	2	8	2	8	100	100
Total Hardness (as $CaCO_3$)	2	8	1	8	50	100
Free Residual Chlorine	2	8	2	8	100	100
Aerobic Plate Count	2	7	2	7	100	100
Total Coliforms	2	7	2	7	100	100
E. coli	2	7	2	7	100	100

11. GUEST FEEDBACK SUMMARY

The hotel places strong emphasis on guest feedback as a key driver of service excellence, quality improvement, and customer satisfaction. A structured guest feedback management system is in place to capture, analyze, and respond to guest comments, complaints, and suggestions across multiple channels, including in-house feedback forms, digital surveys, online review platforms, social media, and direct guest interactions.

All guest feedback is systematically recorded, reviewed by department heads, and addressed promptly. Corrective actions are implemented to resolve concerns, while positive feedback is shared across teams to recognize performance excellence and reinforce best practices. Key trends and recurring themes are analyzed to identify improvement opportunities and enhance overall guest experience.



During 2024 and 2025, Uga Bay achieved guest satisfaction ratings exceeding 90% across key performance indicators, including environmental friendliness, overall satisfaction, service quality, menu selection, overall property appearance, location, room quality, and cleanliness. These results reflect the hotel's strong commitment to service excellence, environmental responsibility, and maintaining high operational standards in line with guest expectations and sustainability objectives.

12. CERTIFICATIONS, AWARDS AND OTHER ACHIEVEMENTS

We are Travelife Gold Certified. Recognized by the Global Sustainability Tourism Council for meeting standards in biodiversity, human rights, emissions, fair labor, child safety and animal welfare.

Uga Bay was ranked #1 of 15 hotels in Kalkudah in the Tripadvisor Travelers's choice awards 2025.

Uga Bay got the certification from the Conscious Travel Foundation for donation made to the Kalmadu Vivekananda School in 2025

We highly appreciate your comments, concerns and suggestions to improve our sustainability performance that will benefit Por operations, all stakeholders and the environment we operate.

Please reach out to us through the following contact information

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Head of Sustainability & ESG
hos@ugaresorts.com

The annual Sustainability Performance Report is a publication of the Sustainability & ESG Department of Uga Resorts.

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