

## **Media statement from Lonach Dairy Ltd.**

### **Reinforcing our commitment to sustainability, innovation, and inclusive development**

Lonach Dairy Limited reaffirms its commitment to conducting business with integrity, transparency, and sustainability. As one of the largest single source milk producers in Sri Lanka, Lonach Dairy remains committed to operating with responsibility, innovation, and inclusivity.

#### **Transforming with responsibility**

Lonach Dairy Limited, a subsidiary of Watawala Plantations PLC—Sri Lanka’s foremost public-listed agri-business—has invested over Rs. 3 billion during the past decade to transform a once low-performing tea estate into one of the country’s most advanced dairy operations. Since 2017, as a BOI-approved entity with a social-business model, we have become a benchmark for innovation, sustainability, and inclusive growth.

Our operations are guided by uncompromising standards of quality and sustainability. Over 1,000 local farmers contribute to our supply chain, strengthening rural livelihoods and supporting the local economy. With a chilling capacity of 23,000 liters of milk per day, supported by imported high-quality cows and Dairy Master automated milking technology, we align our practices with international best standards.

#### **Proactive steps and transparency**

We acknowledge concerns raised regarding water quality in nearby waterways. It is important to recognize that this area also hosts 30–40 small-scale dairy operations, and water quality is influenced by the collective practices of all establishments. While no conclusive findings have been established, Lonach Dairy continues to proactively engage with CEA and local authorities to conduct comprehensive, ongoing assessments.

This collaborative approach ensures that any contributing factors—whether linked to us or others—are identified and addressed with appropriate measures. Like any evolving enterprise, we face challenges in balancing environmental, stakeholder, and community expectations. We remain confident in our ability to address these responsibly and to uphold the highest standards of accountability.

We have always cooperated fully with regulatory authorities and will continue to strengthen our environmental compliance policies in consultation with them.

## **Collaboration and continuous improvement**

At Lonach Dairy, we view feedback from communities and stakeholders as an opportunity to continuously refine our practices. Our aim is to achieve the highest standards of environmental and social responsibility while fostering sustainable development.

With a strong heritage in agri-business management, we will continue to overcome challenges and serve as a catalyst for progress in both the dairy industry and the communities we operate in.

We reaffirm our focus on being a benchmark for innovation and sustainability in Sri Lanka's dairy sector, as we move forward together towards a more sustainable and inclusive future.

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