ESG

Environment
Social
Governance

2024/25

Brewing a Better Future

Talawakelle Tea Estates PLC

Why ESG Report ?

At Talawakelle Tea Estates PLC, the preparation of our ESG Report reflects our deep commitment to responsible and transparent business practices. This report allows us to communicate our performance and progress on key environmental, social, and governance priorities to all stakeholders. It helps us build trust through transparency, align our actions with global sustainability frameworks such as the UN Sustainable Development Goals (SDGs) and demonstrate our accountability in managing the impacts of our operations. By capturing both achievements and challenges the report supports data driven decision-making, highlights areas for improvement and reinforces our commitment to long-term value creation. Ultimately, our ESG reporting serves as a tool for continuous improvement and resilience, helping us shape a sustainable future for our business, our people and the planet....

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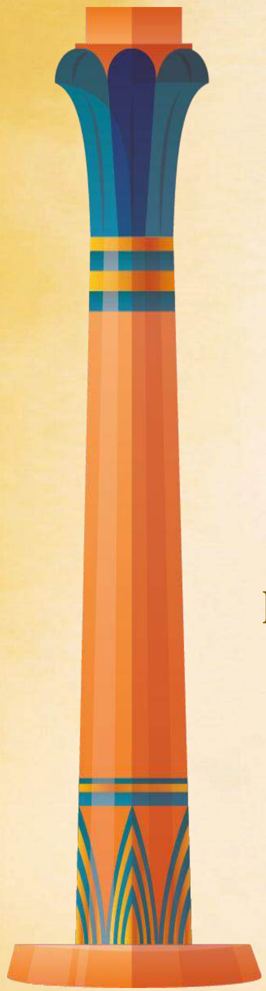


Leadership Statement

Talawakelle Tea Estates PLC (TTE PLC) has solidified its position as a leader in sustainability and corporate responsibility, as evidenced by being the Overall Winner of the Best Corporate Citizen Sustainability Award 2024 and the recipient of the National Quality Award, among many other prestigious accolades. These awards are a testament to our long-standing commitment to sustainability, quality, and excellence. However, despite these achievements, we recognize that there is still room for improvement as we continue to push boundaries and lead the way as a benchmark for the industry

Advancing Sustainability in 2024/25: Building on the ReGen Agenda

Talawakelle Tea Estates PLC continues to lead the way in sustainability with an unwavering commitment to integrating regenerative principles into every aspect of our business. The year 2024/25 marks another significant leap in our journey towards building a regenerative future, through the deepened implementation of our ReGen Agenda. This agenda reflects our core purpose of "Brewing a Better Future," aiming not only to sustain but also to rejuvenate and regenerate our ecosystems, communities, and economy. Throughout the year, TTE PLC has expanded its sustainability initiatives to address emerging global challenges, further embedding these principles into our business strategy, driving tangible economic, environmental, and social impacts. Our Nature-Positive business policy, developed and launched in 2024/25, signifies a bold commitment to ensuring our operations contribute to the regeneration and restoration of ecosystems. This newly developed policy places biodiversity conservation and ecosystem restoration at the forefront of our sustainability strategy. By investing in reforestation, protecting wildlife habitats, and actively restoring degraded landscapes, we aim to have a net-positive impact on nature. Complementing this is our Net-Positive Water Impact (NPWI) Commitment, which focuses on replenishing more water than we consume. In 2024/25, we further expanded water conservation efforts, enhancing watershed and riparian zone restoration to support long-term water security for both our plantations and local communities. These initiatives are core to our vision of a regenerative future, where our business actively restores and enhances the environment, ensuring sustainability for both people and the planet.

Embedding Sustainability for Economic Value Creation

In 2024/25, TTE PLC made substantial strides in economic sustainability, reinforcing our belief that sustainability drives financial resilience. In the face of global uncertainty, our business model continues to generate strong returns by balancing profitability with environmental and social responsibilities.

During this fiscal year, our investments in renewable energy projects, such as expanding our solar and micro-hydro capacities, have resulted in even greater cost efficiencies and energy independence. We have enhanced our operational efficiency by reducing reliance on fossil fuels, resulting in long-term cost savings, price stability, and improved shareholder value. Our commitment to producing high-quality, sustainably grown tea continues to generate premium prices in the global market. In 2024/25, we further integrated cutting-edge technology, such as IoT-enabled climate-smart plantation management systems, to optimize resource use and enhance productivity. These advances demonstrate that our sustainable practices are not just ethical choices but also key drivers of economic success.

Embedding Sustainability for Environmental Value Creation

At the core of our ReGen Agenda is an enduring dedication to environmental stewardship. Over the past year, TTE PLC has expanded its focus on renewable energy, successfully achieving an 87% renewable energy mix across our operations, furthering our journey toward Net-Zero emissions by 2050. Our commitment in science-based targets (SBTs) continues to solidify TTE PLC as a global leader in climate action. In line with our commitment to carbon neutrality, we have enhanced our biochar carbon sequestration projects, furthering carbon capture efforts across our estates while enriching soil health. The 2024/25 fiscal year also saw the implementation of new water conservation initiatives, aimed at increasing the use of recycled water and enhancing water retention through watershed restoration projects. Additionally, we continued to lead in biodiversity conservation through collaborative initiatives with Biodiversity Sri Lanka (BSL), focusing on restoring critical habitats and protecting endemic species, further reinforcing our commitment to safeguarding nature and its invaluable ecosystem services.

Embedding Sustainability to Create Societal Value

TTE PLC's ReGen Agenda extends beyond environmental and economic contributions to deeply enrich our workforce and the communities around our estates. In 2024/25, our unwavering commitment to our people was validated by an impressive 99% employee satisfaction rate in the Great Place to Work survey, which earned us the prestigious titles of #1 Asia's Best Workplace and #1 Best Workplace in Sri Lanka. During this period, we also launched our Diversity, Equity, and Inclusion (DEI) Policy, emphasizing our dedication to fostering a workplace that champions equal opportunities for all. A key milestone this year was the successful completion of the first phase of our HerLead Program, focused on empowering women and promoting gender parity in leadership roles. Additionally, we advanced the next phase of our 'A Home for Every Plantation Worker' program by investing 103.6 million., which has significantly improved living conditions and access to health services and education for employees and their families. These initiatives have driven remarkable employee satisfaction and retention, further strengthening our recognition as a Great Place to Work.

Our societal value initiatives continue to extend into broader community welfare programs. We increased our investments in education and vocational training programs, empowering local communities with new skills and better opportunities for the future. In addition, our ongoing healthcare initiatives, in partnership with local governments, have provided essential medical services and health education to thousands of individuals in the region, directly contributing to the well-being of our communities.

Key Initiatives and Enhancements in 2024/25

During the year, TTE PLC has demonstrated continued innovation and leadership through the introduction of new sustainability initiatives:

- **IoT-Enabled Climate-Smart Management:** We expanded our deployment of IoT-based technology in climate-smart plantation management to optimize water use, energy efficiency, and crop health monitoring. This allows us to respond in real time to environmental conditions, minimizing resource waste and enhancing productivity.
- **PROMISE Project:** As a key partner in the PROMISE Project led by the National Cleaner Production Centre (NCPC) of Sri Lanka, TTE PLC has contributed to reducing plastic pollution in marine environments by promoting sustainable consumption and production practices.
- **Sustainable Packaging and Waste Reduction:** In 2024/25, we intensified our commitment to sustainability by transitioning to fully biodegradable packaging across our product lines, further reducing our environmental footprint and aligning with our circular economy goals.
- **Increased Renewable Energy Generation**: We achieved 150% renewable energy generation, meaning we produced more than we consumed, surpassing our 2024/25 renewable energy targets. This was made possible through further investments in microhydro projects and solar capacity, significantly reducing our reliance on non-renewable energy sources and advancing our journey toward Net-Zero.

Governance Excellence

Governance remains at the foundation of our ReGen Agenda and overall company performance. In 2024/25, we further strengthened our corporate governance frameworks to ensure sustainability is fully integrated into our decision-making processes. This year, we introduced a comprehensive Information Technology and Security Policy aligned with the ISO 27001:2022 standard. Our Board-level ESEG Committee provides strategic direction and oversight of our ESG initiatives

By adhering to the highest standards of corporate governance, we ensure transparency, accountability, and ethical business practices, fostering stakeholder confidence and long-term resilience. In 2024/25, Talawakelle Tea Estates PLC made significant strides in advancing our ReGen Agenda, integrating sustainability into every facet of our operations. By embracing innovation, environmental stewardship, and social responsibility, we are not just sustaining our business but regenerating our ecosystems, empowering our people, and building resilience against future uncertainties. Through strategic integration of financial, environmental, and social considerations, we continue to lead by example, pioneering a regenerative future for our business and the communities we serve.

"I confirm that Talawakelle Tea Estates PLC understands the strategic need for embedding and mainstreaming sustainability in our Corporate Strategy, as opposed to simply anchoring it on."

With gratitude,
Mr W G Roshan Rajadurai
Managing Director/Executive Director
Hayleys Plantation Sector

With Gratitude
Mr. Nishantha Abeysinghe
Chief Executive Officer / Executive Director
Talawakelle Tea Estates PLC

About the Company

Company Overview

Talawakelle Tea Estates PLC (TTE PLC) is a public limited liability company incorporated in Sri Lanka and listed on the Colombo Stock Exchange. Established in 1992 during the government's plantation privatization, its roots trace back to the late 1800s when Scottish planters began cultivating Ceylon tea. Today, TTE manages 16 tea estates and 15 factories across Sri Lanka's renowned Up Country and Low Country regions, producing premium teas that are exported to key global markets including the USA, Europe, Japan, and the Middle East. With over 5,200 employees and a value chain reaching thousands more, TTE is a major contributor to Sri Lanka's economy and the global tea industry.

Blending tradition with innovation, TTE is a pioneer in sustainable tea production, having achieved several firsts in certifications such as Rainforest Alliance and ISO standards. Its operations span renewable energy, tea tourism, and biodiversity conservation. The company's mission is to produce high-quality tea while uplifting livelihoods and protecting the environment. Through ethical practices, strong governance, and inclusive growth, TTE continues to uphold its legacy as a steward of Sri Lanka's finest tea gardens delivering excellence in every leaf.

Nature of Ownership	Subsidiary of Hayleys PLC
Customers & Beneficiaries	Tea buyers, brokers, tourists, communities, 5,247+ employees
Location of Headquarters	Colombo,Sri Lanka
Total Capitalization	Rs. Mn 6,614.38
Revenue	Rs. Mn 7,806
Sectors Served (Business Activities)	Agriculture Sector (Plantation | Renewable Energy | Tea Tourism)

Our Purpose: Why we exist

"Brewing a Better Future"

Our Vision: Where we want to go

To be the most admired Plantation Company in Sri Lanka

Our Mission: What Drives Us

Manage the plantations to enhance Quality of life of all employees. Produce and market quality teas that delight our customers. Drive sustainable growth. Enhance shareholder value

Our Values: Who we are

- ✓ Sustainability
- ✓ Innovation
- ✓ Community Upliftment
- ✓ Transparency and Accountability
- ✓ Long-term Vision

Find more about us

About the Report

Talawakelle Tea Estates PLC presents its 2nd ESG Report, offering a clear overview of our sustainability journey across the core pillars of Environment, Social, and Governance (ESG). This report outlines key actions, achievements, and progress in integrating sustainability into daily operations. New to this edition is a section on the LEAP assessment, aligned with the TNFD framework, reflecting our commitment to nature-positive practices. We've also expanded our SDG reporting to better map our efforts against global goals. These enhancements aim to provide transparent insights into how we create shared value and build long-term resilience.

Other Reports

Integrated Annual Report 2024/25

GHG Report 2024/25

Scan for previous ESG report

Feedback

In line with the commitment to achieving reporting excellence, TTE welcomes feedback regarding this report. All such feedback should be directed to

The Executive – Sustainability
Talawakelle Tea Estates PLC No 400, Deans Road, Colombo 10
Email: Sustainability@ttel.hayleys.com

Reporting Standards

This report has been prepared in alignment with the National Green Reporting System (NGRS) of Sri Lanka, which serves as the primary framework for our sustainability disclosures. In addition, the report integrates principles from the UN SDGs and the UNGC

Reporting Entity

This ESG report covers Talawakelle Tea Estates PLC and its subsidiaries, TTEL Hydropower Company (Pvt) Ltd and TTEL Somerset Hydro Power (Pvt) Ltd, in line with the Group's financial reporting boundaries.

Reporting Period

Apr. 1, 2024 - Mar. 31, 2025

Reporting Cycle

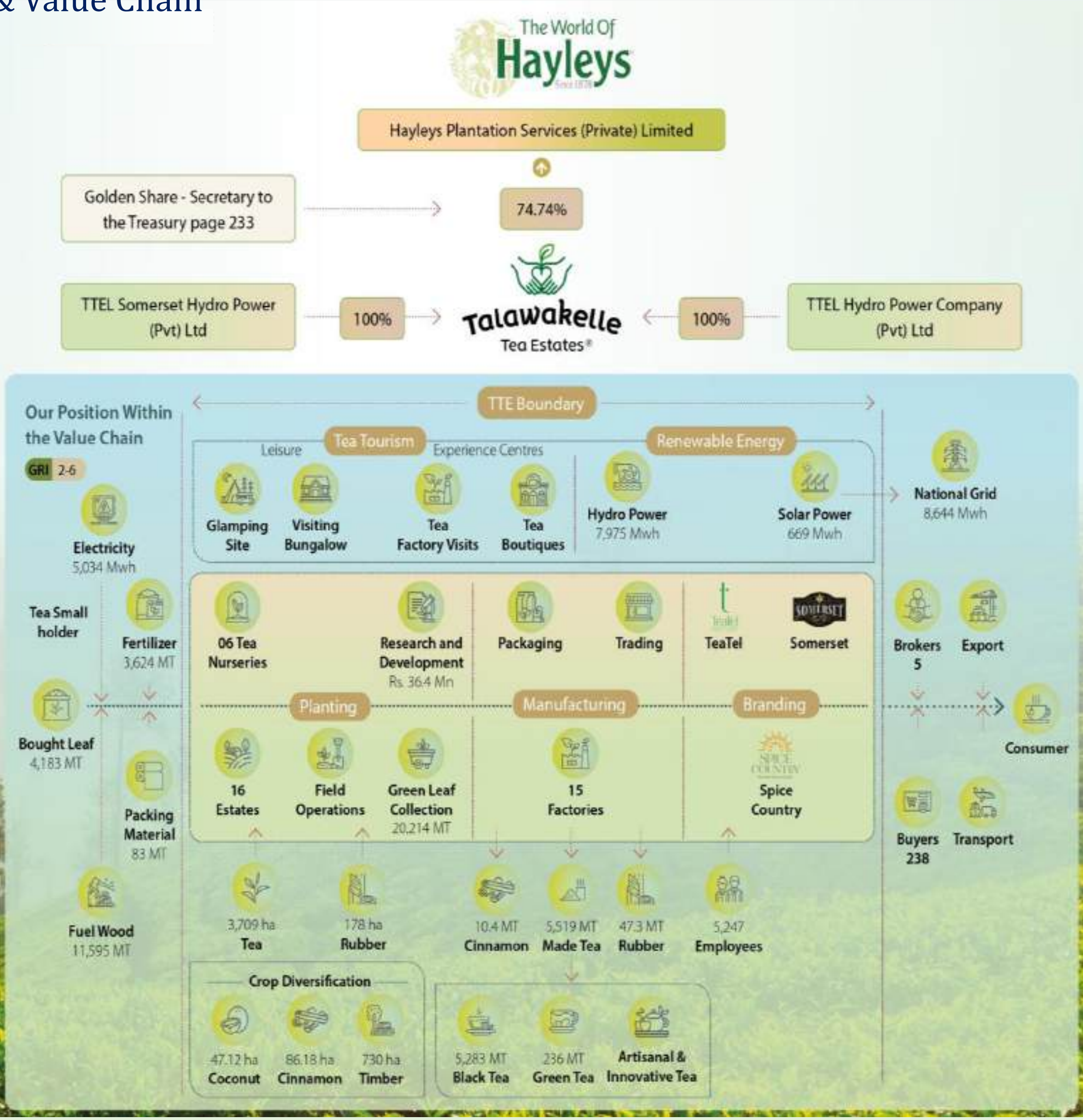
Annually (Previous report : Aug. 2024)

Limitations & Forward-Looking Statements

This ESG Report includes forward-looking statements that reflect the strategic direction of Talawakelle Tea Estates PLC at the time of publication. However, actual outcomes may vary due to external factors and uncertainties. TTE is not obligated to update these statements, and readers are advised to interpret them with caution.

In terms of reporting limitations, this year's TNFD-aligned disclosure covers only the "Locate" step of the LEAP approach, with full LEAP alignment planned in future reports. Similarly, as the National Green Reporting System (NGRS) is still being finalized, not all indicators have been reported this year. The Board also confirms there are no restatements from previously published reports of Talawakelle Tea Estates PLC.

Company Structure & Value Chain



Our Approach To Sustainability

Represents our strategic compass to regenerate, transform, and lead with purpose anchored in the interconnectedness of nature, people, and performance. Framed by the ESG pillars and informed by the dynamic interplay between our business model, stakeholder expectations, and evolving global standards, this agenda advances a systems-based approach that transcends silos. By weaving together risk, resilience, and opportunity across all capitals, it enables TTE to unlock shared value where every decision balances economic advancement with ecological integrity and social well-being. The framework doesn't operate in parts, but as a living system integrating insight, accountability, and innovation to sustain value creation over time.

Purpose

"Brewing a Better Future" Purpose Our commitment is to regenerate ecosystems, uplift livelihoods, and create shared value going beyond compliance to sustainability leadership

Foundation

Guided by Core Values & Regenerative Principles

- Fairness, Integrity, Respect
- Entrepreneurial Spirit & Learning Culture
- Long-term value for people, planet, and profit

Management Systems

Our integrated, standardized management systems ensure operational excellence, ESG compliance, and resilience across the tea value chain:

EMS | EnMs | GAP | FSMS | QMS | HRMS | GHGEmMs

Stakeholder Engagement
We maintain open, structured engagement across our value chain from estate communities to global buyers to understand concerns and co-create solutions.
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Double Materiality
We assess both:

- Impact on environment, society & communities
- Financial risks & opportunities from Sustainability & ESG factors
- Anchored in SLFRS S1/ S2 and GRI Standards.

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Risks & Opportunities

ESG Focus Areas
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Ambitious Target

Governance & Oversights Page 09

Financial Materiality (Primary Users):

- SLFRS S1 & S2 Disclosures Sustainability-related financial risks and opportunities
- Scope 1,2&3 GHG emissions Transition and physical risk financial effects
- Scenario-based business resilience assessments

Impact Materiality (Broader Stakeholders):

- GRI Universal & Sector Standards (GRI 13: Agriculture)
- UNGC principles and SDG Alignment
- Social outcomes: health, gender, livelihoods
- Environmental impact performance: biodiversity, water, soil

Sustainability Focus Areas

Environment

- Sustainable Land Management
- Climate Action
- Circular resource management & Renewable Energy
- Water Stewardship
- Biodiversity conservation and ecosystem restoration

Social

- Community Empowerment
- Fair Labor Practices
- Diversity and Inclusion
- Great Place to Work
- Value Chain Management

Governance

- Board Diversity and Composition
- Policy Compliance
- Accurate Reporting and Transparency
- Stakeholder Engagement
- Risk & Opportunity Management

Focus UN SDGs :

ESG Steering and Governance Structure

The Board of Directors at Talawakelle Tea Estates PLC (TTE) holds overall responsibility for ESG governance, ensuring sustainability is embedded into the Company's strategy and operations. TTE's ESG framework aligns with Hayleys Group's overarching structure, where the Hayleys Board defines Group-level ESG goals, strategies, and policies.

The ESEG Steering Committee, chaired by the TTE CEO, monitors Sustainability-related Risks and Opportunities (SRROs) and Climate-related Risks and Opportunities (CRROs), reporting quarterly to both the TTE Board and Hayleys Group Management Committee. The Audit Committee also reviews key risks, including those related to ESG.

TTE integrates SRROs and CRROs into its strategic planning and KPIs, with regular reporting ensuring transparency and accountability. In compliance with 2024 CSE Listing Rules, a formal ESG Sustainability Policy was adopted in September 2024, reinforcing TTE's long-term commitment to sustainable value creation.

Responsibilities of Governance Body

Governance Body	Key Sustainability & Climate Responsibilities
Board of Directors	• Approve and review corporate sustainability & climate strategy aligned to Strategic Imperatives • Set sustainability and climate relates -risk appetite, ESG policies and oversight frameworks • Monitor progress against GHG, and other ESG related targets • Champion transparent stakeholder engagement and disclosure
Audit Committee	• Oversee internal controls and data integrity for ESG metrics • Ensure accuracy and completeness of SLFRS S1–S2 (IFRS S1-S2) disclosures other integrated reporting disclosures
ESEG Steering Committee	• Translate Board ESG strategy into cross-functional programs (scenario analysis, ESG strategies) • Maintain dynamic ESG, climate & biodiversity risk register and seize emerging ESG opportunities
Estate-Level Sustainability Steering Committees	• Implement corporate ESG policies on the ground (GAP, water harvesting, soil ecosystem conservation, climate adaptation) • Track estate-specific KPIs, escalate incidents or innovative pilots to ESEG, and ensure alignment with TTE's Strategic Imperatives

TTE maintains a clearly defined governance framework to oversee sustainability-related risks, opportunities, and decision-making.

Oversight responsibilities rest with the Board of Directors, with specific delegation to the Board Audit Committee (BAC). The BAC meets quarterly and is responsible for:

- Reviewing and endorsing ESG strategy and climate transition plans,
- Overseeing material ESG risks and their alignment with corporate strategy
- Monitoring performance against sustainability-related targets and disclosures
- Approving key policies.

These responsibilities are formalized according to Hayleys group direction under "Hayleys Life code" (ESG Framework), and TTE's Sustainability Governance Framework under "2030 ReGen Agenda". Directors receive formal induction on relevant standards.

Key Integration of ESG into Strategic Governance

TTE integrates ESG factors into its strategic planning, risk management, and corporate decision-making. ESG is embedded in:

- Strategic planning: climate adaptation, replanting, natural resources management, and market access.
- Capital allocation: investments are screened for ESG implications (e.g., energy efficiency, biodiversity impact).
- Major transactions: ESG factors influence supplier selection, workforce planning, land development, and product design.

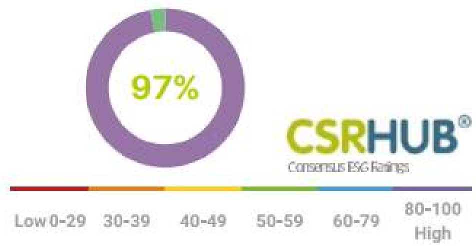
Sustainability performance is also considered in accessing sustainability-linked financing and enhancing long-term competitiveness.

Key Sustainability Highlights

E S G

At Talawakelle Tea Estates PLC, we take pride in our commitment to transparent and responsible sustainability reporting. Our progress over the past year reflects our strong governance, deep-rooted environmental stewardship, and focus on uplifting communities. We remain dedicated to building a resilient, inclusive, and sustainable future for all our stakeholders.

Our ESG Ranking Compared with 36,822 Companies



10%
Improvement in stakeholder engagement according to internal assessment

1823 Kg
Waste Recycling

58 Rs Mn
Environment Management & Conservation Investment

59.7 Rs Mn
Health and Nutrition Investment

119 Rs Mn
Investment "A Home for Every Plantation Worker

We have achieved 100% estate-wide implementation of the newly reformed **"WeCare-360 "** grievance mechanism, ensuring every site is comprehensively covered and every voice is heard.

4 ESEG
Committee Meetings

79.1%
Renewable Material Used

30,848 GJ
Renewable Energy Generation

92%
Customer Satisfaction

23,431 tCO2e
GHG Emission (Decreased by 7%)

99%
Employee Satisfaction

11 Rs Mn
Training Investment

93
Awards & Recognitions

55:8
Male : Female Gender in Leadership Position

SBTi
SBTi Targets Reverification Completed in 2024/25

37%
Reduction in work related accidents

96.6%
Employee Retention Rate

10%
Improvement in stakeholder engagement according to internal assessment

Sustainability Awards & Recognitions

- Global Sustainability Awards (Gold)
- ICSG Global Sustainability Recognition Awards - Global Sustainability Awards
- Winner in Renewable Energy Revolution - CSR Awards
- Winner in Best CSR Initiative for Environmental Impact (CSR) - Commonwealth Business Excellence Awards
- Winner in CSR Excellence in Outstanding Community Commitment (CSR) - Commonwealth Business Excellence Awards
- Top 10 Corporate Citizens - Best Corporate Citizen Sustainability Awards
- Sustainability Awards Category (Merit) - North American Tea Conference
- Award Winner for Planning and Adoption of Resilient Practices - Best Corporate Citizen Sustainability Awards
- Sustainability Impact (Merit) - International Quality Awards
- Best Business Sustainability (Business Excellence) - Commonwealth Business Excellence Awards
- Green Industry Awards (Gold) - ISGSD 2024 Industry Awards for Green Initiatives
- Regenerative Approach for Climate-Smart Agri-Business Management (Gold) - APQO International Best Practice Awards
- Green Apple Environment Award - Green Apple Environment Awards
- Best Environment Excellence awards in Innovative technology Award - South Asian Business Excellence Awards
- Consistent Commitment and Continuous Improvement (Environmental Commitment) - Best Corporate Citizen Sustainability Awards

Our Commitment & Certifications Coverage

Received approval for forest, land, and agriculture (FLAG) science-based targets validated by the SBTi

Participant Since 22 June 2016

ISO 9001:2015 Quality Management System

ISO 22000:2018 Food Safety Management Systems

ISO 14064-1:2018 Green House Gas Emission (GHG)

ISO 14001:2015 Environmental Management Systems

ISO 50001: 2018 Energy Management Systems

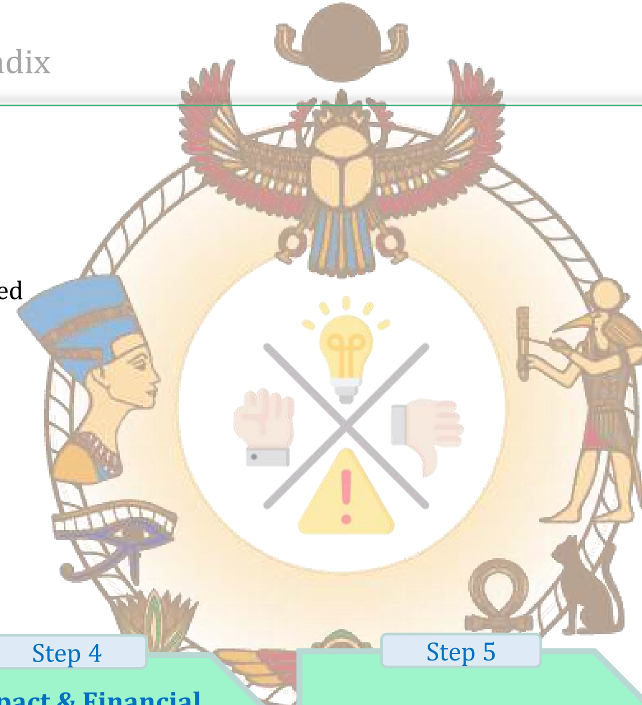
Great Place to Work

Rainforest Alliance Great Place to Work

Eco Label Certification

Mother & Child-Friendly Seal

ESG Materiality Analysis



At Talawakelle Tea Estates PLC (TTE), materiality is more than a compliance step it's a strategic lens through which we align our sustainability priorities with stakeholder expectations and emerging global standards. Guided by GRI, SASB, and now adopting Double Materiality Assessment (DMA) principles, we evaluate how environmental and societal impacts affect business value creation and, conversely, how our operations impact people and the planet. This dual approach helps shape our Regenerative Business Agenda – 2030 (ReGen).

Material Topics Identification Process

We use a 9-step process to identify and validate our material topics, combining stakeholder insights, impact relevance, and financial significance:

Step 1

Value Chain & Stakeholder Mapping

We begin by reviewing our full value chain and identifying key stakeholders based on their influence and interest in our operations.

Step 2

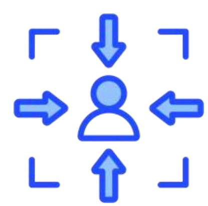
Long-List Development

A broad list of potential sustainability topics is created using global frameworks (GRI, SASB, IFRS S1/S2), industry trends, peer benchmarking, and internal business reviews.

Step 3

Stakeholder Prioritization & Engagement

Topics are prioritized through stakeholder surveys, internal consultations, and workshops to understand external expectations and internal relevance.



Step 4

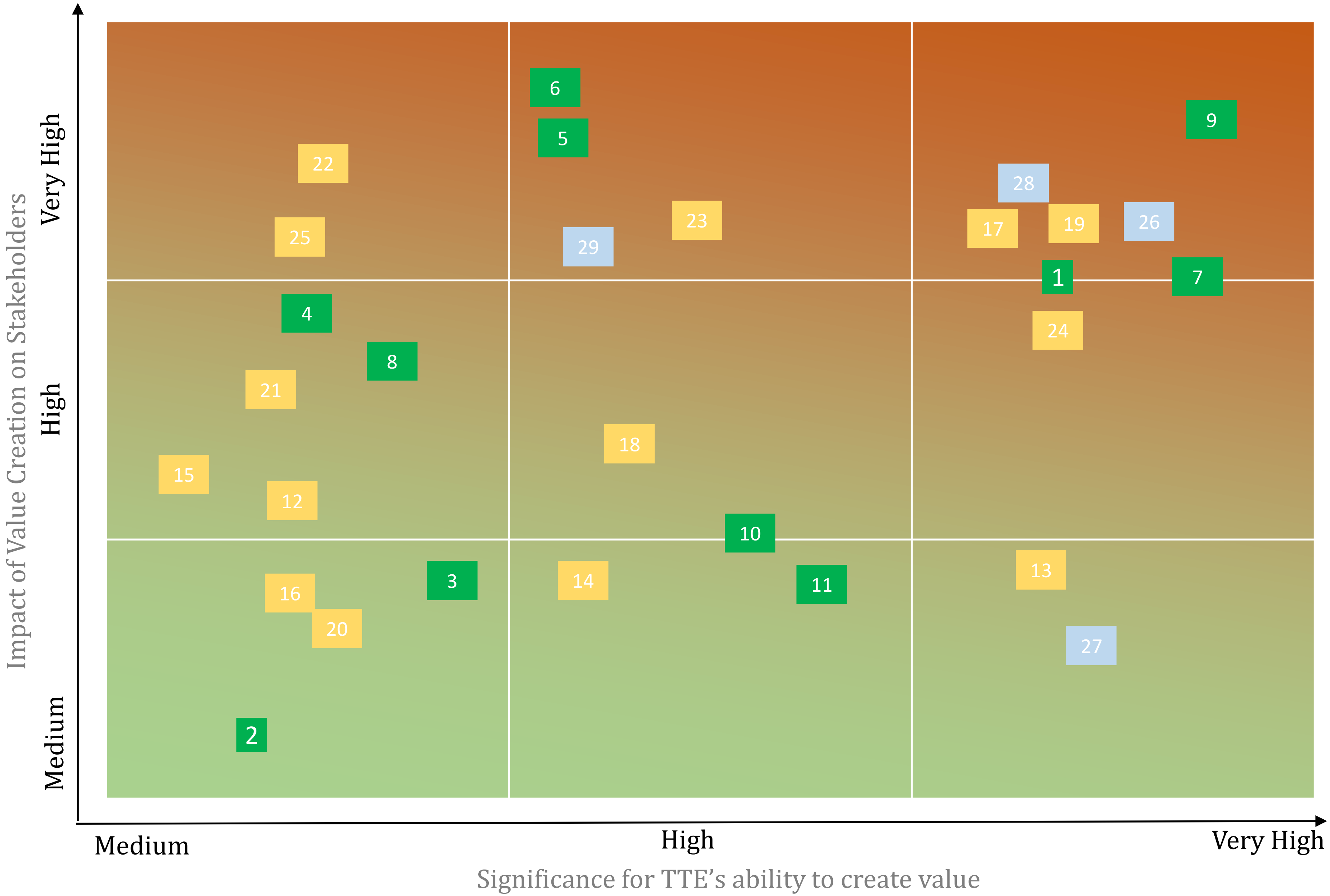
Impact & Financial Assessment (Double Materiality)

We assess each topic's environmental/social impacts (impact materiality) and its influence on business value and financial performance (financial materiality).

Step 5

Topic Validation & Integration

Final material topics are validated by senior leadership and embedded into our ReGen 2030 strategy and ESG reporting framework.

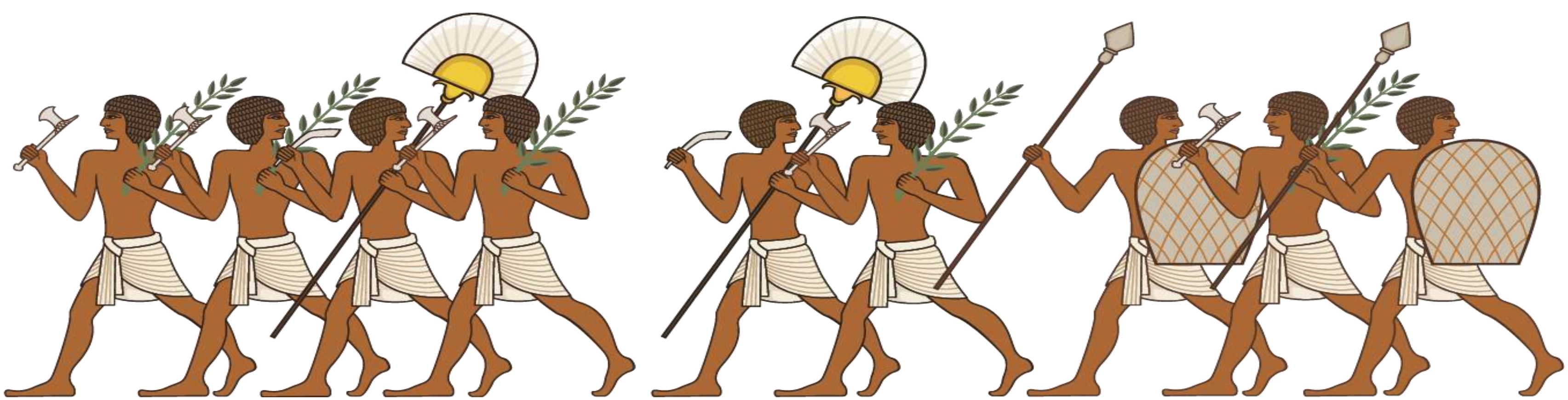

Impact of Value Creation on Stakeholders
Very High
High
Medium
6
5
9
22
28
25
23
17
19
26
29
1
7
4
24
8
21
18
15
12
10
3
14
11
13
16
20
27
2
Medium
High
Very High
Significance for TTE's ability to create value

Material Topic	Topic Boundary	Impact Materiality	Financial Materiality	Double Materiality Winning with the Customer	Management Approach: through Regenerative Business Agenda – 2030 (ReGen)				
					Operational Excellence	Nurturing Our People	Environment Stewardship and Climate Action	Business Diversification	Winning with the Customer
(1) Climate Transition	I/E	🔴	🔴	🔴			√	√	
(2) Materials	I/E	🟡	🟡	🟡			√	√	
(3) Energy	I	🔴	🔴	🔴			√	√	
(4) Water and effluents	I/E	🟢	🟢	🟢			√	√	
(5) Biodiversity	E	🔴	🔴	🟡			√	√	
(6) Emissions	I/E	🔴	🟢	🔴			√	√	
(7) Waste	I/E	🟢	🟢	🟢			√	√	
(8) Supplier environmental assessment	E	🟢	🟢	🟢	√	√	√		
(9) Natural ecosystem conversion	E	🔴	🟢	🟡			√	√	√
(10) Soil Health	E	🔴	🟡	🟡		√	√	√	
(11) Pesticide	E	🔴	🟡	🟡		√	√	√	
(12) Living Income and Living Wage	I/E	🔴	🟢	🟡	√	√		√	

Material Topic	**Topic Boundary**	**Impact Materiality**	**Financial Materiality**	**Double Materiality Winning with the Customer**	**Management Approach: through Regenerative Business Agenda – 2030 (ReGen)**				
					Operational Excellence	Nurturing Our People	Environment Stewardship and Climate Action	Business Diversification	Winning with the Customer
(13) Procurement Practices	I/E	🟢	🔴	🔴	√	√			
(14) Supply Chain Traceability	I/E	🟢	🔴	🔴	√			√	
(15) Supplier Social Assessment	E	🟢	🟢	🟢	√	√		√	
(16) Diversity and Equal Opportunity	I	🔴	🟡	🟡		√	√		
(17) Non-Discrimination	I	🔴	🟡	🟡	√	√			√
(18) Freedom of Association	I/E	🔴	🔴	🔴	√	√			√
(19) Child Labor	I/E	🔴	🟢	🟢	√	√			
(20) Forced or Compulsory Labor	I/E	🔴	🟢	🟢	√	√			
(21) Employment and employment practices	I	🔴	🔴	🔴	√	√			
(22) Occupational health and safety	I	🟡	🟡	🟡	√	√			
(23) Training and Development	I	🔴	🔴	🔴	√	√			
(24) Local communities	E	🔴	🟡	🟡		√			√
(25) Livelihood Development	E	🟡	🟢	🟡		√			√

Material Topic	Topic Boundary	Impact Materiality	Financial Materiality	Double Materiality Winning with the Customer	Management Approach: through Regenerative Business Agenda – 2030 (ReGen)				
					Operational Excellence	Nurturing Our People	Environment Stewardship and Climate Action	Business Diversification	Winning with the Customer
(26) Tax	I	🔴	🔴	🔴	√				√
(27) Technology	I	🟢	🔴	🟡	√			√	√
(28) Economic Performance	I	🔴	🔴	🔴	√			√	√
(29) Anti-Corruption	I/E	🟡	🟡	🟡	√				√

I-Internal E- External 🔴 Very High 🟡 High 🟢 Moderate



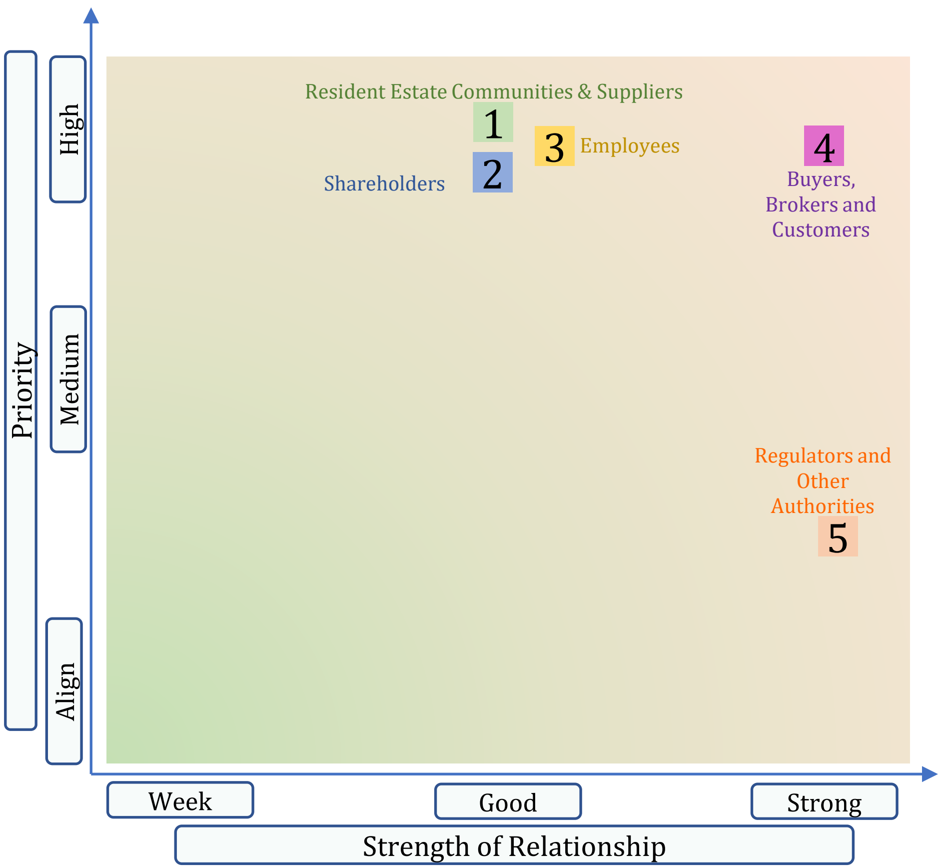
Stakeholder Engagement

At TTE, we believe sustained and constructive stakeholder dialogue is essential to achieving our Regenerative Business Agenda 2030 (ReGen). Stakeholder engagement is treated not as a formality, but as a strategic tool to understand diverse perspectives, guide decision-making, and refine strategies, policies, and operations enhancing both financial and non-financial outcomes across our value chain.

We adopt a structured approach to stakeholder engagement, beginning with the identification of key groups based on their interest in TTE and influence on our operations. Functional heads lead this process, classifying stakeholders as shareholders, employees, customers, resident communities, suppliers, and regulators.

Each group is mapped on a power-interest grid to determine the most suitable engagement methods and frequency, ensuring that our interactions remain purposeful, responsive, and aligned with shared priorities.

Stakeholder Analysis



Strategic Objective: Build strong and mutually beneficial relationships with estate communities focusing on their wellbeing and enabling them through key socio-economic development initiatives

1

Resident Estate Communities & Suppliers (3,679 estate workers and their families living across 16 estates)

Method & Frequency	Material Topics
• Weekly Community Meetings • Child Protection Focal Point (as needed) • 'Home for every plantation worker' • Programme (periodic) • Awareness programmes (periodic)	• Food security • Water and effluents • Biodiversity • Emissions • Waste • Natural ecosystem conversion

Concerns and Expectations	Strategic Response
• Housing and estate infrastructure • Water and sanitation • Health and nutrition	• Home for every Plantation Worker" – a comprehensive community development and • wellbeing programme

Stakeholder Engagement

Strategic Objective: Deliver sustained value by aligning our strategies with the long-term interests of our shareholders

2

Shareholders
(Parent company and over 14,800 shareholders/investors on the CSE with equity totaling to Rs. 6,369 Mn)

Method & Frequency	Material Topics
• Annual General Meeting & Annual Report • Extraordinary General Meetings (as needed) • Interim Financial Statements (quarterly) • CSE Announcements (as needed) • Press Conferences / Press Releases (as needed) • Corporate Website (continuous and ongoing)	• Tax • Climate Transition • Economic performance Employment and employment practices • Anti Corruption

Concerns and Expectations	Strategic Response
• Earnings growth, profits and stable returns • Financial stability • Capital position & Gearing exposure • Risk and governance frameworks • Ethical business practices Share price performance Disclosure and access to information	• Deliver a pragmatic growth strategy and closely monitor performance targets. • Invest in sustainable agriculture and manufacturing practices. • Integrate ESG considerations into corporate strategy. • Ensure timely shareholder disclosures of corporate information.

Strategic Objective: Foster an empowered workplace focusing on employee skills and wellbeing, to enhance productivity, build resilience and strengthen their work ethic; enabling career progression, whilst ensuring business success

3

Employees
(5,247 employees at 16 estates and the corporate office; trade unions)

Method & Frequency	Material Topics
• Daily, weekly and monthly staff meetings • Weekly HR cluster meetings • Monthly meetings with trade union representatives • Monthly health and safety committee meetings • Bi-annual performance evaluations • Training initiatives (as needed	• Market Presence • Brain-drain and labor out migration • Diversity and equal opportunity y Non-discrimination • Freedom of Association • Forced or compulsory Labor • Employment and employment practices

Concerns and Expectations	Strategic Response
• Equal opportunity and non-discriminatory employment • Competitive remuneration and benefits • Access to competency training and skill development • Career development opportunities • Rewards and recognition • Safety and wellbeing	• Industry aligned Compensation and Benefits • Comprehensive Health and Safety Programme with Staff representation • Extending Training to all Staff Grades

Strategic Objective: Secure broker and buyer confidence by offering finest quality teas made ethically and sustainably; enhance the brand strength; and drive for premium prices on the Colombo Tea Auctions

4

Buyers, Brokers and Customers (5 tea brokers at the Colombo Tea Auctions, accounting for 96% of sales; 238 local buyers; and 3 overseas buyers)

Method & Frequency	Material Topics
• Meetings (as needed) • International trade fairs and road shows I Trade association meetings (periodic) • Estate familiarization tours (as needed) • Corporate Website (continuous and ongoing) • Social media platforms (continuous and ongoing)	• Procurement Practices • Supply chain traceability Technology • Customer satisfaction, health, safety • Research and development • Climate Transition • Materials • Energy • Water and effluent

Concerns and Expectations	Strategic Response
• Product quality and food safety • Good agricultural and manufacturing practices • Compliance with local and international certification standards and regulations • Climate change impact	• Good agricultural and manufacturing practices to ensure quality teas. • Adopt and maintain internationally accepted certification guidelines and standards. • Invest in research and development for value addition and product innovation.

Strategic Objective: Build collaborative partnerships with suppliers—to strengthen a reliable supply chain, whilst advocating best and ethical business practices to enhance and bring in quality to the value creation process

5

Regulators and Other Authorities: (Government of Sri Lanka; regulatory bodies; certification agencies; industry associations; financial institutions; media; and the general public)

Method & Frequency	Material Topics
• Estate and factory audits (annual) Meetings (as needed) • Annual Report • Interim Financial Statements (quarterly) • CSE Announcements (as needed) • Press Conferences / Press Releases (as needed) • Corporate Website (continuous and ongoing) • Social media platforms (continuous	• Market Presence • Tax • Land and labor productivity • Customer satisfaction, health, safety • Climate Transition • Materials /Energy /Water and effluents • Biodiversity • Emissions

Concerns and Expectations	Strategic Response
• Reliability and reputation • Risk and governance frameworks • Ethical business practices • Compliance • Climate change and crop management	• Ensure full compliance with all applicable laws, regulations, and industry standards. • Promote ethical business practices and integrity • Enhance reporting and disclosure practices

ENVIRONMENT

Natural capital is central to our operations and long-term sustainability. From soil and water to biodiversity and climate stability, these ecosystems serve as both inputs and beneficiaries of our responsible practices. At TTE, we take a regenerative approach minimizing impacts while restoring ecosystems through soil conservation, reforestation, and climate-smart agriculture. This section explains how we measure, manage, and improve our environmental footprint to protect the landscapes we rely on

In this Section

Circular Resource Management & Renewable Energy

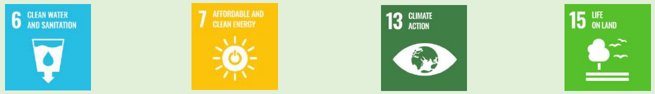
Water Stewardship

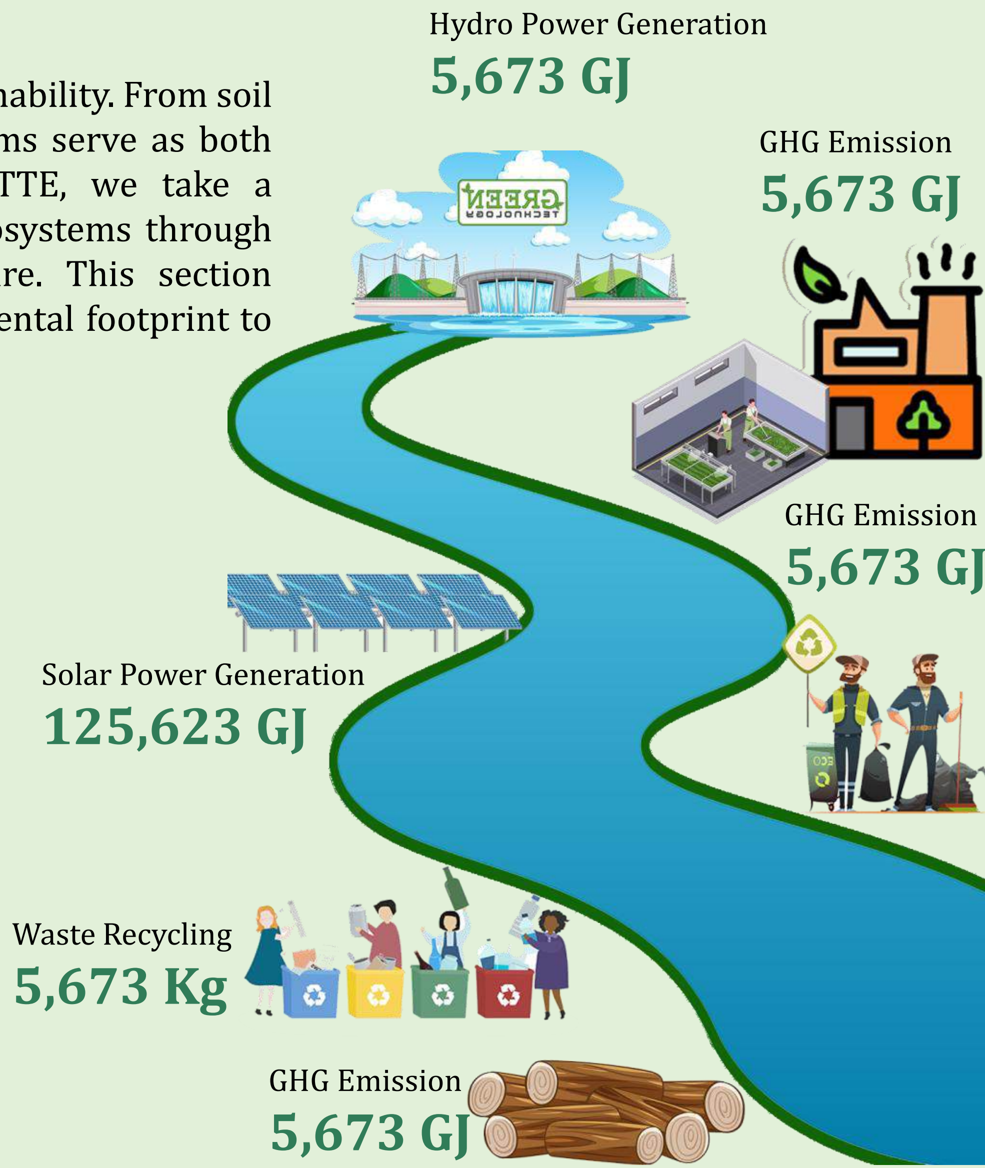
Sustainable Land Management

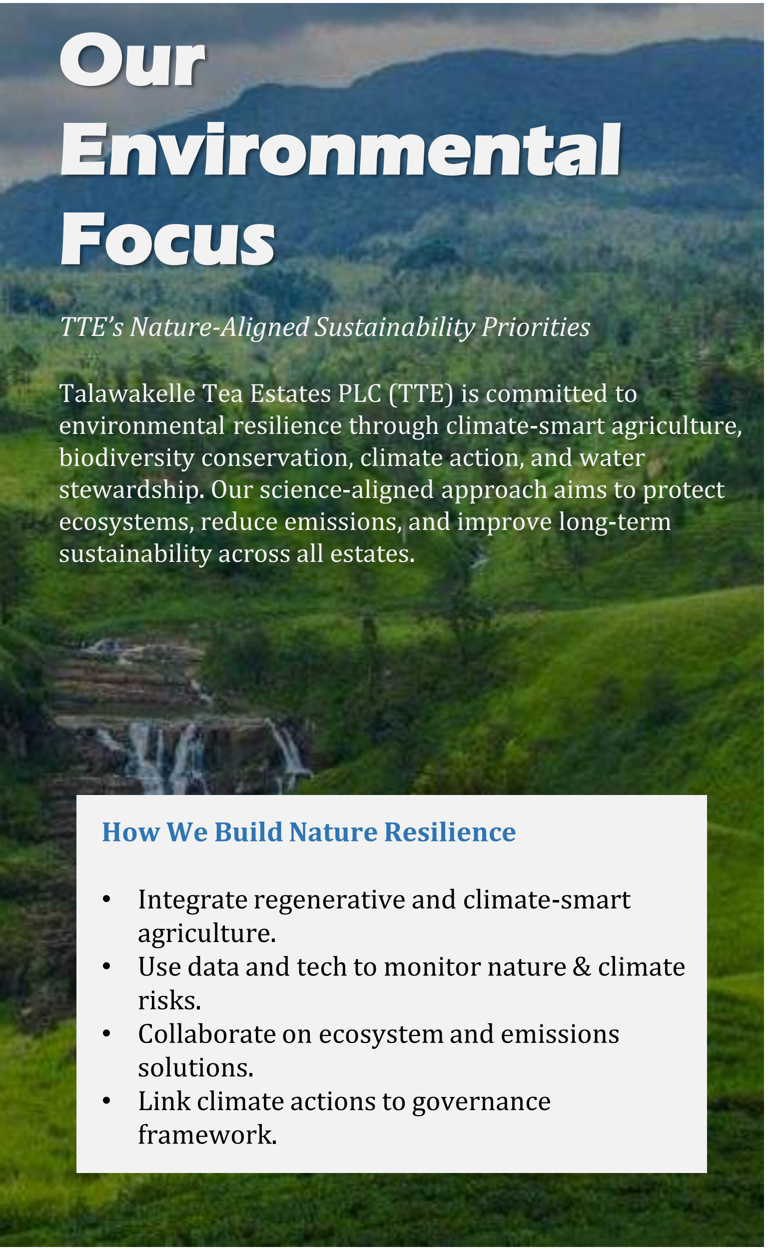
Biodiversity Conservation and Ecosystem Restoration

Climate Action

Contribution to the UN SDGs







Our Environmental Focus

TTE's Nature-Aligned Sustainability Priorities

Talawakelle Tea Estates PLC (TTE) is committed to environmental resilience through climate-smart agriculture, biodiversity conservation, climate action, and water stewardship. Our science-aligned approach aims to protect ecosystems, reduce emissions, and improve long-term sustainability across all estates.

How We Build Nature Resilience

- Integrate regenerative and climate-smart agriculture.
- Use data and tech to monitor nature & climate risks.
- Collaborate on ecosystem and emissions solutions.
- Link climate actions to governance framework.

	Restoring Biodiversity *(2030 estate biodiversity targets)*	**Water Stewardship** *(2030 freshwater & watershed targets)*	**Climate Action** *(2050 Net Zero & GHG emission targets)*
Measure	• Map estate biodiversity and buffer zones • Monitor agrochemical impact on species	• Track water usage and rainfall patterns • Map water stress risks in plantations	• Measure Scope 1, 2 and key Scope 3 emissions • Monitor energy mix and solar use
Eliminate & Reduce	• Restore degraded areas and enhance ecosystem corridors • Limit synthetic inputs	• Implement efficient irrigation and rainwater harvesting • Restore natural catchments	• Expand renewable energy use (solar via Sunny Portal) • Use drones to reduce GHG from field activities
Offset & Restore	• Reforest St. Clair watershed zone • Promote native flora at estates	• Protect and rehabilitate watershed forests • Improve natural drainage and buffers	• Offset carbon via agroforestry and reforestation • Pilot low-emission transport (Zip Line)
Disclose	• Publish biodiversity progress in ESG Dashboard • Align to TNFD where applicable	• Report water metrics via Power BI dashboard • Align to SDG 6 indicators	• Disclose climate-related financial risks per IFRS S2 • Track targets via CUBE system and ESG reports

Leveraging Our Influence

- Partnered with Hayleys and TRI to scale climate-smart models
- Support sector-wide emission reduction goals
- Train employees and farmers on climate mitigation practices

2.4 Climate Action

2.4 Climate Change Management Framework

At Talawakelle Tea Estate PLC, we recognize that safeguarding our natural capital goes hand-in-hand with building resilience to climate change. As extreme weather patterns, water stress, and biodiversity loss become more frequent, we are proactively adapting our operations to withstand these risks while contributing to climate resilience across the landscapes we manage. To further strengthen our climate governance, we have adopted the IFRS S1 &S2 standards. In alignment with IFRS S2, we disclose climate-related financial risks and opportunities, and our climate action framework is structured accordingly.

Governance

Climate governance is driven by the TTE Board and ESG Steering Committee. Oversight responsibilities, accountability mechanisms, and board-level reporting are outlined in our 2024/25 AR [**pg. 89–91**] under and SLFRS Sustainability Related Financial Disclosures Corporate Governance

Strategy

Our climate strategy integrates physical and transition risk assessments into business planning. Strategic resilience initiatives and scenario analysis are detailed in the 2024/25 AR [**pg. 91-104**] under Strategy and SLFRS S2-aligned Climate Action disclosures.

Risk Management

Climate-related risks and opportunities (CRROs & SRROs) are embedded in our enterprise risk management system. For a full mapping of climate risk identification, assessment, and mitigation, refer to the 2024/25 AR [**pg. 104–108**].

Metrics & Targets

We track Scope 1, 2, and 3 GHG emissions, energy use, and carbon intensity. Emission reduction targets and climate KPIs aligned with SLFRS S2 are reported in the 2024/25 AR [**pg. 108-113**].

We follow the IFRS S1 and S2 standards for climate-related disclosures, which are locally adopted in Sri Lanka as SLFRS. While this report may refer to them as IFRS, our Annual Report uses the SLFRS terminology both referencing the same underlying framework.

2.3.2 Emission Profile

Reduce scope 1 and 3 FLAG GHG emissions 72% by 2050

BY 2023 **14% 2025** **30.3% 2030** **72% 2050**

Achieved

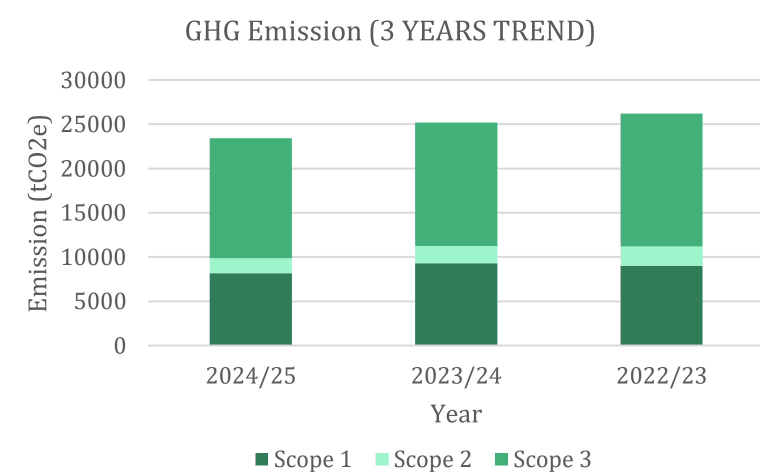
We monitor and report our greenhouse gas (GHG) emissions annually in accordance with the ISO 14064 standard and the GHG Protocol. These emissions are independently verified by the Sri Lanka Climate Fund (SLCF) to ensure transparency and accuracy. Our GHG inventory covers all 16 estates and the head office, accounting for the full operational boundary. Within this boundary, we report on all three scopes: Scope 1, Scope 2, and Scope 3 emissions.

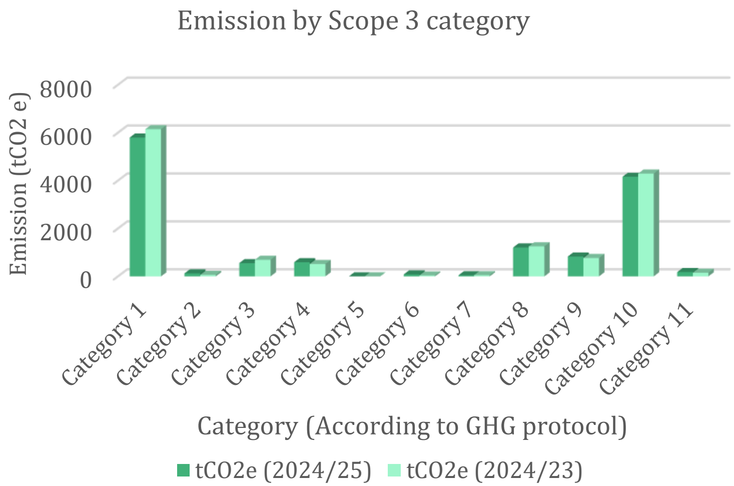
In the 2024/25 reporting period, Scope 1, 2, and 3 emissions accounted for approximately 35%, 7%, and 55% of total emissions respectively.

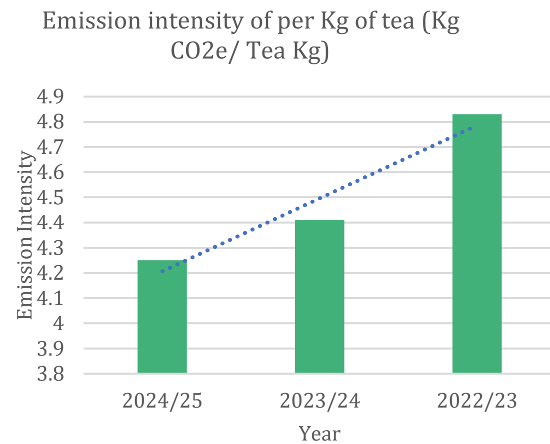
Compared to our baseline year, we achieved an overall emissions reduction of 10.5%. As an agriculture-based company, the majority of our emissions arise from fertilizer use, highlighting the importance of sustainable nutrient management in our climate strategy.

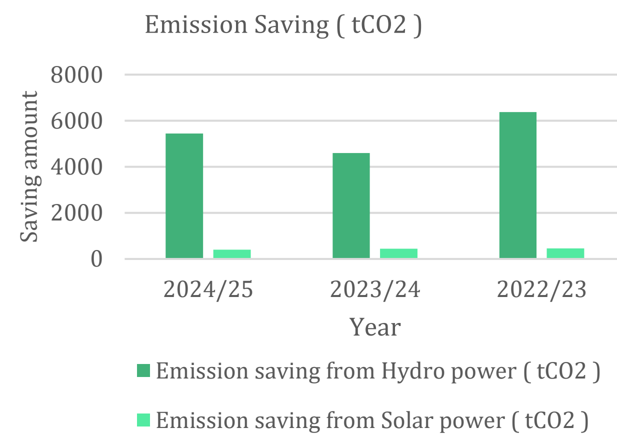
Statistics of TTE PLC GHG emission Data in the Past 2 Years

Item	2024/25 Total tCO2	2023/24 Total tCO2	Variation
Scope 01			
Stationary Combustion			
Diesel for Generator	66.70	68.35	-2.4%
LPG use	14.74	12.56	17.4%
Biomass	1701.78	1673.37	1.7%
Mobile Combustion			
Diesel (Off-road)	168.87	173.03	-2.4%
Petrol (Off-road)	70.05	146.04	-52.0%
Diesel (On Road)	284.74	268.35	6.1%
Petrol (On Road)	137.48	223.55	-38.5%
Fugitive Emissions			
Refrigeration and air conditioning	0.14	0.14	0.0%
Use CO2 fire extinguisher	0.17	0.17	-2.4%
Direct Emission from fertilizer	5713.36	6696.31	-14.7%
Process Emissions			
Mixed food & garden waste Composting/Anaerobic digestion	1.97	1.17	68.7%
Total Scope 01	8160.01	9263.04	-11.9%
Scope 02			
Indirect emissions from imported electricity	1,703.00	1961.62	-13.2%
Total Scope 02	1,703.00	1961.62	-13.2%
Scope 03			
(Category 1) Purchased goods and services	5798.72	6145	-5.64%
(Category 2) Capital goods	125.81	60.57	107.71%
(Category 3) Fuel- and energy-related activities	552.81	694.44	-20.39%
(Category 4) Upstream transportation & distribution	590.34	516.72	14.25%
(Category 5) Waste generated in operations	1.98	1.19	66.39%
(Category 6) Business travel	78.93	38.32	105.98%
(Category 7) Employee commuting	45.59	47.87	-4.76%
(Category 8) Upstream Leased Assets	Non	Non	-
(Category 9) Downstream transportation & distribution	1207.14	1253.88	-3.73%
(Category 10) Processing of sold products	827.59	769.13	7.60%
(Category 11) Use of Sold Products	N/A	N/A	-
(Category 12) End of life treatment of sold products	4159.74	4291.32	-3.07%
(Category 13) Downstream leased assets	179.55	151.62	18.42%
(Category 14) Franchises	Non	Non	-
(Category 15) Investments	Non	Non	-
Total Scope 03	13,568.20	13970.06	-2.88%
Total Emission	23,431.21	25,194.72	-7.00%
Biogenic Emission from Firewood and Briquettes	20735.32	20389.33	1.70%
GHG saving from electricity (Hydro)	5452.72	4604.36	18.43%
GHG saving from electricity (Solar)	405.97	436.19	-6.93%
Total GHG Saving	5858.69	5040.54	16.23%
Emission intensity of per Kg of tea (Kg CO2e/ Tea Kg)	4.25	4.41	-3.62%









This bar graph shows Scope 3 GHG emissions for 2023/24 and 2024/25. The highest emission category in both years is Category 1 – Purchased goods and services, with 5798.72 tCO_2 in 2024/25, a slight 5.64% decrease from the previous year.

Key changes include:

•A 107.71% increase in Category 2 – Capital goods, indicating higher capital-related activities.

•A 105.98% rise in Category 6 – Business travel, reflecting increased travel.

•A 20.39% decrease in Category 3 – Fuel- and energy-related activities, showing improved energy efficiency or cleaner energy use.

Categories 8 (Upstream Leased Assets), 11 (Use of Sold Products), 14 (Franchises), and 15 (Investments) are not applicable or not reported in either year.

The emission intensity per kilogram of made tea has shown a consistent downward trend over the past three years, decreasing from 4.83 $kgCO_2e$ in 2022/23 to 4.25 $kgCO_2e$ in 2024/25. This reduction reflects the effectiveness of our energy efficiency measures, renewable energy integration, and sustainable agricultural practices.

The graph illustrates annual emission savings from renewable energy sources. In 2024/25, hydro power resulted in a reduction of 5,452 tCO_2, continuing to be the major contributor to our renewable energy savings. Solar power accounted for 405 tCO_2 in emission reductions, showing relatively consistent performance over the past three years. The overall trend reflects our ongoing commitment to utilizing clean energy sources to reduce greenhouse gas emissions across our operations.

Key Emission reduction Measures

Chemical Leasing for Low-Emission Agriculture

Talawakelle Tea Estates PLC, in collaboration with Lanka Responsible Care, adopted a Chemical Leasing model shifting from volume-based agrochemical sales to a performance-focused approach. In the plantation sector, nitrogen-based fertilizers are a major source of GHG emissions. By optimizing fertilizer and pesticide application, this initiative aims to reduce chemical use and lower emissions from soil. It enhances productivity, operational efficiency, and supports climatesmart agriculture reinforcing our commitment to sustainable, low-emission tea cultivation in Sri Lanka

2.3.2 Decarbonization Journey

Achieving net-zero greenhouse gas emissions by 2050

BY 2023 **18% 2025** **42% 2030** **90% 2050**

Achieved

Climate Resilient Tea Estates

Key action of TTE's climate resilience strategy include:

- **Estate-level climate risk assessments and adaptation planning.**
- **Expansion of renewable energy with hydro and solar power projects reducing grid dependency**
- **ISO 50001-certified energy management systems adopted in multiple factories to improve efficiency and resilience to energy price volatility.**
- **Fertilizer optimization and composting initiatives to reduce GHG emissions and dependency on synthetic inputs.**

Net Zero Plan

As part of our environmental sustainability commitment, Talawakelle Tea Estates PLC (TTE) is progressing toward its Net Zero 2050 goal, aligning with our *RegenAgri* principles and Sri Lanka's national climate ambitions. Our Net Zero Plan includes both decarbonisation actions and climate resilience strategies, embedded across our tea production and estate operations.

	Low-Carbonizing		
Steps	**Measure**	**Reduce**	**Compensate**
Input	Identify, Quantify and Verify	Reduction targets and strategies	Insetting and Offsetting
Process	Quantify direct/indirect or scope 1,2,3 emission by adopting ISO 14064 or GHG Protocol	Switch energy sources to renewable/clean energy and execution of reduction actions	Invest solar, wind, biofuel, projects and forest restoring projects to earn carbon credits
Outcome	Capture all direct emission & max. possible indirect sources	Reduce maximum possible emission until net-zero emission	Unavoidable emission offset 100% or above
Impact	**"Carbon/Climate conscious organization"**	**"Low/de-carbonized organization"**	**"Carbon neutral or Climate ready organization"**

Leveraging Our Influence

We recognize that buyers, traders, and export markets are pursuing their own net-zero agendas. Through our ISO 50001-certified operations, sustainable agro-practices, and supplier engagement under the Revenue Share Model (RSM), we provide a lower-emission tea supply chain.

With emissions from fertilizer and energy being key contributors, our decarbonisation journey supports our partners' goals through:

- Verified Product Carbon Footprint (ISO 14067)
- Climate-smart cultivation practices
- Transition to green packaging and logistics

TTE's estate network is leading the tea sector in climate-resilient, low-emission operations empowering our stakeholders to meet their climate goals together.

2.3.2 SBTi Commitment

CO2

We've had our Science-based target Approved

CO2

scope 1 and 3 FLAG GHG emissions 30.30%

FY 2022/23

FY 2030/31

SCOPE 1 & 2 GHG EMISSIONS 42.00%

SCOPE 3 GHG EMISSIONS 42.00%

Implementation climate adaptation plan with Scenario planning

70% 2023 | 80% 2025 | 90 % 2027 | 100% 2030

Achieved

Talawakelle Tea Estates PLC commits to achieving zero deforestation across key commodities by December 31, 2025, including land-related FLAG emissions and removals. From a FY2023 base year, the company targets a 90% reduction in absolute Scope 1 and 2 GHG emissions and a 90% reduction in Scope 3 GHG emissions by FY2050. Additionally, it aims to reduce Scope 1 and 3 FLAG-related GHG emissions by 72% within the same timeframe, covering all emissions from land use and bioenergy feedstocks.

2.1 Circular Resource Management & Renewable Energy

2.1.1 Energy Use

Achieve 99% renewable energy use across total energy consumption.

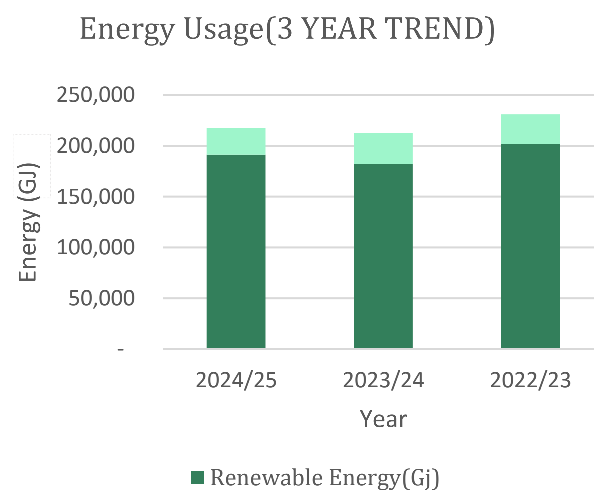
80% 2023 | 85% 2025 | 95% 2027 | 99% 2030

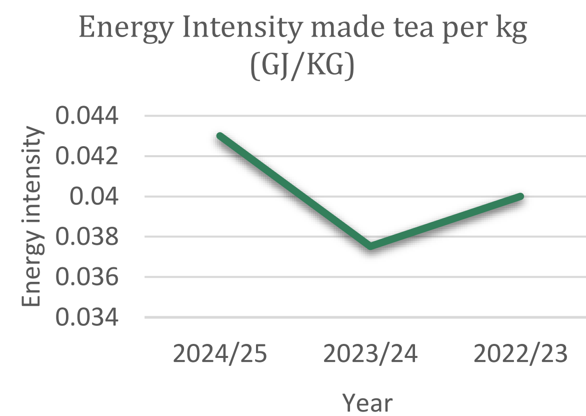
Achieved

As a tea manufacturing company focused on agricultural processing, we have limited influence over the energy use of end products. However, our midstream operations such as withering, rolling, and drying are highly energy-intensive, relying on both on-site generation and grid electricity. Improving energy intensity is a strategic priority as we scale. Guided by our Energy Management Policy and aligned with ISO 50001:2018, we invest in energy-efficient technologies and renewable solutions. A key milestone was achieving ISO 50001 certification at Mattakelle Tea Factory with support from the National Cleaner Production Centre. With two factories now operating under ISO 50001, we continue advancing energy efficiency, sustainable growth, and emissions reduction.

Statistics of TTE PLC Energy Consumption Data in the Past Two Years

Energy consumption by scope	2024/25	% Share	2023/24	% Share	% Change
Within the organization (Gj)					
Renewable Energy					
Biomass	185,137	85%	177,085	83%	4.5%
Self generated consumption (Hydro)	6274	3%	4,975	2%	26.1%
Non Renewable					
Diesel	6686.53	3%	6,540	3%	2.2%
Petrol	2884.23	1%	5,126	2%	-43.7%
Grid Electricity usage	14684	7%	16,910	8%	-13.2%
Total Energy consumed within the organization (1)	215,666	99%	210,637	99%	2.4%
Outside the organization (Gj)					
Diesel	1128.32	0.5%	1098.00	0.5%	2.76%
Petrol	1,039	0.5%	925	0.4%	12.37%
Energy consumed outside the organization (2)	2,168	1.00%	2,023	0.95%	7.16%
Total energy consumed (1+2)	**217,833**		**212,660**		**2.43%**
made tea output (Kilograms)	5,518,985		5,719,536		-3.5%
Average energy consumed per unit of made tea- the organization(GJ/KG)	0.043		0.0375		6.2%



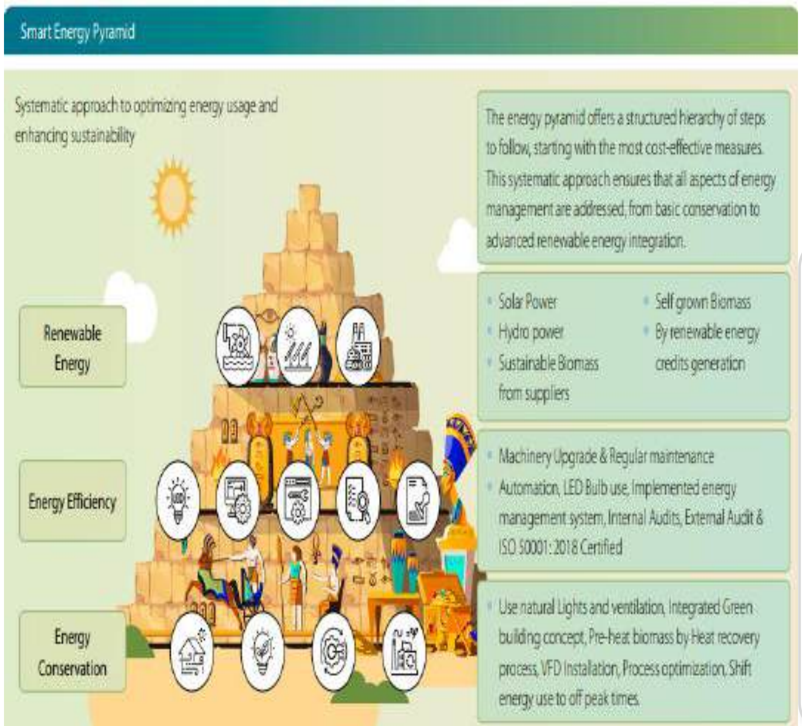


Reducing Energy Consumption

TTE achieved a 2.4% reduction in total energy use through energy-efficient upgrades and process optimization. Key measures included installing efficient machinery and improving heat recovery in tea drying. These efforts cut energy per unit, reduce our environmental footprint, and support sustainability goals with better performance tracking.

2.1.2 Energy Management

During the year, TTE recorded a 2.4% change in total energy consumption, driven by continuous improvements in energy efficiency and process optimization. We have also taken steps to reduce the energy intensity of our operations for example, by upgrading to energy-efficient machinery and enhancing heat recovery systems in tea drying processes. These improvements not only lower our operational footprint but also reduce the energy required per unit of product, supporting our goals in sustainability and climate adaptation, while ensuring consistency and traceability in tracking energy performance across sold products and services



Key Energy Saving Measures

Motor System Optimization to Reduce Energy Consumption

To address high electricity consumption at Holyrood Estate, we implemented a Motor System Optimization Project. Using the PEL 103 Power Logger, we assessed key motors and identified inefficiencies caused by outdated models and repeated rewinding. Many motors operated below optimal efficiency. The assessment recommended replacing old motors with IE3-class energy efficient models and installing Variable Frequency Drives (VFDs) for the dryer fan to align energy use with operational needs. This initiative aims to enhance system performance, optimize power usage, and reduce electricity consumption contributing to our Natural Capital conservation efforts

Kiruwanaganaga Green Factory: Leading Sri Lanka's Tea Energy Transition

We upgraded Kiruwanaganaga Tea Factory by replacing inefficient machinery, switching to solar and biomass energy, and optimizing thermal and electrical systems. We implemented real-time monitoring and trained staff to ensure proper operation. To meet long-term energy needs, a dedicated area was planted for sustainable firewood supply. We are currently working towards ISO 50001 Energy Management certification and Green Building recognition. These steps support our target of reducing Scope 1 and 2 emissions by 50.4% and generating 150% of our electricity demand from renewable sources. The project is a scalable model for transitioning other factories within TTE PLC.

2.1.3 Renewable Energy

Our investment in renewable energy is critical in lowering our overall carbon footprint. Over the years, we have expanded our renewable energy portfolio through investments in mini-hydros, biomass, and more recently, through rooftop solar installations with the aim of achieving energy self sufficiency. As of March 31, 2025, these combined initiatives have enabled TTE to meet a significant portion of its energy requirements through renewable sources, with clean energy accounting for 88% of our annual consumption

Biomass

Biomass remains the largest contributor to TTE's renewable energy mix, accounting for 85% of total usage. As early adopters of biomass technology, all TTE factories are equipped with biomass-powered steam systems for the tea drying process. Our biomass production draws on fuelwood and briquettes. This year, fuelwood from licensed third-party suppliers met 78% of our demand. To reduce supply chain risks, TTE has allocated over 80 hectares within high-grown estates for fuelwood cultivation, including 29.5 hectares added this year. Eucalyptus spp. makes up 76% of this area, with the rest under mixed forestry

Solar power

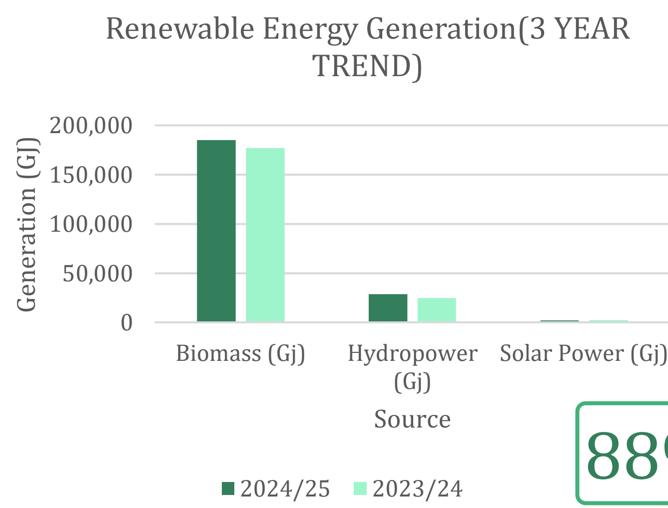
Solar energy accounts for 0.96% of the Company's total energy mix. To-date TTE has invested over LKR 59.3 Mn in rooftop solar systems at 6 of our estates. In the current year alone, we allocated significant resources toward solar expansion, including the latest addition to our network, Kiruwanaganga Tea Factory. This factory stands as a benchmark in sustainable design, incorporating energy-efficient systems, natural lighting, and recycled materials, all of which align with global green building principles. With this latest solar rooftop installation, our collective generation capacity increased to 300 KWp. Generation recorded for the current financial year was 2,064.5 GJ.

Hydro power

Hydropower has served as a reliable renewable energy source for TTE for many years, supported by investments in mini hydro plants that harness natural water flow to generate renewable energy. Mini hydros located at our Somerset, Radella and Palmerston estates which are within designated hydro-catchment areas in Sri Lanka, contribute approximately 13.3% to TTE's renewable energy mix.

Statistics of TTE PLC Renewable Energy Generation Data in the Past Two Years

Source	2024/25	2023/24	tCo2e Saving
Biomass (Gj)	185,137	177,085	
Hydropower (Gj)	28,783	24,697	5452
Solar Power (Gj)	2,064.50	2,240	406



Renewable Energy Generation Capacity

Unit	Type	Capacity (Kwh)
Somerset	Mini hydro	1100
Radella	Mini hydro	200
Palmerston	Mini hydro	800
Bearwell	Solar	108
Deniyaya	Solar	118
Calsay	Solar	110
Moragalla	Solar	150
Kiruwanaganga	Solar	220
Dessford	Solar	113

88% of energy from renewable energy sources (In 2023/24 -85%)

2.2.1 Material Consumption

Increase the percentage of sustainable input materials in operations by 80% by 2030

40% 2023 | 50% 2025 | 60% 2027 | 80% 2030

Lagging

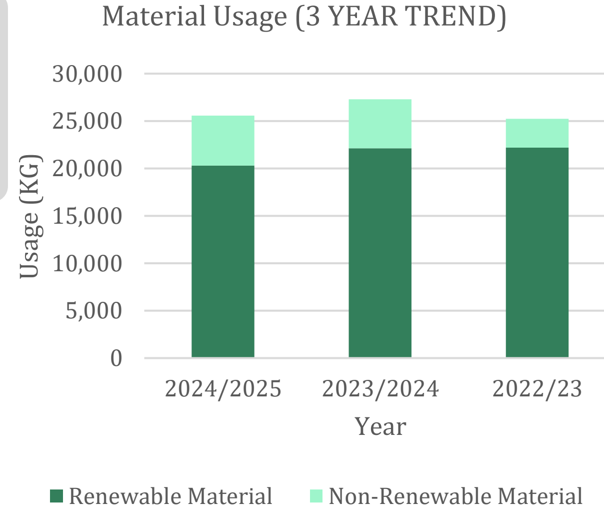
With operations extending across 16 estates covering cultivation, processing, and packaging, our material usage is significant. Aligned with our Regenerative Agenda, we are transitioning from a traditional linear economy model to a circular approach focused on resource efficiency and the 4Rs reuse, recycling, recovery, and reduction. We actively prioritize the use of renewable inputs wherever feasible and ensure prudent management of non-renewable resources. Green leaf, our core raw material, represents over 86% of total input, while non-renewables such as fertilizers, agrochemicals, and dolomite account for the remaining 14%. Currently, recycled materials are not integrated into our production process. As an export-focused operation, reclaiming and reusing packaging materials is not practical. However, we utilize recyclable paper sacks and prefer suppliers who provide sustainable, low-footprint packaging solutions

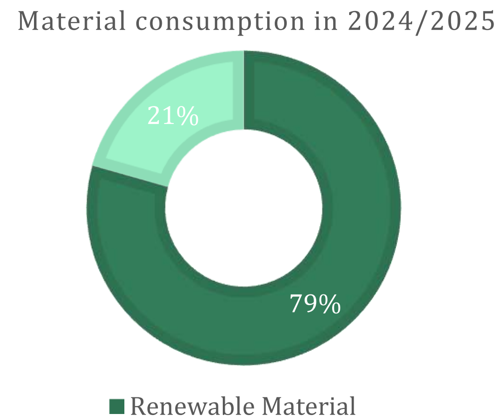
Statistics of TTE PLC Energy Consumption Data in the Past Two Years

Material Consumption	2024/2025	% share	2023/2024	% Share
Factory Operations				
Green Leaf	20,213	79.1%	22,071	80.8%
Packing material	83	0.3%	75	0.2%
Total renewable Materials (Tons)	20,296	79.4%	22,146	81.1%
Field operation				
Fertilizer	3,624	14.2%	2971	10.8%
Agrochemicals	11.8	0.0%	14	0.05%
Dolamite	1,634	6.4%	2,161	7.9%
Total Non renewable Materials (Tons)	5,270	20.6%	5,146	18.8%

We are taking the following actions to increase the use of renewable materials in our operations and field activities:

- Introducing advanced drone technology to optimize fertilizer application and reduce chemical usage
- Promoting the use of organic fertilizers such as compost and bio-slurry
- Implementing estate-level composting initiatives to convert organic waste into nutrient-rich fertilizer
- Encouraging the adoption of renewable planting materials and sustainable field inputs





2.2.1 Waste Management

Implement a closed-loop supply chain for 75% of the organization's supply chain

35% 2023 **45% 2025** **65% 2027** **75% 2030**

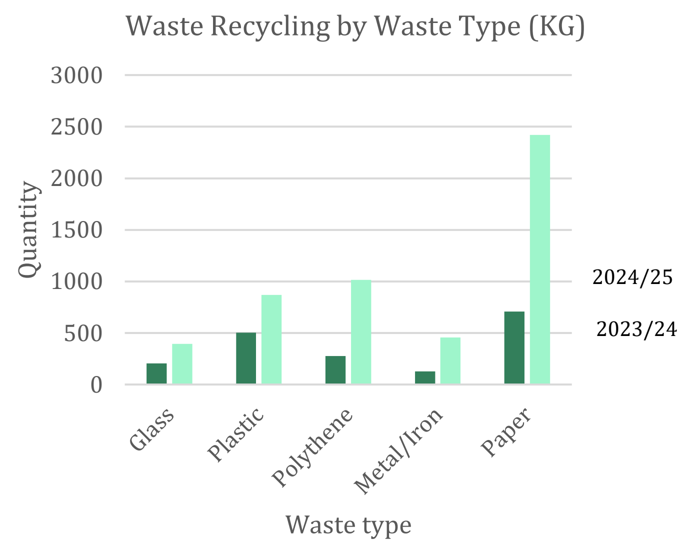
Lagging

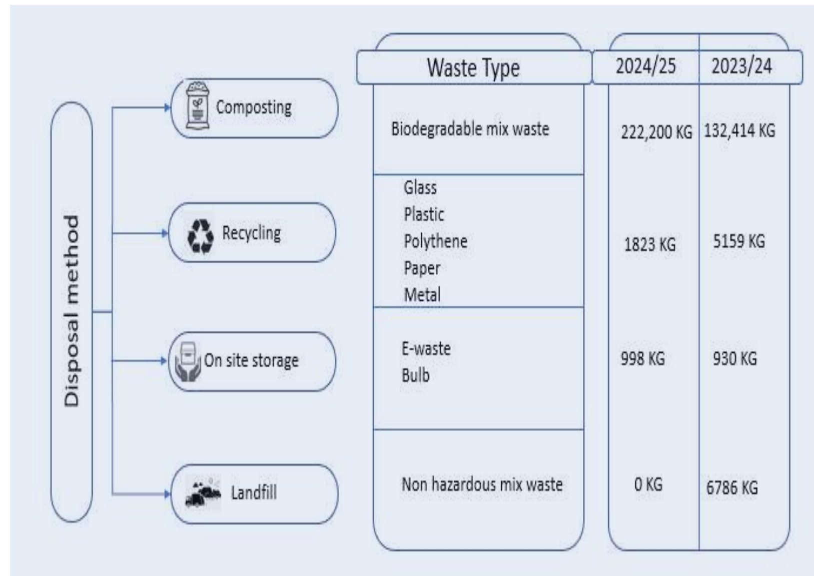
Waste Generation and Significant Waste Related Impact

TTE's waste management policy is driven by circular economy principles that underscore the Company's commitment to reducing waste sent to landfills. Policy dictate 7R practices - refuse, reduce, reuse, recycle, reclaim, repair, and replace. As part of this approach, organic waste is repurposed into compost and biogas, while refuse tea is converted into value-added products. Agricultural waste is reused to make briquettes, used as biomass fuel. Non-biodegradable waste such as metal, glass, plastic, polythene and paper are collected, segregated and responsibly disposed of, most often, through recycling channels. Empty agrochemical containers are returned to suppliers for reuse while hazardous e-waste including used bulbs is responsibly stored and subsequently disposed through a waste disposal company authorized by the Central Environmental Authority

Statistics of TTE PLC Waste Generation Data in the Past Two Years

Waste type and disposal	2024/25	2023/24
Waste diverted from disposal (kg)		
Composting		
Biodegradable mix waste	222,200	132,414
Recycling		
Glass	206	396
Plastic	505	871
Polythene	277	1,014
Metal/iron	128	457
Paper	707	2,422
Total recycling	1823	5,159
E waste	209	287
Bulbs used	789	643
Total on site storage	998	930
Waste directed to disposal (kg)		
Authorized landfill		
Non hazardous mix waste	0	6,786
Total waste generation	**225,021**	**145,289**





Key Waste Management Measures

Waste to Energy Project

As part of our sustainable waste management strategy, we initiated a biogas project at Dessford Estate, Nanu Oya, using food, kitchen, and garden waste to generate renewable energy. This project not only reduces methane emissions and environmental pollution but also lessens reliance on LP gas and chemical fertilizers turning waste into a valuable resource while promoting circular economy principles.

Waste Management Within Estate

Talawakelle Tea Estates PLC, in partnership with the Nanu Oya Pradeshiya Sabha, has implemented a structured waste segregation initiative across its estates. Moving beyond awareness, the program introduces a practical system where estate residents are required to separate and hand over waste biodegradable and non-biodegradable every Friday. Public Health Inspectors and Environmental Officers provided clear guidance on proper segregation methods

Buy Back of Weeds and Composting

The weedicide ban was handled with buy back of weeds programme involving payment for the weight of weeds collected providing opportunities for employees to increase their earnings. These were used for composting yards which were used to fertilise and improve the soil structure.







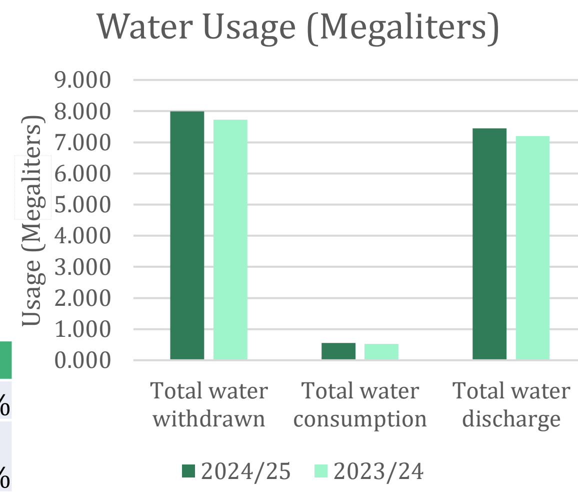

2.1 Water Stewardship

2.1.1 Water Consumption

Achieve a 30% reduction in water consumption by 2030

5% 2023 15% 2025 20% 2027 30% 2030

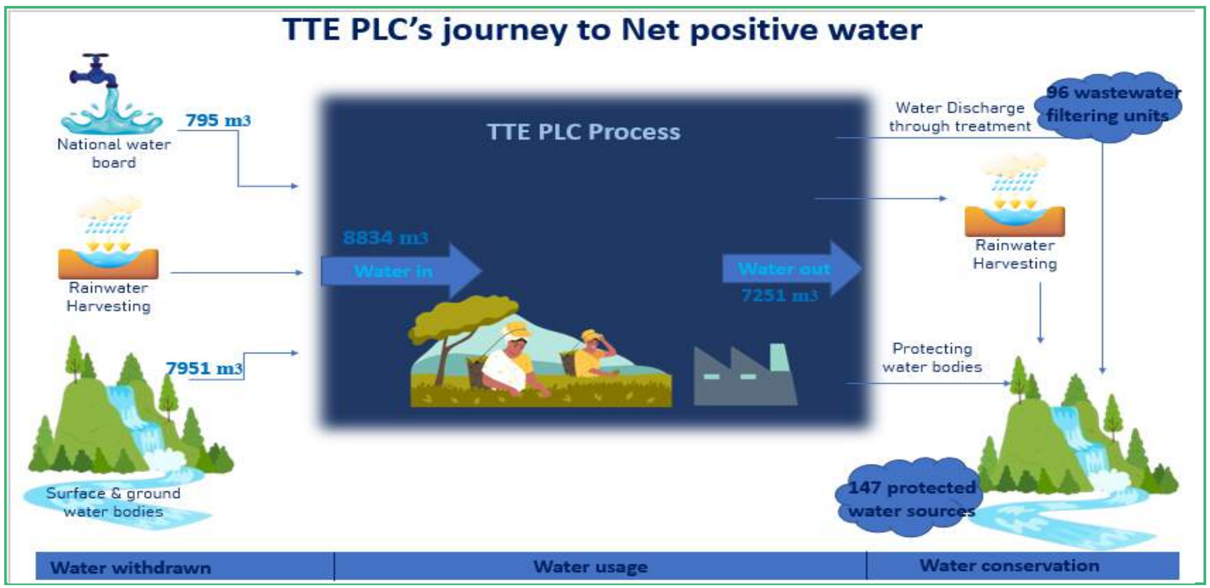
On Track



As a plantation Company, TTE's water footprint is minimal. Water is used mainly for employee consumption, factory cleaning and gardening. Water requirements are met through surface water extraction from natural water bodies as well as rainwater harvested from tanks located within our estates. Over the years, TTE has made substantial investments towards rainwater harvesting infrastructure and other technology to reduce water wastage. At our new Kiruwanaganga factory, we have invested in rainwater harvesting systems that work to replenish and restore groundwater water. To minimise water extraction, we focus on ecofriendly irrigation systems and prioritise water recycling initiatives across our operations, where possible and practical. TTE has also established chemical-free buffer zones around water bodies. As a member of the CEO Water Mandate, , TTE reports on its water stewardship initiatives annually.

Statistics of TTE PLC Water Consumption Data in the Past Two Years

Surface water Megalitre	2024/25	2023/24	Variance
Total water withdrawn	7.998	7.723	3.6%
Total water consumption	0.555	0.521	6.5%
Total water discharge	7.443	7.201	3.4%



2.1 Water Stewardship

2.1.2 Water Management Within Estate

Implement watershed management strategies in 100% in all estate by 2030

70% 2023 **80%** 2025 **90%** 2027 **100%** 2030

Achieved

While our production processes are not heavily water-dependent, we place strong emphasis on responsible water stewardship. All estates are equipped with wastewater purification systems or effluent treatment facilities to ensure that discharged water meets environmental standards. We maintain **chemical-free buffer zones** to safeguard nearby water bodies and natural ecosystems. By prioritizing water quality and purification beyond regulatory compliance . we demonstrate our commitment to protecting water resources, preserving biodiversity, and supporting the long-term sustainability of our estate landscapes.

Our initiative to protect water source

- Water Retention System – Rainwater Harvesting
- The Chemical Free Buffer Zones
- Waste Water Management

Waste Water Management

- Wastewater purification systems with sedimentation and filtration tanks constructed in estates to purify factory and domestic wastewater.
- Bioremediation through conservation of natural vegetation as well as by planting recommended species such as *Canna generalis* (Canas), *Tithonia diversifolia* (wild sunflower), *Vetiveria zizanoides* and *Wedelia trilobata* in channels through where wastewater is flowing.

We follow the UN CEO Water Mandate Principle

UN GLOBAL COMPACT CEO WATER MANDATE

Water Retention System – Rainwater Harvesting

Expected Outcomes

- Enhances Groundwater Recharge – Collected rainwater gradually infiltrates into the soil, replenishing underground water reserves
- Prevents Surface Runoff & Soil Erosion – Slows down water flow, minimizing erosion and retaining soil moisture.
- Mitigates Drought Impact

88% of energy from renewable energy sources (In 2023/24 -85%)

The Chemical Free Buffer Zones

We carefully manage agrochemical handling near water sources, following strict guidelines to prevent contamination. The company has established chemical-free buffer zones around water bodies, using natural vegetation to filter and absorb pollutants, ensuring the protection of nearby rivers and streams

Expected Outcomes

- Prevents Water Contamination – No agrochemicals near water bodies, reducing pollution in rivers, streams, and groundwater.
- Protects Drinking Water Sources – Ensures cleaner water for estate workers and nearby communities.

2.1.3 Our Commitment/Project To Protect Water Source

- Ecosystems Restoration Projects
- Water shed management and riverine buffer zone protection programme

St. Clair Project (Restoring the Upper Kothmale Catchment Area)

Started Date: June 5, 2019 (Launched on World Environment Day)
Project Locations and Area Size:
•**Main Areas Covered:**

- **Talawakelle Region** – St. Clair Falls, Great Western Natural Forest, Devon Waterfall, Horton Plains, Upper Kotmale Hydropower Reservoir
- **Nanu Oya Region** – Pattipola Natural Forest, Kotamala Oya, Nanu Oya
- **Deniyaya Region** – Sinharaja Forest, Kanneliya Forest, Diyadawa Forest, Patna, Ranmale Forest, Ginganga
- **Moragalla Region** – Kottawa Forest

Restoration of Abbotsford Lake

Restoration of Abbotsford Lake is vital since lakes are highly valued for their recreational, aesthetic, scenic, and water-supply qualities, and the water they contain is one of the most treasured of our natural resources.
Reasons for why we are doing this project

- To avoid Eutrophication
- Sedimentation and improve ground water table
- Protect and improve bio diversity

Reforestation strategies to solidify the protection of water catchments

- WNPS Plant project : Improve watershed management and Reforestation of riparian areas.
- KIRULA Project : Perennial cropping systems of 3.74 Ha of Hortan plains collaborated with Hayleys PLC

Improve water quality by reducing the discharge of pollutants water bodies by 100%

80% 2023 | 85% 2025 | 95% 2027 | 99% 2030

Achieved

Water Risk Assessment (For country)

In this years, the risk of water resource shortage has increased as extreme weather occurs more frequently. In the face of the pressure from the external water environment, TTE PLC implements sustainable management of water resources and takes action to cope with the global water shortage

Indicator	WRI Aqueduct results
Water stress	Medium - High (20-40%)
Water depletion	Low - Medium (5-25%)
Groundwater Table Decline	Insignificant Trend
Drought Risk	Medium - High (0.6-0.8)

Note : The above result was obtained using WRI Aqueduct Water Risk Atlas to conduct the overall water risk assessment for Srilanka(inquiry date: 07/2025)

Water Risk Assessment (For operating region)

As part of our Nature-Positive Business Policy, we have embarked on a Net-Positive Water Impact (NPWI) journey, guided by the technical framework of the Water Resilience Coalition under the CEO Water Mandate. A scorecard was developed to evaluate our NPWI progress, with a pilot assessment conducted in collaboration with the International Water Management Institute (IWMI). TTE PLC also plays a key role in the Integrated Watershed and Water Resources Management Project (IWWRMP) led by the Ministry of Irrigation, further supporting this initiative.

Type	Water Source	Availability	Quality	Access
Water Stress Basin	Talawakelle Region	Medium Risk	High Risk	Low Risk
	Nanu Oya Region	Medium Risk	High Risk	Low Risk
	Deniyaya Region	High Risk	Medium Risk	Low Risk
Non-stressed Basins	Galle Region	N/A	N/A	N/A

2.3 Sustainable Land Management

2.3.1 Land Management

Implement regenerative Agriculture practices by 100% of all estates by 2030

25% 2023 | 50% 2025 | 75% 2027 | 100% 2030

On Track

Increase the adoption of permaculture practices by 100% of estates by 2030

25% 2023 | 50% 2025 | 75% 2027 | 100% 2030

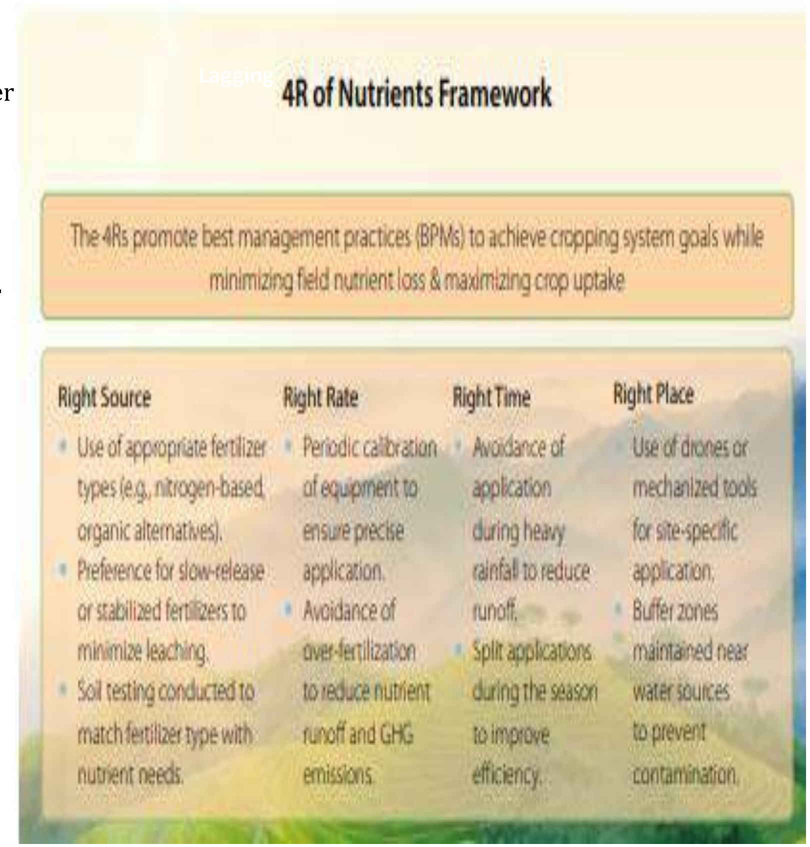
Lagging

As a tea plantation Company, TTE PLC has a deep-rooted connection to the land. We recognize that the health of our plantations is vital for our operations and as such have put in place key measures to protect, conserve and nurture soil vitality in line with the Rainforest Alliance Sustainable Agriculture Standard.

Improving Soil Health

We take a multi-faceted approach to improving soil health. Fertilizers supply key nutrients like nitrogen, phosphorus, and potassium to boost plant growth, yield, and soil fertility. Weedicides and herbicides control weeds competing for nutrients, water, and sunlight, while fungicides prevent diseases like mildew and rust. Adaptive Management Systems use real-time weather, environmental, and climate data, along with IoT devices, to monitor soil health indicators such as pH, carbon levels, and temperature. This enables timely adjustments for optimal use of fertilizers, agrochemicals, water, and nutrients, strengthening climate resilience.

To promote long-term fertility, we've developed the 4K Soil Nutrient Framework, focusing on soil testing, organic matter, erosion control, and water management to sustain moisture and microbial activity. We also engage in public-private partnerships for research. A key initiative is our collaboration with the Universities of Sabaragamuwa and Wayamba, leading to the development of biochar and vermicompost units. Biochar, with its porous structure, enhances soil fertility, water retention, and nutrient levels supporting regenerative agriculture across our estates



2.3 Sustainable Land Management

2.3.2 Agrochemical Usage

Increase soil organic matter content by 10.5% by 2030

1.3% 2023 | 2.6% 2025 | 5.3% 2027 | 10.5% 2030

Achieved

Minimizing Agrochemical Use

Although TTE PLC does not maintain a standalone policy on agrochemical usage, the Company's comprehensive environmental policy governs all related practices, ensuring alignment with broader environmental objectives. In accordance with recommendations from the Tea Research Institute (TRI), only registered agrochemicals procured from authorized local suppliers are utilized, with strict adherence to national quality, safety, and regulatory standards. All applications and transport procedures follow established precautionary protocols, and personnel involved in chemical handling are thoroughly trained, equipped with appropriate personal protective equipment, and comply with all safety guidelines. Through participation in the Chemical Leasing initiative in collaboration with Lanka Responsible Care, TTE PLC gains valuable insights into minimizing agrochemical runoff and mitigating environmental absorption. Central to this approach is the continuous monitoring and evaluation of chemical application processes. Beyond conventional practices, the Company emphasizes integrated pest management through biological remediation.

Guided by Food and Agriculture Organization (FAO) principles and good agricultural practices, priority is given to natural pest control methods that support ecosystem health and biodiversity. In partnership with the TRI, TTE PLC is also engaged in ongoing research to identify and implement sustainable, nature-based solutions that reduce pesticide dependency and exposure

Key Waste Management Measures

Use Drone for Minimize Agrochemical Usage

Harnessing drone technology, we've reimagined agrochemical application ensuring precise, efficient spraying across our tea fields while significantly reducing chemical use and safeguarding both workers and the environment

Land Management Inside the Estates

To promote sustainable land management, our estates implement contour plowing, terracing, and vegetative buffer zones to reduce erosion. We also adopt soil conservation techniques, rainwater harvesting, and moisture retention practices to preserve soil health and ensure long-term agricultural productivity.

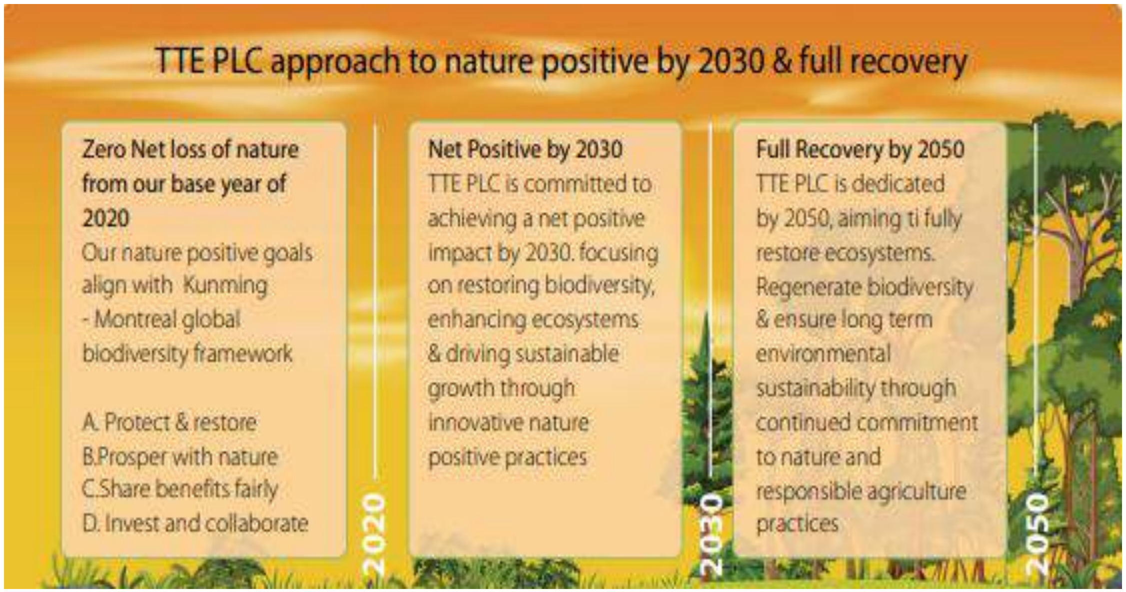
2.4 Biodiversity Conservation And Ecosystem Restoration

2.5.1 TTE PLC Approach To Nature Positive By 2030 & Full Recovery

Implementation biodiversity action plan across all estates' operations by 2030

1Phase 2023 | 2Phase 2025 | 3Phase 2027 | 4Phase 2030

Achieved



In 2024, TTE went beyond mainstream efforts to unveil its Nature-Positive Business Policy in 2024 to formally declare its commitment to halting and reversing nature loss. Mapped against the KunmingMontreal Global Biodiversity Framework, our Nature-Positive Policy aims for Zero Net Loss of Nature from our 2020 baseline and strives for a Net Positive impact by 2030 through transformative regenerative agriculture and regenerative business practices. By prioritizing biodiversity restoration, ecosystem regeneration, and sustainable growth, we are dedicated to achieving Full Recovery by 2050.

2.5.2 Nature Ecosystem Conservation & Biodiversity Management

Talawakelle Tea Estates (TTE) has upheld a strict zero-conversion policy since the 2020 cut-off, ensuring no natural ecosystems are cleared for tea cultivation or estate development. All 16 estates are confirmed conversion-free through internal biodiversity mapping and land-use records. In line with Rainforest Alliance certification, we monitor land-use and biodiversity to prevent deforestation and protect sensitive areas. Estate boundaries are reviewed regularly, and development is carefully assessed to limit environmental impact. Biomass sourcing is increasingly traceable through our own fuelwood plantations, reducing reliance on external suppliers. We also engage in landscape-level conservation efforts, including preserving a wildlife corridor near Horton Plains and protecting High Conservation Value (HCV) areas near St. Clair Waterfall. Located in Sri Lanka's biodiversity-rich central highlands and near Sinharaja Rainforest, TTE applies the mitigation hierarchy to manage and minimize biodiversity impacts.

1) Avoidance: We strictly avoid forestland conversion, and activities such as hunting, capturing, or trafficking of wildlife are prohibited across all estates. Buffer zones are maintained near protected areas to prevent disturbances to natural ecosystems.
2) Minimization: We regularly conduct environmental audits and ecological surveys to monitor our impact. We maintain an inventory of 113 faunal species (44 of which are classified as endangered, vulnerable, or threatened by the IUCN), along with 31 floral species, and adjust estate operations based on scientific data.
3) Restoration & Rehabilitation: We engage in proactive conservation and restoration measures in degraded areas, with goals focused on ecosystem recovery and protection of native flora and fauna. Local community involvement, awareness campaigns, and education initiatives support ongoing ecosystem restoration, enhancing ownership and stewardship.

2.4 Biodiversity Conservation And Ecosystem Restoration

Key Initiatives for Biodiversity conservation and ecosystem restoration

Large-scale Reforestation Project to Establish a 13 km Forest Corridor Along the Naanu Oya and Agra Oya in Sri Lanka's Central Highlands

TTE, in collaboration with the Wildlife and Nature Protection Society (WNPS) PLANT, launched a large-scale reforestation project in Sri Lanka's central highlands to establish a 13 km forest corridor along the Naanu Oya and Agra Oya. A formal Memorandum of Understanding (MoU) was signed between TTE and WNPS to restore 11 hectares of riparian buffer zone within the Company's estates. The initiative brought together 15 companies to collectively raise Rs. 5.2 million for ecosystem conservation. Two universities joined as technical partners, and several NGOs signed MOUs to support conservation efforts. Project Scope: Covers Somerset, Bearwell, Dessford, Radella, Palmerston, Great Western, and Logie estates. Objective: Plant over 50,000 native trees across 150–200 acres, with local community engagement in planting, nursery development, and biodiversity monitoring.

Site Names	KIRULU Project
Project goal	Preservation of a wild life corridor of Horton plans.
Stage of the project	Implementation, monitoring, documentation, evaluation, reporting and ongoing activities
Number of Stake holders engagement	10 stakeholders
The ecosystem type for the base year	Perennial cropping systems
The area under restoration/rehabilitation	3.74 Ha
The ecosystem condition for the base year	More than 50% of the wildlife habitats remain
The ecosystem condition for the current reporting period	80% of the wild life habitats recovered
The beneficiaries affected	TTEL & Local community

Actions Taken to Avoid, Minimize Negative Impacts on Biodiversity

biodiversity management plan focused on minimizing ecological impact. We avoid forest-to-tea land conversion, strictly prohibit wildlife hunting, capturing, and captivity, and enforce zero tolerance for invasive species. Field inputs are screened for pests and diseases, while buffer zones are maintained near protected areas. We refrain from using banned agrochemicals, reduce synthetic fertilizer use, and prioritize soil health. Factories are located in less ecologically sensitive zones, and habitat corridors have been established to enhance landscape connectivity and reduce fragmentation.To uphold our commitment to biodiversity, we follow a dedicated

Achieve a net-positive impact on local ecosystems by restoring and protecting 100 hectares of land by 2030

25Ha 2023 | 50Ha 2025 | 75Ha 2027 | 100Ha 2030

Achieved

2.4 Other Environment Related Topics

2.5.1 Environmental Compliance

At Talawakelle Tea Estate PLC, we are committed to maintaining full compliance with all applicable environmental laws, regulations, and standards. Environmental compliance is a foundational aspect of our sustainability and risk management frameworks, supported by regular internal audits, employee awareness programs, and adherence to estate-level environmental management plans. We are pleased to report that during the 2024/25 reporting period, there were **zero breaches of environmental regulations or permit conditions** across all our estates and facilities. This outcome reflects our ongoing efforts to operate responsibly, preserve natural ecosystems, and uphold environmental stewardship in every aspect of our operations.

Environmental compliance	2024/25	2024/23	2023/22	2022/21
Breaches of environmental regulatory	0	0	0	0

2.5.2 Supplier Environmental Assessment

Our commitment to ethical and responsible sourcing is supported by a robust Supplier Management Framework designed to build partnerships with best-fit suppliers who align with TTE's business values and standards. accordingly, bought-leaf suppliers, who represent the largest segment of our supplier base, are carefully screened and onboarded to ensure quality and reliability. For other supplier categories, we apply stringent screening and due diligence processes to assess their capabilities, experience, and track record as well as adherence to standards and certifications. The onboarding process for fuel and food suppliers also includes specific social and environmental assessments to ensure adherence to human rights and labour best practices, as well as compliance with all relevant environmental regulations.

All existing suppliers are subject to periodic audits to verify continuity of regulatory compliance, social and environmental practices and adherence to traceability protocols. Our procurement teams also perform spot checks and site visits to obtain further assurance regarding licences and permits of fuel wood suppliers.

Supplier Environmental Assessment	2024/25
Percentage of new suppliers that were screened using environmental criteria	80%
Number of suppliers identified as having significant actual and potential negative environmental impacts	0

2.5.3 Environmental Investment

At Talawakelle Tea Estate PLC, we strategically invest in environmental initiatives to support long-term sustainability and regulatory compliance across our operations. Our environmental investments are categorized under two main areas: **prevention and environmental management costs**, and **investments in special initiatives**. These include expenditures on waste management systems, emissions control technologies, water purification units, and biodiversity protection measures. Such investments not only reduce our environmental footprint but also enhance operational efficiency and resilience. The table below provides a breakdown of our environmental investments during the reporting period,

	2024/25	2023/24	2022/23
Total environment investment	Rs Mn.58	Rs Mn.46.8	Rs Mn.48.9

LEAP assessment Talawakelle Tea Estates PLC

The LEAP approach

As part of our commitment to transparent and science-based sustainability practices, Talawakelle Tea Estates PLC has adopted the Taskforce on Nature-related Financial Disclosures (TNFD) framework to assess and report on our interactions with nature.

This inaugural TNFD-aligned disclosure follows the Locate, Evaluate, Assess, and Prepare (LEAP) approach recommended by TNFD. The LEAP approach helps us systematically identify and understand our business's dependencies and impacts on nature, as well as related risks and opportunities across our operations.

Given the nature of our business as a leading producer of Ceylon tea deeply connected to land, water and ecosystems this assessment focuses primarily on our core tea-growing estates and factory operations which represent the most material interface with natural capital.

In this first phase, we began with a detailed analysis of our location-based interfaces with nature, screening ecosystem dependencies and environmental assets across our 16 tea estates. We used globally recognized tools such as ENCORE and regional biodiversity maps to assess the sensitivity of surrounding landscapes.

While this is our initial disclosure aligned with TNFD, we aim to strengthen our nature-related governance and decision-making processes over time. We plan to expand coverage across the full value chain in future iterations and apply a double materiality perspective to better capture both nature's influence on business, and our business's impact on nature.

This section of the report presents the results of our LEAP process, beginning with the "Locate" phase and progressing through the evaluation of dependencies, risk identification, and strategic planning for nature-positive outcomes.

Scoping

preliminary review of internal operations, environmental context, and available data was conducted to define the scope of the LEAP assessment. The goal was to identify where our direct business activities most significantly interact with nature and to develop a focused approach for assessing dependencies, impacts, and risks. This scoping phase set the initial boundaries covering tea plantations, manufacturing facilities, and mini-hydropower plants and aligned internal teams on goals, timelines, and resources for the LEAP process.

L Locate

The interface with nature

Identify where our operations interact with nature. We map sites, assess ecosystems, and screen for key dependencies and impacts in tea plantations, factories, and hydropower plants.

E Evaluate

Dependencies & impacts

Analyze and quantify our most material dependencies and impacts using ENCORE, site data, and supporting tools to understand their scale, severity, and relevance.

A Assess

Assess Risks & opportunities

Identify nature-related risks and opportunities by reviewing exposure, likelihood, and potential business impact, using a structured materiality and risk assessment process.

P Prepare

To respond and report

Define actions, targets, and disclosures. We align internal strategy with LEAP insights and plan for nature-related reporting in future ESG cycles.

This Report Coverage

LEAP step : Locate L1,L2,L3,L4

Scope : Direct operation

Business Sector : Tea Plantation & Processing

Geography : Sri Lanka

Tool Used: ENCORE, Global Forest Watch, IBAT

L1 – Map Our Core Business Activities

Business Activities and Revenue Streams

Revenue Contribution by Operational Sectors at Talawakelle Tea Estates PLC (Rs.'000)

The Sankey diagram above provides a high-level view of the main business sectors contributing to revenue generation at Talawakelle Tea Estates PLC (TTE PLC). It visually maps the allocation of business income across different operational areas within the company.
As shown, the company's total operational activity of Rs Mn7805 flows almost entirely into its Plantation sector, which represents the company's core business. From there, it branches into four specific plantation-related revenue streams:
•Tea – 7,436 (Rs Mn) (≈95% of Plantation sector contribution)
•Mini Hydropower – 94,036 (Rs Mn)
•Rubber – 31,960 (Rs Mn)
•Cinnamon – 36,308 (Rs Mn)
•Other – 206,994 (Rs Mn)

For the purposes of this LEAP assessment, we have scoped our boundary to focus on the two most operationally and environmentally significant sectors:

1.Tea plantations and manufacturing, which form the dominant part of the company's business model and have strong dependencies on natural assets like soil health, rainfall, water availability, and biodiversity.

2.Mini-hydropower generation, which is directly linked to the company's use of natural freshwater systems and has important implications for ecosystem flow and aquatic biodiversity.

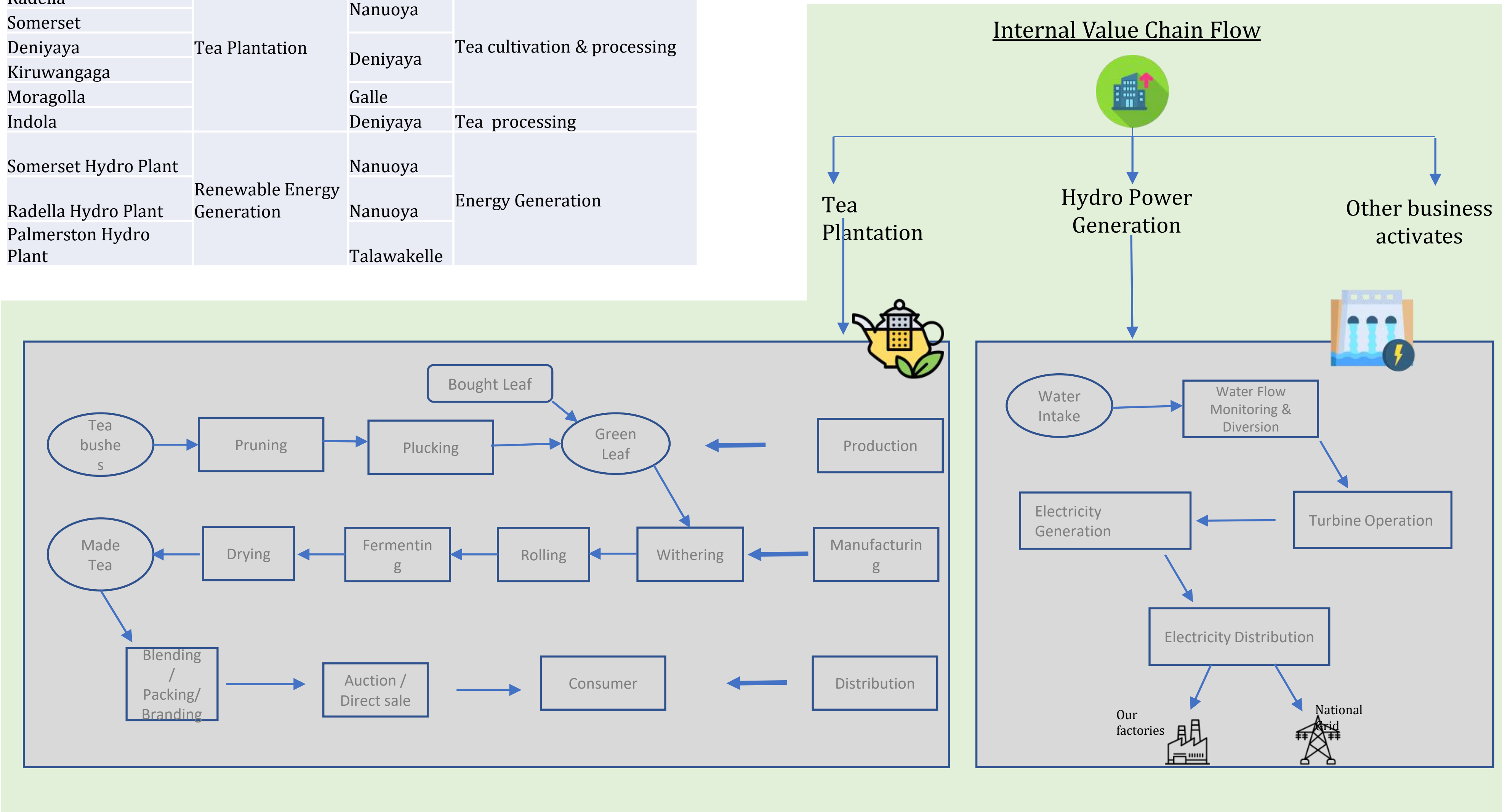
While rubber, cinnamon, and other segments are part of our broader plantation activities, they are excluded from this initial LEAP assessment due to their smaller scale and relatively lower nature-related impact or dependency at this stage.

Operational Footprint: Tea Estates and Processing Factories

This table presents the core operational sites of Talawakelle Tea Estates PLC included in the scope of the LEAP assessment. It lists all active tea plantations and processing sites across Talawakelle, Nanuoya, Deniyaya, and Galle, along with the company's three mini-hydropower plants located in the Nanuoya and Talawakelle regions.
These locations represent the company's direct operational footprint and serve as the foundation for mapping ecosystem interactions, assessing nature-related dependencies and impacts, and identifying potential environmental risks in subsequent LEAP phases.

Site Name	Type	Region	Activity
Great Western			
Holyrood			
Logie			
Mattakelle		Talawakelle	
Palmerston	Tea Plantation		Tea cultivation & processing
Wattegoda			
Bearwell			
Calesy			
Clarendon		Nanuoya	
Dessford			

Radella	Tea Plantation	Nanuoya	Tea cultivation & processing
Somerset			
Deniyaya		Deniyaya	
Kiruwangaga			
Moragolla		Galle	
Indola		Deniyaya	Tea processing
Somerset Hydro Plant	Renewable Energy Generation	Nanuoya	Energy Generation
Radella Hydro Plant		Nanuoya	
Palmerston Hydro Plant		Talawakelle	



L2 – Identify Key Nature Dependencies & Impacts

Nature-Related Dependencies (L2 – LEAP Locate Phase)

To identify the most relevant ecosystem services that our business operations depend on, we used the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool. This analysis focused on our two main operational sectors : tea plantation and processing and mini-hydropower generation using globally recognized environmental classifications (ISIC codes) and aligning with the TNFD LEAP framework.

Category	Ecosystem Service	Business Sector	
		Tea Plantation	Hydro Power Generation
Provisioning services	Biomass provisioning services	Very high	N/A
	Genetic material services	Very high	N/A
	Water supply services	High	Very high
Regulating and maintenance services	Global climate regulation services	Very high	Medium
	Rainfall pattern regulation services	Very high	N/A
	Local climate regulation services	Very high	Low
	Air filtration services	Medium	N/A
	Soil quality regulation services	Very high	N/A
	Soil erosion control services	Very high	Very high
	Solid waste remediation services	Medium	Low
	Water purification services	Very high	Low
	water flow regulation services	High	Very high
	flood mitigation ecosystem services	High	Very high
	Storm mitigation services	High	Medium
	Pollination services	Very high	N/A
	biological control services	High	N/A
	Nursery population and habitat maintenance services	Very low	N/A
	Other regulating and maintenance service - Dilution by atmosphere and ecosystems	Medium	N/A

Table 1. Materiality ratings of dependencies on ecosystem service

1. Tea Plantation and processing

Classified under ISIC: Growing of perennial crops, tea plantations show a very high level of dependency on a range of provisioning and regulating ecosystem services:

•Provisioning services:

- Biomass production, genetic resources, and water supply are critical for plant growth, resilience (e.g., drought tolerance) and operational activities.

- Regulating & maintenance services:
  - Tea production is highly dependent on:
    - Climate regulation (global and microclimate stability)
    - Rainfall pattern stability
    - Soil fertility and erosion control
    - Water purification and flow regulation
    - Pollination services (essential for plant productivity)
    - Biological pest control
  - Dependencies like storm and flood mitigation, waste decomposition and air filtration are also notable though vary by site.

This confirms that tea plantations are deeply connected to healthy ecosystems, especially in ecologically rich regions like Sri Lanka's central highlands. The stable delivery of these services is essential to both productivity and resilience of our agricultural operations.

2. Mini-Hydropower Generation

Classified under ISIC: Hydropower energy production, our three mini-hydropower plants also show strong ecosystem service dependencies, particularly related to water resources and infrastructure protection:

• Very high materiality dependencies include:
  - Water flow regulation
  - Water availability (quantity & quality)
  - Flood mitigation
  - Soil and sediment retention to prevent damage to turbines and infrastructure

• Medium and low materiality dependencies include:
  - Climate and storm regulation
  - Microclimate moderation
  - Waste remediation and water purification (affecting equipment longevity and maintenance)

The performance and reliability of hydropower operations are closely tied to the health of upstream catchments and natural water regulation processes, making ecosystem stewardship a practical necessity.

Nature-Related Impacts (L2 – LEAP Locate Phase)

Alongside ecosystem dependencies, the LEAP Locate phase also calls for identifying material impacts our operations may have on nature. The ENCORE tool was used to assess the most relevant environmental pressures resulting from our core activities in tea production and hydropower generation.

Ecosystem Type	Pressures	Business Category	
		Tea Plantation	Hydro Power Generation
Pollution	Disturbances (e.g noise, light)	Medium	High
Resource exploitation (Freshwater use)	Area of freshwater use	High	High
Climate change	Emissions of GHG	Medium	Low
Pollution (Air)	Emissions of non-GHG air pollutants	Medium	N/A
Pollution (Solid waste)	Generation and release of solid waste	High	Low
Pollution (Chemical)	Emissions of toxic pollutants to water and soil	High	N/A
Pollution (Nutrient)	Emissions of nutrient pollutants to water and soil	High	N/A
Land and sea use change	Area of land use	High	Medium
Resource exploitation (Freshwater use)	Volume of water use	High	Low
Invasive species	Introduction of invasive species	High	N/A

1. Tea Plantation and Manufacturing

While tea cultivation is nature dependent, it can also generate a number of environmental impacts, particularly if not well managed. Key findings include:

- High materiality impacts:
  - Water stress from irrigation and runoff
  - Pollution from agrochemicals (fertilizers, herbicides, pesticides)
  - Land use change and habitat degradation
  - Soil and nutrient pollution
  - Solid waste from plant residues, packaging, and farm equipment
  - Spread of invasive species via unsustainable practices
- Medium materiality impacts:
  - GHG emissions (mainly N_2O from fertilizers and CO_2 from diesel equipment)
  - Air pollution from particulate matter and chemical sprays
  - Noise and light pollution from machinery and night operations

These impacts, especially in biodiversity-sensitive areas, underline the importance of sustainable land and input management practices within our tea estates and factories.

2. Mini-Hydropower Generation

Hydropower is considered a renewable energy source but it also presents some ecological challenges. According to ENCORE, our hydropower operations may result in:

- High materiality impacts:
  - Alteration of freshwater ecosystems upstream and downstream
  - Habitat change from flow disruption and water impoundment
  - Noise and light pollution, affecting nearby wildlife
- Medium and low materiality impacts:
  - Terrestrial ecosystem disruption (during construction or maintenance)
  - GHG emissions (low-level, from water reservoirs)
  - Solid waste or sediment discharges affecting aquatic life
  - Water diversion potentially reducing downstream availability

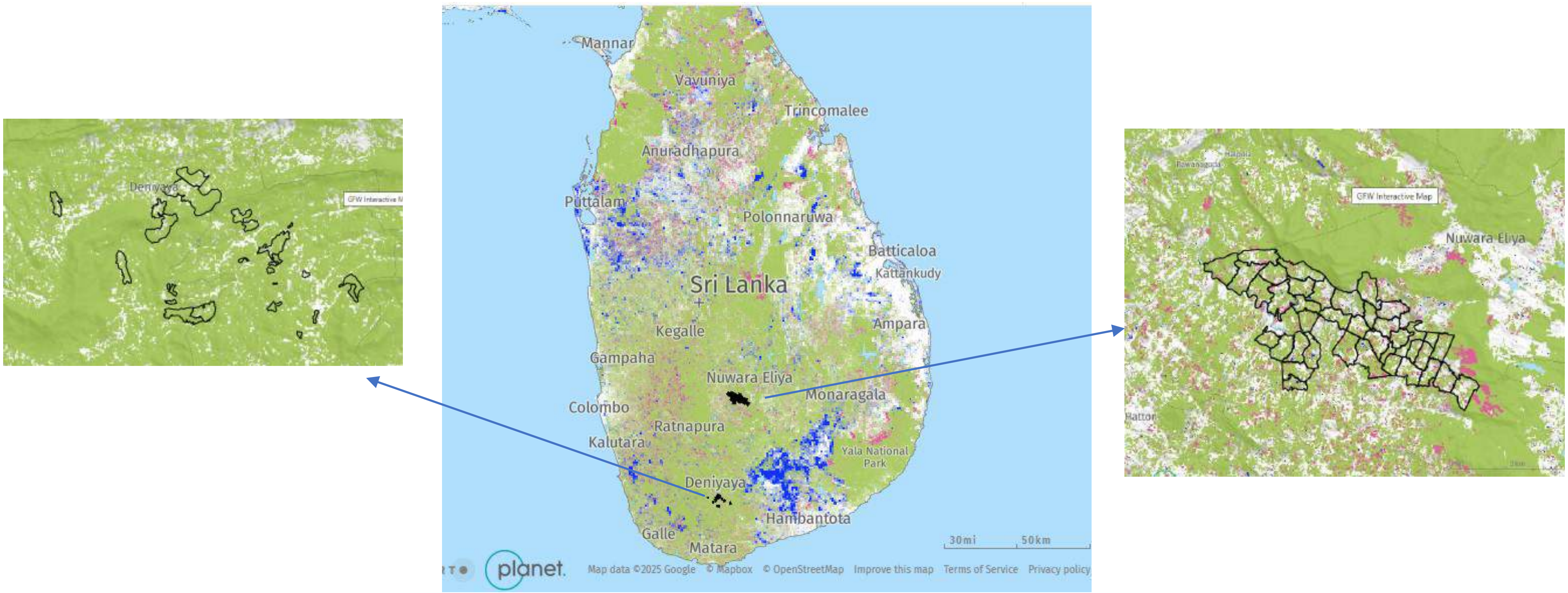
This highlights the need for careful catchment-level water management, especially in regions prone to water scarcity or erosion.

L3 – Interface with Nature

Material Locations

As part of the **LEAP "Locate" Phase**, Step L3 & L4 focuses on identifying where our operational sites directly interface with nature. This step helps determine which locations intersect with sensitive ecological contexts such as biodiversity-rich areas or regions facing water stress.

In this assessment, we focused on **16 core tea estates** that form the backbone of our direct operations. These sites span across highland and lowland regions, primarily located in **Talawakelle, Nanuoya, Deniyaya, and Galle**.
To support location-specific analysis, we obtained **estate boundary polygons** and used them to generate geospatial visuals of our footprint. A screenshot of this map is provided on the next page to illustrate the exact placement of each operational unit within the Sri Lankan landscape.



Protected Area Encroachment Risk and TNFD Priority Locations

As part of our L3/L4 spatial screening process under the LEAP approach, we assessed all tea estate and processing factories locations for potential **encroachment into Protected Areas**, using available geospatial data and national land classifications.
Each site was classified into one of three **encroachment risk levels**, based on whether and how it overlaps with legally designated **Protected Areas**, categorized as either:

- **"No-Go" Protected Areas** – Strictly protected areas where agricultural or industrial activity is prohibited by law (e.g., national parks, high conservation zones).
- **"Go" Protected Areas** – Areas where certain types of economic or agricultural activity are allowed under regulated conditions.

This classification supports our alignment with the **TNFD's recommended criteria** for identifying **priority locations**, particularly regarding **biodiversity importance** and **ecosystem integrity**.
The table below demonstrates how each level of encroachment risk maps directly to the TNFD's priority location framework:

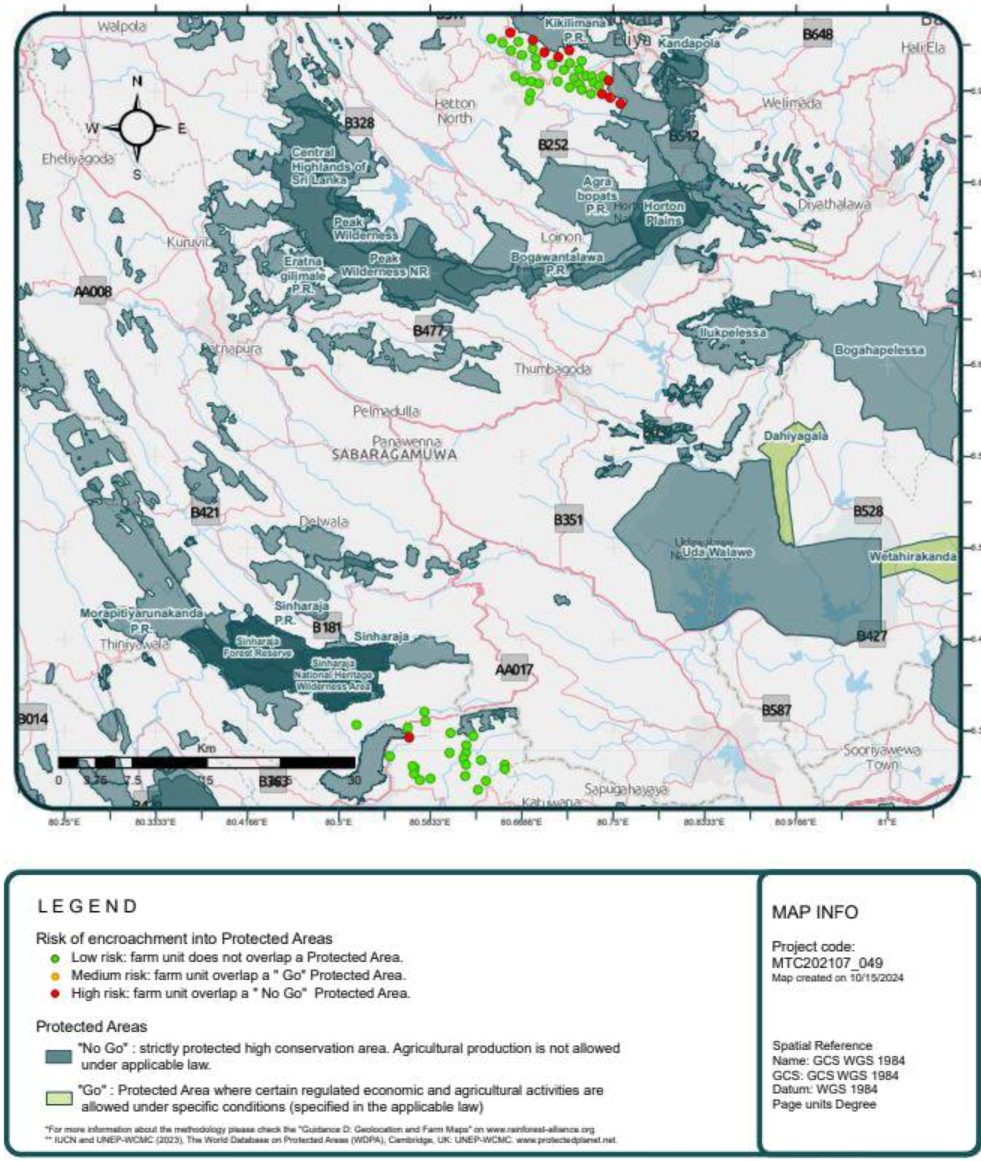
Our Encroachment Risk Category	TNFD Priority Location Criterion	TNFD Classification
High Risk – Overlap with "No-Go" Protected Area	Area of high biodiversity importance + High ecosystem integrity	☑ **Priority Location**
Medium Risk – Overlap with "Go" Protected Area	Area of high biodiversity importance	☑ **Priority Location**
Low Risk – No overlap	Not necessarily a priority unless other criteria apply (e.g. water stress, degradation)	✗ **Not a priority**, unless other TNFD criteria are met

Sensitive locations

Sensitive locations are defined by the TNFD as:

1. Areas important for biodiversity, including species; and/or
2. Areas of high ecosystem integrity; and/or
3. Areas of rapid decline in ecosystem integrity; and/or
4. Areas of high physical water risks; and/or
5. Areas of importance for ecosystem service provision, including benefits to Indigenous Peoples and Local Communities, and stakeholders.

Key Takeaway:
Locations falling under **High** or **Medium** encroachment risk are considered **Priority Locations** under TNFD's disclosure guidance (Strategy D). These sites will undergo further review in the **Evaluate** and **Assess** phases to better understand potential nature-related risks and to guide mitigation or conservation planning.



Encroachment Risk Analysis Summary

Based on our geospatial overlay analysis of estate boundaries against nationally designated **Protected Areas**, we have identified several estate divisions that fall into the **High-Risk** category. This classification is based on partial or full overlap with "No-Go" Protected Areas, which are strictly conserved zones where agricultural activities are legally restricted or prohibited.
The following divisions have been identified as **high-risk** encroachment areas:

- **Dessford Upper (4-4)**
- **Dessford Lower (4-3)**
- **Galkandawatte (5-4)**
- **Louisa (5-3)**
- **Great Western (5-1)**
- **Wangioya Upper (10-4)**
- **Wattegoda Upper (12-2)**
- **Deniyaya Lower (13-2)**
- **Maha Eliya (2-2)**
- **Calsay (2-1)**

These locations are considered priority sites under the TNFD framework due to their proximity to high biodiversity and high integrity ecosystems. As a result, they will be prioritized for further assessment in the upcoming Evaluate and Assess phases of the LEAP process.

While this report focuses on the identification and classification of these high-risk sites, it is important to note that **proactive measures have already been initiated to minimize potential impacts** in these areas. Some of these actions are described in Section *2.4 – Biodiversity Conservation and Ecosystem Restoration*, and additional site-specific interventions will be detailed in subsequent stages of the LEAP process and in future versions of our TNFD-aligned reporting.

SOCIAL

At Talawakelle Tea Estates PLC, our social responsibility is grounded in the belief that people and partnerships are central to sustainable success. We foster strong relationships with communities, customers, suppliers, and regulators through trust, transparency, and mutual benefit. In 2024/25, we strengthened our inclusive culture by empowering our workforce, promoting diversity, ensuring health and safety, and investing in continuous learning. Beyond compliance, we supported over 330,000 individuals through healthcare and education, while enhancing supplier engagement through ethical sourcing and traceability. These human and social capital initiatives reinforce our social license to operate and build long-term shared value.

Material Issues Impacted

Diversity and Inclusion

Community Empowerment

Fair Labor Practices

Great Place to Work

Value Chain Management

Contribution to the UN SDGs

Total Employees
5247

Investment in Living Environment
36.9 Mn Rs

Youth Empowerment Investment
Rs.1.2 Mn

Customer Satisfaction Score
92%

3.1 Diversity and Inclusion

3.1.2 Workforce Analysis - FY 2024/25

Improve workplace diversity index by 25% in 2030

5% 2023 | 10% 2025 | 15% 2027 | 25% 2030

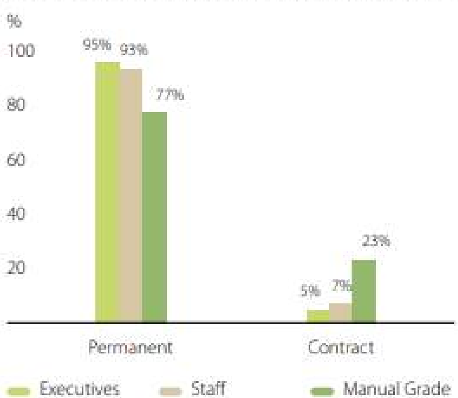
On Track

	Gender		Provinces			Age			Total
Employees	Male	Female	Western	Southern	Central	< 30 years	30-50 years	>50 years	
Total	2,438	2,809	42	1,296	3,909	554	3,976	717	5,247
Permanent	1,741	2,365	37	777	3,292	447	3,159	500	4,106
Contract	697	444	5	519	617	107	817	217	1,141

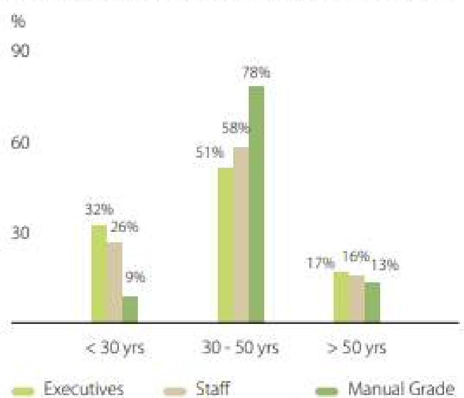
TTE does not engage any non-employee workers whose work is controlled by the organization during the reporting period. Independent service providers and leaf suppliers operate autonomously Under "Revenue Share Model" (RSM), without organizational control, and therefore are excluded from these disclosures.

Governance Bodies & Employees on Gender & Age as at 31st March 2025

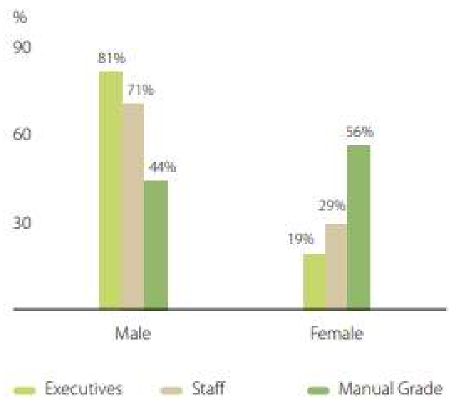
Profile of Employee Grade Categories



Age Profile of Employee Categories



Gender Profile of Employee Categories



Gender Profile of Governance Bodies

75% of the workforce is based across TTE's 16 estates in the Central Province

54% of the estate workforce are women

78% of the total estate workforce are within the productive age group of 30 to 50 years

More than **74%** of employees reside on the estates

4,789 employees serve as the manual grade employees

3.1 Diversity and Inclusion

3.1.2 Diversity, Equality and Inclusion (DEI)

Increase the representation of underrepresented groups in leadership

5% 2023 | 10% 2025 | 15% 2027 | 25% 2030

On Track

Equity and Inclusion (DEI) is deeply embedded across TTE's operations through a formal DEI policy that articulates our stance against discrimination in any form. Guided by this policy, we strive to create a workplace where all individuals are treated equally, regardless of gender, background, religious beliefs or any other status protected by law. A key step in promoting workplace equality is the commitment to maintaining a 1:1 ratio in the basic salary offered to men and women in entry-level positions. We further strive to ensure there is no pay gap across similar roles throughout the organisational hierarchy.

Beyond equitable pay, we also prioritise equal opportunities for personal and professional growth, with all employees having access to training and career development opportunities designed to support their progression at every stage of their employment journey.

We also place special emphasis on training our managers to stand against discrimination by respecting the dignity and rights of every individual. These commitments are extended to our supply chain partners as well.

In the year under review, no incidents of discrimination were reported across TTE's operations, among bought leaf suppliers or any other business partners

"HerLead" Project: A Milestone in Gender-Inclusive Leadership in the Tea Sector

The introduction of female supervisors under the HerLead project has been widely acknowledged as a pivotal achievement in advancing gender inclusive leadership within the tea sector. These appointments underscore the project's dedication to empowering women in supervisory roles and fostering a more equitable and representative workforce. The efforts were prominently recognized at various events organized in celebration of International Women's Day, highlighting the significant contributions of women in leadership.

"Women in Leadership" (WIL) Programme "Empowering Women in Leadership: Promoting Gender Equality in the Sri Lankan Tea Sector"

With the support of The Republic of Tea, the Ethical Tea Partnership–Sri Lanka (ETP) has collaborated with Talawakelle Tea Estates PLC (TTE) to implement the Women in Leadership (WIL) initiative, with a primary focus on advancing gender equality within the tea industry. Led by TTE, the project is designed to empower women to assume leadership roles and foster a more inclusive workplace culture. The initiative delivers comprehensive leadership training to a diverse group of participants, including women such as tea harvesters, team leaders, field supervisors, and factory workers; men including estate managers, assistant managers, and field workers; as well as youth. A key objective of the program is to engage male leaders as active advocates for gender equality. Through this inclusive and participatory approach, the WIL project aims to drive meaningful transformation within the tea sector and strengthen the presence of women in leadership.

3.1.2 Diversity, Equality and Inclusion (DEI)

Ratio of Basic Salary between Men and Women

Our remuneration and benefits framework aligns with relevant labor laws and industry best practices, taking into account each employee's job role, qualifications, experience, and performance. We are committed to gender equality, ensuring that female employees receive the same entry-level basic salary as their male counterparts, maintaining a 1:1 ratio across all staff categories. Overall, there is no significant difference in the basic salary or wage scale between genders.

Approach to achieve gender equality

Talawakelle Tea Estates PLC (TTE) has a formal Diversity, Equity, and Inclusion (DEI) Policy in place, which articulates the company's stance against any form of discrimination, including gender-based disparities. This policy ensures that all individuals regardless of gender are treated equally and provided with equal opportunities for employment, development, and progression within the organization.

The policy also ensures:

- Equal pay for equal work, with a 1:1 basic salary ratio for men and women at entry-level and similar roles.
- No recruitment discrimination based on gender.
- Access to training, career development, and promotions for all genders.

TTE does not practice any form of gender-based differentiation in its employment or remuneration policies. Any variations in roles or numbers are reflective of workforce demographics and operational needs, not deliberate policy-driven inequality.
In fact, TTE actively promotes gender inclusion through several dedicated programmes, training interventions, and leadership initiatives.

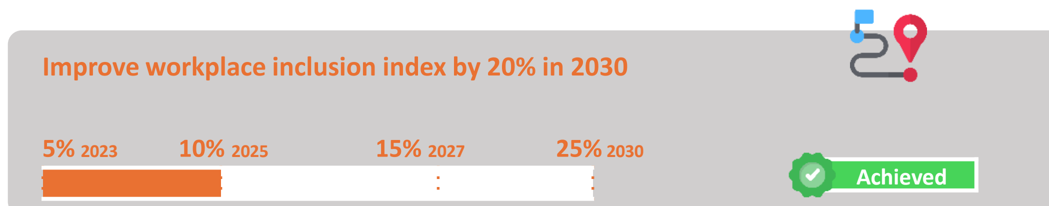
Ensuring Dignity of Work in the Sri Lankan Tea Sector

In Sri Lanka's 150-year-old tea industry, increasing women's participation and leadership is essential-not only to uphold human rights, but also to drive meaningful transformation for individuals, communities and the industry, while promoting dignity of work across the sector. Sharing insights on current trends in Sri Lanka's tea industry and addressing key sustainability challenges at the Ethical Tea Partnership's inaugural forum in Sri Lanka



Implementation of Gender Equality Policy

TTE ensures gender equality through a structured, merit-based recruitment process, maintaining a 1:1 basic salary ratio for men and women. In FY 2024/25, 850 of 1,829 new recruits were female. Women have equal access to promotions, training (1.33:1 M:F training hours), statutory benefits, and leadership development through initiatives like *HerLead*, *WIL*, and *EmpowerU*. Zero incidents of discrimination were reported, and grievance mechanisms like *We Care 360* are in place. TTE also collaborates with WUSC and Ethical Tea Partnership (ETP) to embed international best practices in gender equity.



3.1 Community Empowerment

3.1.1 Living Environment Development

Improve the living environment investment and beneficiaries by 50% by 2030

10% 2023 | 20% 2025 | 30% 2027 | 50% 2030

Achieved

Key Indicators	2023	2024	2025	2027	2030
	Base	Actual	Target		
Benefici-aries	10%	8,034	20%	30%	50%
Investme-nt	10%	36.9 Mn	20%	30%	50%

We invest in providing the tools and knowledge to empower estate communities to grow as productive members of society. Our community investment strategy focuses on Living Environment, Health & Nutrition, Community Capacity Building, and Youth Empowerment. Guided by strong governance, risk management frameworks, and partnerships with organizations like Save the Children and Plantation Human Development Trust, we are committed to enhancing dignity, morale, and opportunities for all residents through continuous engagement and socially responsible practices.

A Home for Every Plantation Worker: Strengthening Our Commitment to Uplifting Communities

Our flagship initiative, A Home for Every Plantation Worker, stands as a powerful expression of our long-term commitment to community development. This programme is more than just a housing initiative-it's a cornerstone of our vision to uplift and transform estate communities. By providing secure, dignified and permanent housing for plantation workers and their families, we are laying the groundwork for long-term social and economic development. Stable housing improves health, education outcomes and family wellbeing, creating a ripple effect that strengthens the community as a whole. This programme directly supports our broader commitment to uplifting communities by enhancing living standards, promoting social inclusion, and fostering a sense of pride and stability among estate families

Living Environment Investment:
Rs. 36.9 Mn
Beneficiaries: 8,034

Key Initiatives:

- Upgrading access roads
- Constructing and renovating housing Providing water and sanitation facilities
- Establishing child development centres
- Building recreation and rest centres

Empowering Communities Through Sustainable Cooking: World Vision and Tea Leaf Trust's Cookstove Initiative"

World Vision and Tea Leaf Trust launched a cookstove program to cut carbon emissions, promote sustainable cooking, and improve community health. The initiative provides efficient stoves that reduce reliance on polluting methods and indoor air pollution, benefiting women and children. It uses local, eco-friendly materials and involves communities in distribution and education. Regular monitoring will track impact and guide improvements.

World Vision

TEA LEAF TRUST

3.1 Community Empowerment

3.1.2 Health & Nutrition

Improve the Health and Nutrition investment and beneficiaries by 50% by 2030

10% 2023 | 20% 2025 | 30% 2027 | 50% 2030

Achieved

Key Indicators	2023	2024	2025	2027	2030
	Base	Actual	Target		
Beneficiari-es	10%	245,004	20%	30%	50%
Investment	10%	59.7 Mn	20%	30%	50%

We aim to promote wellness and resilience within estate communities by enhancing their health and vitality through preventive healthcare and nutritional interventions, empowering them to lead more productive and enriched lives.

A : Building Social Capital Through Community Healthcare Support

In a commendable demonstration of corporate social responsibility, Talawakelle Tea Estates PLC, in partnership with CA Sri Lanka, made a significant donation of essential medicines to the Deniyaya Base Hospital. This initiative reflects the company's ongoing commitment to uplifting the communities in which it operates, especially by strengthening access to vital healthcare services. By supporting local medical institutions, Talawakelle Tea Estates PLC continues to foster trust, goodwill, and strong relationships within the community, contributing meaningfully to the nation's social capital.

Health and Nutrition Investment:
Rs 59.7 Mn
Beneficiaries: 245,004

Key Initiatives:

- Immunisation drives
- Disease prevention and nutrition education
- Antenatal and postnatal care
- Child health and wellbeing programmes y Daycare services and child protection mechanisms
- Auxiliary healthcare services (e.g., medical centres, ambulances)

Nutrition Feeding & Awareness

3.1 Community Empowerment

3.1.3 Youth Empowerment

Improve the Youth Empowerment investment and beneficiaries by 50% by 2030

10% 2023 | 20% 2025 | 30% 2027 | 50% 2030

On Track

We partner with Housing Cooperative Societies to promote economic resilience by expanding livelihood options, strengthening financial independence, and improving living standards. Through targeted skill-building initiatives and supportive community systems, we empower individuals to pursue alternative income opportunities and build more sustainable, self-reliant futures.

Youth Empowerment
Investment: Rs.1.2 Mn
Beneficiaries: 45,931

Key Initiatives:

- Vocational and technical training Soft skill and leadership development
- Education on relevant social topics

Empowering Young Minds

We partnered with LEADS Organisation-a non-governmental organization, Surala (Japan) and Next Learners (Sri Lanka), to launch a mathematical learning programme for our estate children. Surala is a Japanese mathematics teaching technique designed to simplify the learning of basic mathematical concepts. To kick-start the initiative, we provided support to train our training officers along with access to our training centres-equipped with Wi-Fi connections and other necessary facilities enabling the children to learn this technique online.

Key Indicators:
Participating estates: Holyrood & Mattakelle estates Number of trainers trained
Number of expected beneficiaries: 60 children

Career Guidance Seminar for Youth

3.1.4 Capacity Building

Improve the capacity building investment and beneficiaries by 50% by 2030

10% 2023 | 20% 2025 | 30% 2027 | 50% 2030

On Track

We partner with Housing Cooperative Societies to promote economic resilience and create alternative livelihoods by expanding income-generating opportunities, strengthening financial independence, and improving living standards. This is achieved through targeted skill-building programs and support systems that empower individuals and communities to lead more sustainable and self-sufficient lives.

Capacity Building
Investment: Rs. 21.2 Mn
Beneficiaries: 32,863

Key Initiatives:

- Housing loans and microfinance support
- Savings schemes
- Community-based training initiatives

Training & Development & Talent Enhancement to Maximize the Human Potential for Increasing the Earning Capacity for Employees

3.2 Fair Labor Practices

3.2.1 Occupational Health & Safety

Ensure Zero work-related accidents and injuries by 2030

50 LD 2023 | 30 LD 2025 | 20 LD 2027 | 0 LD 2030

Achieved

Indicator	Value
Number of injuries	56
Injury Rate (per million hours worked)	6.1
Total hours worked	9.1 million
Lost workdays due to injuries	62
Work-related fatalities	0
Occupational diseases	0
Permanent or partial disabilities	0

Implementation of OHS Management System

Talawakelle Tea Estates PLC (TTE) has implemented a comprehensive Occupational Health and Safety (OHS) Management System grounded in both legal compliance and risk-based best practices. While not yet externally certified under ISO 45001, the system aligns with key principles of the standard and is supported by a documented Health and Safety Policy and Fire Safety Manual.

Our system is developed in compliance with:

- Factories Ordinance No. 45 of 1942 and amendments
- National fire safety and occupational health regulations
- Industry best practices for risk assessments, incident investigation, and hazard control

Notably, we have initiated the process to obtain ISO 45001 certification for our newly constructed factory at Kiruwanaganga Estate. The estate is currently in the early implementation phase of the OHS management system in line with ISO 45001:2018 requirements, with support from qualified internal and external stakeholders.

Kiruwanagnga factory OH&S audit

Safety Training and Awareness

During FY 2024/25:

- **4,213 estate employees trained**
- **4,305 total training hours**
- **Average: 1.02 hours per employee**

Scope of Coverage

The OHS system covers:

- All permanent employees
- Contract and outsourced workers whose workplace is controlled by TTE
- Estate-level operations, including factories, fields, and worker housing

There are no exclusions, ensuring 100% of relevant workers are included in OHS governance and practices.

Governance and Oversight

•Estate-level Health & Safety Committees comprise cross-functional members, including union representatives.

•Committees are led by the Estate Manager and meet monthly or quarterly to oversee implementation.

•Responsibilities include:

- Monitoring workplace hazards
- Reviewing incidents and near-misses
- Supporting risk assessments and annual audits
- Communicating updates and corrective actions

Incident Reporting and Investigation

- A formal Accident/Incident Book is maintained at each estate.
- Root cause analysis is carried out as per the Emergency Preparedness Plan.
- Corrective and preventive actions are taken to minimize recurrence.

3.2 Fair Labor Practices

3.1.2 Mother And Child-friendly Plantations Practices

Establish mother and child-friendly plantations practices by 100% of our estates

70% 2023 | 80% 2025 | 90% 2027 | 100% 2030

Achieved

Continuing Our Commitment to the “Mother & Child Friendly Seal” for Responsible Business

We have reaffirmed our commitment to the “Mother & Child Friendly Seal” by strengthening our partnership with the Centre for Child Rights and Business and Save the Children Fund. Through this collaboration, we have introduced impactful measures, systems and processes to support the wellbeing of our female workers and their children. A comprehensive strategy and action plan have been developed to address key challenges, enhance support for women in our workforce and ensure access to quality childcare across our estates- safeguarding the rights of every child and empowering working mothers

3.1.3 Compliance with fair labor standards across our supply chain

Achieve 90% compliance with fair labor standards across our supply chain by 2030

35% 2023 | 45% 2025 | 65% 2027 | 75% 2030

Lagging

At Talawakelle Tea Estates PLC (TTE), ensuring fair labor practices is not just a compliance requirement but a reflection of our core values. We aim to build an equitable, ethical, and safe working environment across our operations and supplier network.

Key Actions Taken to Achieve This Target

•Supplier Code of Conduct introduced and shared across all major supplier categories
•New supplier screening includes social criteria such as:
- Human rights compliance
- Occupational health & safety practices
- Absence of child or forced labor

•Regular supplier assessments and audits to monitor and improve compliance
•Ethical Recruitment Policy eliminates recruitment fees and ensures identity document protection
•Revenue Share Model (RSM) empowers estate workers as entrepreneurs with improved labor dignity
•Union engagement and collective bargaining agreements ensure worker representation
•Training on fair labor practices for staff and field-level HR teams
•Grievance channels like “We Care 360” enable workers to report concerns safely

Assessment Area	Status
New suppliers screened using social criteria	Yes – 100% of new key suppliers
Supplier categories assessed	Bought leaf, agro-chemicals, fuelwood
Criteria used	Human rights, H&S, labor standards
Follow-up audits conducted	Yes – based on initial risk rating
Zero-tolerance areas	Child labor, forced labor, discrimination

3.2 Great Place to Work

3.2.1 Employee Wellbeing

Achieve 5 out 5 best organization culture audit rating by 2030

3.5 2023 | 4.0 2025 | 4.5% 2027 | 5.0% 2030

Achieved

To complement our strong focus on OHS, we have adopted a holistic approach to safeguard employee wellbeing. Workman's compensation insurance safeguards the financial wellbeing of our estate and factory workers in the event of injury or illness from the workplace. In addition, we have partnered with Janashakthi Insurance to offer our manual workers a special medical insurance scheme for their routine healthcare needs. Moreover our robust employee wellbeing programme focuses on holistic welfare, emphasizing both physical and mental wellbeing of our employees and the communities living within our estates. The multifaceted programme includes regular health camps, mobile medical clinics, and awareness sessions on key health topics including maternal care, child nutrition, sanitation, and disease prevention. In collaboration with regional health authorities and NGOs, we frequently organize special clinics that provide screenings for chronic illnesses such as diabetes, hypertension, and vision impairment.

Great Place to Work

TTE was proudly awarded the Great Place to Work® certification following a comprehensive evaluation of its workplace culture and employee satisfaction. The assessment considered critical indicators such as employee turnover, productivity, participation, and engagement. TTE achieved an outstanding 99% employee satisfaction score, reflecting a deeply engaged, motivated and content workforce.

- Among 15 Best Workplaces for Women in Sri Lanka for 2024

South Asian Business Excellence Award 2024

- Best Use of CSR Practices in Community Development - WINNER
- Best Use of CSR Practices in Women & Children Empowerment -WINNER
- Best Place to Work (Work, Health & Safety) - WINNER

Training, Development & Building a Great Place to Work

At TTE, we prioritize employee training through a structured plan and budget. Training is delivered using both internal and external resources. Senior leaders, including the Managing Director, regularly lead motivational and knowledge-sharing sessions. We also partner with public and private institutions for external training.

Training Indicators FY 2024/25

	Person Head Count Trained		Avg. Training Hours	
	Male	Female	Male	Female
Manual	3,697	7,550	1.97	1.43
Staff	552	984	3.34	3.77
Executive & above	256	52	4.40	4.06

3.2 Great Place to Work

3.2.1 Enhancing Earning Capacity of Employees

Enhancing Earning Capacity of Employees through the Revolutionary Revenue Share Model (RSM)

Introduced in 2001, the RSM is a transformative shift from the traditional attendance-based wage system. Under this model, estate workers are allocated plots and empowered as "block managers," directly responsible for tea cultivation and harvesting. TTE provides ongoing technical training and integrates them into the bought-leaf supply chain through a buy-back guarantee. The Deniyaya estate now fully operates under RSM, with other estates gradually transitioning to this model.

Revenue Share Model Key Performance Indicators FY 2024/25

All (16) Participating Estates	4.19 Mn Kgs Bought-Leaf Supply
2:3 Block Managers Male to Female Ratio	
336 New Block Managers	10.24 Mn Kgs Green Leaf Production
1,507 Total Block Mangers	14.43 Mn Kgs Total Green leaf Production

Achieve 5 out 5 best organization culture audit rating by 2030

97% 2023 | 97.5% 2025 | 98% 2027 | 99% 2030

Achieved

Engagement of International Gender Expert to Strengthen Equity Initiatives

An international volunteer with expertise in gender equality from WUSC has been assigned to support our initiatives by contributing global knowledge and best practices in the field.


Championing Excellence in Tea Harvesting : Best Tea Harvester Contest

TTE held the 3rd annual *Best Tea Harvester Competition* in March 2025 at Dimbula Cricket Club Grounds, Nanu Oya, celebrating the skill of Sri Lanka's tea harvesters. Sixteen female finalists, winners from estate-level rounds, competed in the event judged by the Tea Research Institute for both speed and quality.
Ms. Anthony Iresha Rajaletchumi from *Great Western Estate* won the championship by plucking 6.2 kg in 15 minutes, earning a Rs. 500,000 cash prize. The event promotes pride and excellence in tea harvesting.



These initiatives reflect TTE's strong commitment to building an inclusive, empowering, and high-performing workplace. By increasing earning potential through the Revenue Share Model, advancing gender equity with expert support, and recognizing excellence through events like the Best Tea Harvester Competition, we nurture trust, pride, and engagement across our workforce. These actions support our long-term goal of achieving a 99% Great Place to Work Trust Index score by 2030

3.2 Value Chain Management

3.2.1 Suppliers Engagement

By 2030, 50% of our suppliers will adhere to our Supplier Code of Conduct

20% 2023 30% 2025 40% 2027 50% 2030

On Track

As a leading plantation company, TTE sources approximately 95% of its procurement from local suppliers near our estates, covering inputs such as bought leaf, agrochemicals, fertilizers, fuel, firewood, packaging, and transport services.

In October 2024, procurement for the plantation sector was centralized under the Hayleys Group Central Sourcing Department, enhancing price competitiveness and supply continuity.

All new and existing suppliers are assessed against TTE's Supplier Code of Conduct, which incorporates key social criteria, including:

Compliance with labor laws and human rights standards

- Non-use of child or forced labor
- Fair wages and working conditions
- Health and safety practices
- Community and ethical business conduct

Specific categories (e.g., food and fuel) undergo social and environmental due diligence before onboarding. Spot checks, audits, and periodic reviews are carried out to verify adherence.

In FY 2024/25, 100% of new suppliers were screened using social criteria, in line with our Responsible Sourcing and Supplier Engagement Framework to ensure alignment with TTE's values and ESG commitments.

Supplier Assessed for Risks Related to corruption	
Total number of new suppliers assessed for risks related to corruption.	80% of new suppliers
Total number of suppliers benefitting from anti-corruption training and awareness	0 (0% of total suppliers)
Total number of incidents of corruption detected in the supply chain	0
Action taken in relation to incidents	N/A
Supplier Environmental Assessment	
Percentage of new suppliers that were screened using environmental criteria	80%
Number of suppliers identified as having significant actual and potential negative environmental impacts	0
Supplier Social Assessment	
Percentage of new suppliers that were screened using social criteria	80%
Number of suppliers identified as having significant actual and potential negative social impacts	0

3.2 Value Chain Management

3.2.1 Sustainable Procurement from ESG-Responsible Sources

By 2030, 50% of our products sourced from ESG performance conscious suppliers

35% 2023 | 45% 2025 | 65% 2027 | 75% 2030

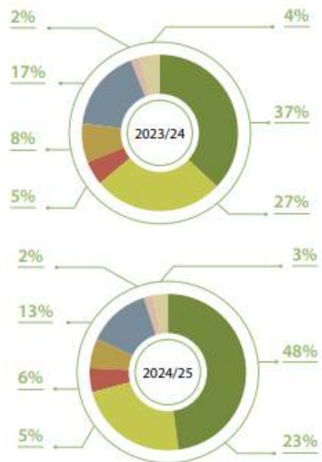
Lagging

Local Procurement Policy and Spend

At Talawakelle Tea Estates PLC (TTE), we strongly promote local sourcing as a strategic tool to uplift rural economies, build resilient supply chains, and strengthen community relationships around our estates.

Local Procurement Policy Highlights

- TTE prioritizes sourcing from local suppliers located within the vicinity of our estate operations.
- Supplier relationships are governed by a Group Procurement Policy which ensures transparency, fairness, and equal opportunity.
- In October 2024, the Hayleys Central Sourcing Department took over plantation procurement to improve efficiency and security of supply.



Supplier Types	2024/25 (Rs. Mn)	2023/24 (Rs. Mn)
Bought Leaf	944.96	721.17
Agro Chemical and Fertilizer	453.02	523.14
Fuel	100.13	90.48
Firewood	119.52	143.5
Machinery and equipment	253.77	334.91
Packing Material	38.23	38.33
Transport Service Provider	71.53	74.55
Total	1,981.17	1,926.08

Green Procurement and Supply Chain Sustainability

TTE is committed to integrating environmental responsibility into its procurement practices by favouring eco-friendly inputs and responsible suppliers.

Green Procurement Strategy

- While TTE does not yet have a standalone "Green Procurement Policy," our Supplier Management Framework includes environmental criteria aligned with ISO 14000 standards, Rainforest Alliance, and Ethical Tea Partnership.
- Suppliers are expected to comply with TTE's Supplier Code of Conduct, which outlines social and environmental standards.
- 80% of new suppliers in FY 2024/25 were screened using environmental and social criteria.

Key Green Procurement Actions

- Fuelwood suppliers are encouraged to meet Rainforest Alliance Certification standards.
- Agrochemical and fertilizer purchases are assessed to ensure low-residue and soil-friendly impact.
- Technical support is provided to bought-leaf suppliers (especially RSM model participants) to promote sustainable cultivation.
- All packaging materials meet safe storage and traceability standards with minimal waste generation.

3.2 Value Chain Management

3.2.1 Customer Engagement

By 2030, achieve 97% of customer satisfaction rate

85% 2023 | 90% 2025 | 95% 2027 | 99% 2030

Achieved

Our Customers

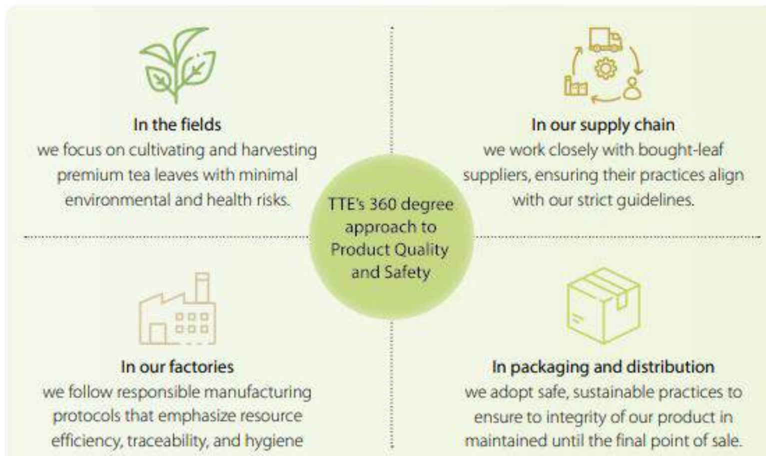
Tea Brokers	Tea Boutiques - Value Addad	Local Exporters and Buyers	Direct Overseas Buyers
Colombo Tea Auctions (95 tea brokers account for 96% of annual sales volume)	TeaTel Brand and Somerset Brand to Local Customers & Foreign Visitors		in Japan | Taiwan | Australia

Health and Safety Impacts of Products and Services

At Talawakelle Tea Estates PLC (TTE), health and safety are integral to our product development and operational processes. We assess 100% of our product categories from cultivation to packaging for health and safety impacts through a robust, life-cycle-based quality assurance system. This includes third-party lab testing, weekly factory checks, monthly sustainability audits, and traceability protocols.
All agrochemical and tea consignments are tested against Maximum Residue Limits (MRLs). Any batch failing to meet safety thresholds is rejected, with corrective action initiated through traceability audits. Our health and safety assessments span:

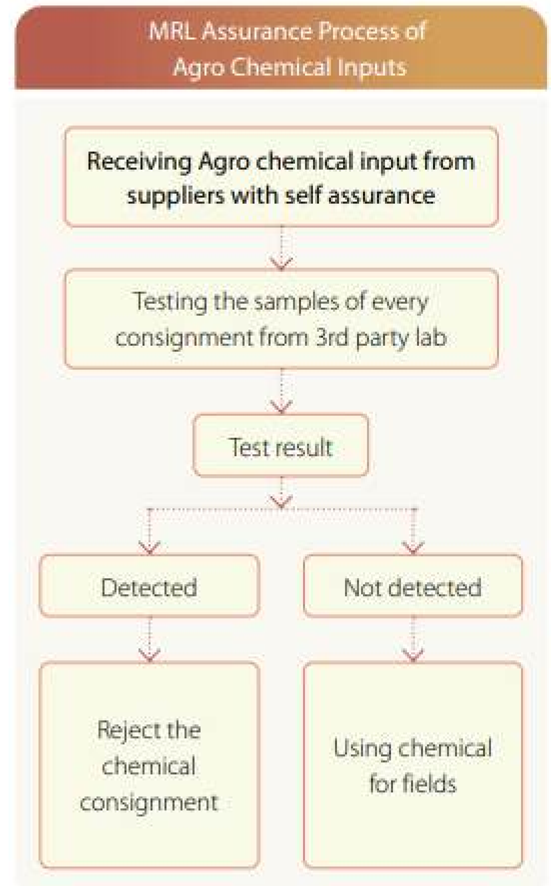
- Input safety (agrochemical sourcing and use)
- Manufacturing and processing (ISO 22000:2018 and ISO 9001:2015 certified)
- Packaging and storage (safe materials and hygiene compliance)
- Final product dispatch (lab verification, traceability, and quality certification)

Sampling is conducted using factory-wise representative samples and randomized methods to ensure credibility and coverage across our operations.



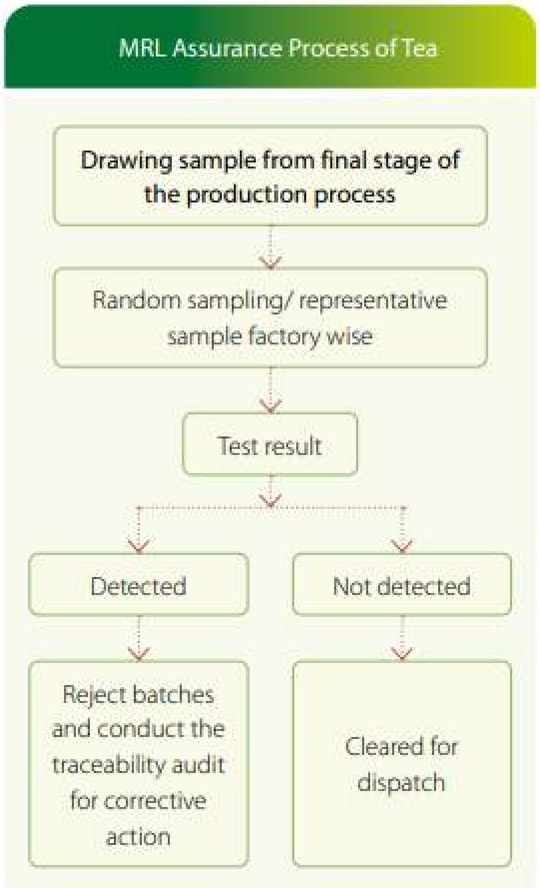
Non-Compliance Concerning Health and Safety

During the reporting period FY 2024/25, TTE recorded zero incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of its products or services. No fines, penalties, warnings, or product recalls were issued, underscoring our strict adherence to local and international food safety and quality standards.



3.2 Value Chain Management

3.2.1 Customer Engagement



Product and Service Information and Labelling

TTE is committed to providing transparent, accurate, and informative product labelling across all packaging formats. In compliance with the Sri Lanka Tea Board and the Colombo Tea Traders Association, all tea

packages carry the following mandatory information:

- Tea grade and selling mark
- Net weight, invoice number, and bag count
- Brewing and storage instructions
- Ingredient sourcing and batch traceability
- Expiry date and environmental disposal guidance
- Relevant certifications (e.g., Rainforest Alliance, ECO Label)

Labels are designed to meet both local regulatory and international labelling standards, enabling consumers to make informed and sustainable choices.

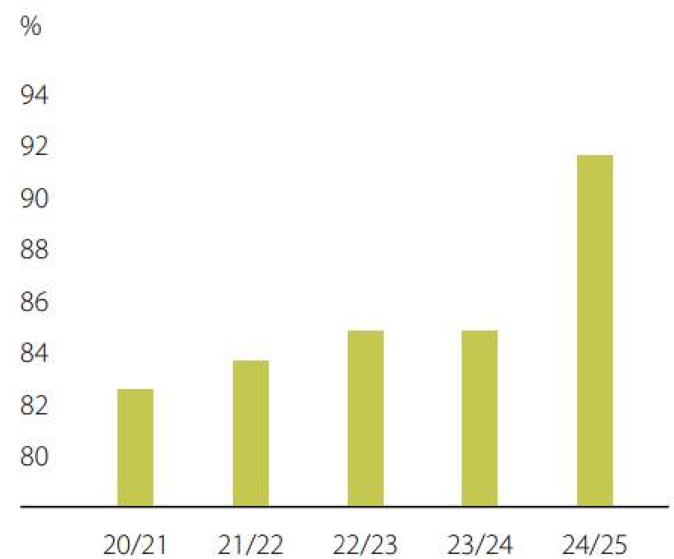
Non-Compliance Concerning Product and Service Information and Labelling

In FY 2024/25, TTE reported zero incidents of non-compliance with laws, regulations, or voluntary codes regarding product information and labelling. No monetary fines, warnings, or disputes were recorded, reaffirming our commitment to integrity and compliance in product communication.

Annual Customer Satisfaction Survey - FY 2024/25

Topics covered - tea quality, taste, packaging, delivery, customer service, customer requirements such as certifications, areas to improve Overall Customer Satisfaction Score - 92%

Customer Satisfaction



3.1 Other Social Indicators

3.1.2 New Employee Hires And Employee Turnover

Recruitment at TTE follows a structured, merit-based approach that ensures equal opportunity and aligns with strategic goals. The process is decentralized: estate-level recruitment is managed by Estate Managers with Corporate HR oversight, while executive hiring is handled by Corporate HR and approved by the Managing Director.
This year, executive recruitment expanded to include roles in Digital Marketing and Data Analytics, supporting TTE's digital and data-driven strategy. At estate level, 97.2% of manual workers are now hired under the Revenue Share Model (RSM), reflecting the ongoing shift towards contract-based engagement.

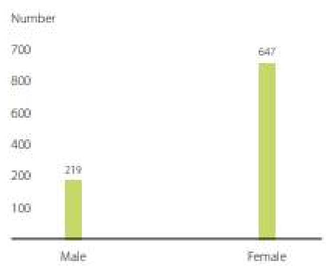
866 Resignations FY 2024/25
3.4% Average Turnover Rate
96.6% Retention Rate

92% Manual Turnover Rate
794

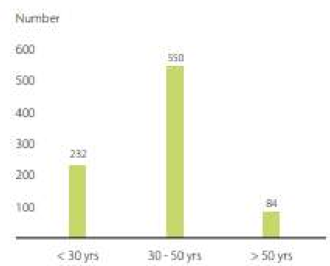
6.5% Staff Turnover Rate
56

1.5% Executive & Above Turnover Rate
15

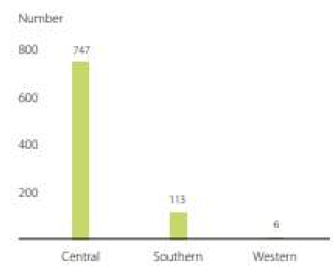
Turnover By Gender



Turnover By Age



Turnover By Region



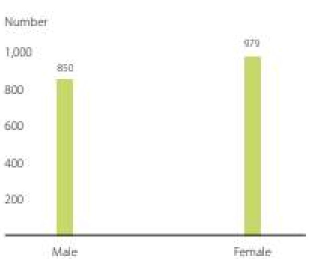
1,829 Recruitment FY 2024/25
42.6% Recruitment Rate

1,762 Manual Recruitment

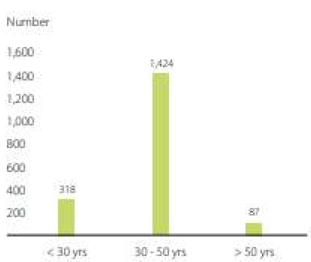
56 Staff Recruitment

11 Executive & Above Recruitment

Recruitment By Gender



Recruitment By Age



Recruitment By Region

While no Senior Management personnel were recruited from the local community during the current financial year, 1,110 manual grade employees have been engaged under contract employment.

Employee Remuneration at TTE

TTE ensures fair, competitive pay and full compliance with labour laws. Wages for manual workers follow the Wages Board Ordinance, with nearly 98% of the estate workforce unionized and covered under collective bargaining agreements reviewed every three years.
Discretionary allowances may be added based on job complexity, and estate staff salaries are also governed by these agreements. TTE complies with all statutory benefits, including 12% EPF and 3% ETF contributions, and gratuity under the Gratuity Act.
On 10th September 2024, the minimum daily wage for plantation workers increased to Rs. 1,350 (plus a Rs. 50 productivity-based allowance), valid for three years following negotiations among RPCs, trade unions, and the Wages Board. Estate staff received annual increments as per the agreement.
Executive remuneration is overseen by the HR and Remuneration Committee and is performance-based, considering job role, experience, and industry benchmarks.

3.1 Other Social Indicators

Rs. Mn	2024/25	2023/24	% Change
Remuneration	2,320.4	2,253.3	3.0
Performance incentives	968.6	1,022.3	(5.2)
Welfare and benefits	192.0	174.5	10.0
Total remuneration and benefits	3481.0	3,450.2	1.0
Defined Contribution and Benefits			
Employee Provident Fund - 15%	180.6	151.5	19.2
Employee Trust Fund - 3%	45.1	37.9	19.0
Gratuity provision	179.0	202.4	(11.6)
Gratuity payments	160.7	196.1	(18.0)

	Estate				Corporate Office		
Benefits - Permanent and Full-time Employees	Manager	Executive	Staff	Manual	Manager	Executive	Staff
Housing with electricity and water	●						
Living quarters with electricity and water		●	●				
Line rooms with electricity and water				●			
Employee medical insurance - OPD, spectacles and hospitalisation	●	●	●		●	●	●
Immediate family medical insurance - OPD, spectacles and hospitalisation	●	●	●		●	●	●
Free prescription drugs				●			
Medical facilities and free medical clinics				●			
Maternity benefits and child care facilities				●			
Mid-day-meal nutrition programme				●			
Milk and wheat flour for children				●			
Scholarships for children				●			
Death donations			●	●			

Maternity Leave

In line with Sri Lanka's labour laws, all female employees are entitled to avail maternity leave. They are also allowed to avail the feeding entitlement of one hour. Currently, there is no scheme for paternal leave. However, all employees are given their statutory leave of 14 annual and seven days of casual along with 21 medical leave.

Maternal Leave Facets	Number
Total female employees	2,839
Maternity leave availed	39
Returned to work after maternity leave	13
Resignations after maternity leave	2
Currently on maternity leave	26
Retained after 12-months of return from maternity leave	71
Return to work rate (%): 33	
Retention rate after 12 months of return to work (%): 71%	

3.1 Other Social Indicators

Human Rights and Non-Discrimination

- **Total incidents reported (FY 2024/25):** Zero

No incidents of discrimination on grounds such as gender, race, religion, or social origin were reported during the reporting period across Talawakelle Tea Estates PLC's (TTE) operations or its supply chain.

- **Non-Discrimination Policy:**
- TTE has adopted a Diversity, Equity, and Inclusion (DEI) Policy that explicitly prohibits any form of discrimination. The policy ensures:
- Equal pay for equal work (1:1 ratio of basic salary between men and women)
- Equal access to training and promotion
- Safe and dignified workplace culture for all genders and backgrounds

- **Procedure for Handling Discrimination:**
- Discrimination cases, if reported, are managed through:
- A grievance redressal mechanism aligned with Rainforest Alliance standards
- "Chat with HR" and "We Care 360" platforms
- Monthly Labor Days and union forums that facilitate open employee engagement
- Escalation through the HR chain for resolution and follow-up actions

- **Remediation Status:**

Since no incidents were reported, no remediation plans were initiated during the reporting year. The system, however, remains active and responsive to any future complaints.

Freedom of Association and Collective Bargaining

Operations at Risk: None identified.
TTE does not operate in regions with known violations of freedom of association. Nearly 98% of estate workers are unionized, and collective bargaining is fully supported.

Suppliers at Risk: No suppliers were flagged for risk regarding unionization or collective bargaining in FY 2024/25.

Supportive Measures Taken:

- Formal collective agreements covering wages and incentives
- Monthly meetings with union representatives
- Advance notice (minimum 4 weeks) before operational changes
- Inclusion of worker representatives in health, safety, and management discussions

3.1 Other Social Indicators

Human Rights Training and Awareness

Total Hours Devoted to Human Rights-Related Training in FY 2024/25:
While human rights training is integrated into general modules, total relevant training hours include:

- 4,213 estate employees trained
- 4,305 hours of safety and awareness programs
- Topics included: Occupational Health & Safety, Child Protection, Gender and Social Awareness, and Ethical Recruitment

Percentage of Employees Trained:
Over 80% of the workforce received some form of training related to human rights principles, child protection, and ethical conduct.

Additional Initiatives:

- Engagement with Save the Children Sri Lanka and the Centre for Child Rights to implement protective policies across operations
- Formal clause on child rights in employee contracts
- WUSC international gender expert engaged for inclusive best practices
- No incidents of child labour, forced labour, or human rights violations reported internally or across the supplier network

Ensuring Dignity of Work in the Sri Lankan Tea Sector

In Sri Lanka's 150-year-old tea industry, increasing women's participation and leadership is essential-not only to uphold human rights, but also to drive meaningful transformation for individuals, communities and the industry, while promoting dignity of work across the sector

Sharing insights on current trends in Sri Lanka's tea industry and addressing key sustainability challenges at the Ethical Tea Partnership's inaugural forum in Sri Lanka.

Socio-Economic Compliance

During the reporting period (FY 2024/25), Talawakelle Tea Estates PLC recorded no incidents of non-compliance with applicable social or economic laws and regulations. There were:

- Zero significant fines imposed;
- Zero non-monetary sanctions received;
- No cases brought against the company through any formal or informal dispute resolution mechanisms.

This reflects our commitment to ethical operations, legal compliance, and responsible stakeholder engagement across all our business units and estate operations. TTE's compliance function is governed by internal audit reviews, periodic legal assessments, and adherence to national and international regulatory frameworks.

GOVERNANCE

TTE's corporate governance approach is built on transparency, accountability, and ethical conduct. While complying with Colombo Stock Exchange regulations, TTE goes beyond by integrating global best practices. Its governance framework comprising the Articles of Association, policies, charters, and code of conduct ensures alignment with both local laws and international standards. A strong culture of ethics guides decision-making and strengthens stakeholder trust across the organization.

In this Section

Board Diversity and Composition

Policy Compliance

Accurate Reporting and Transparency

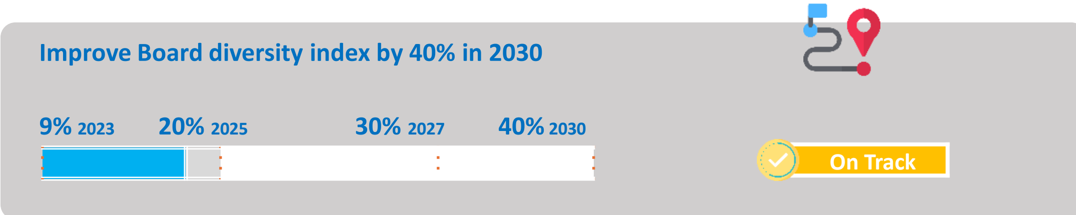
Stakeholder Engagement

Risk & Opportunity Management

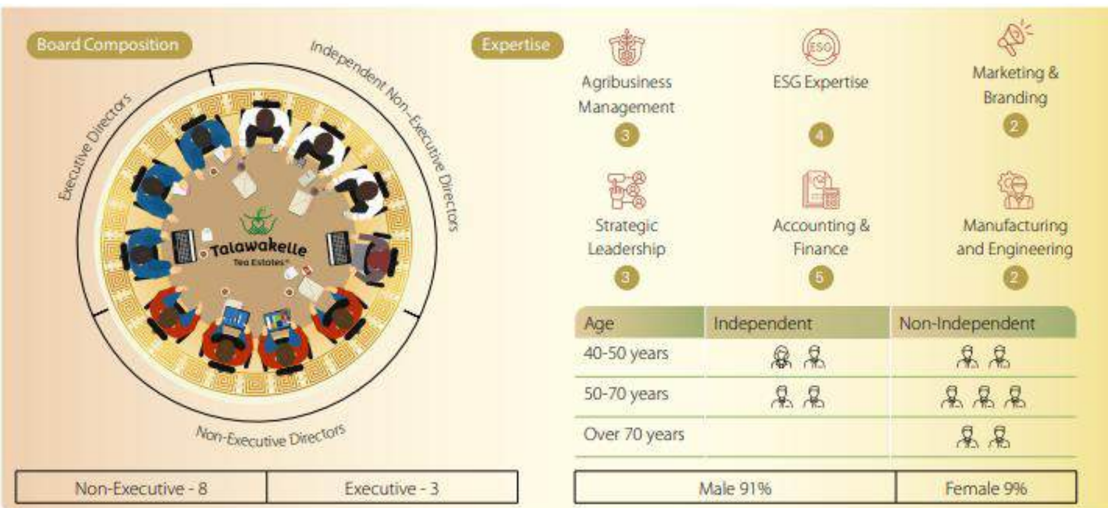
Contribution to the UN SDGs

4.1 Board Diversity and Composition

4.1.1 Board Diversity Index



TTE has embraced board diversity as a critical driver of governance excellence. Recognising that diversity enhances strategic thinking and decision-making, the Company has initiated multiple steps to ensure varied perspectives are well represented at the highest governance levels.



Supporting Policies & Actions:

- Adoption of Policy on Matters Relating to the Board of Directors and the Policy on Corporate Governance, Nominations, and Re-election (effective September 2024) to formalize diversity in appointments.
- Recruitment practices now explicitly consider gender, age, experience, and expertise to improve the diversity index.
- Annual evaluations and succession planning reinforce this commitment by assessing board composition and independence annually.

Sustainability Competence and Skills

TTE ensures its Board and committees possess or have access to sustainability-related expertise.

- ➢ The BAC includes members with experience in plantation operations, agroecology, and corporate governance.
- ➢ Board composition is periodically reviewed to ensure alignment with emerging ESG themes (e.g., climate, biodiversity, just transition).
- ➢ A structured development program provides:
    - Annual ESG training,
    - Regulatory briefings,
    - Updates on investor ESG trends and Sri Lanka-specific policy changes.

4.1 Board Diversity and Composition

Establish and function board diversity and inclusion task force by 2030

1 Phase 2023 | 2 Phase 2025 | 3 Phase 2027 | 4 Phase 2030

On Track

TTE recognizes the need for a dedicated body to oversee board diversity and inclusion (D&I) to institutionalize long-term change. While a separate D&I Task Force is envisioned by 2030, foundational steps have already been embedded in governance structures.

Current Initiatives:

The Nomination and Governance Committee (NGC) already performs functions aligned with a D&I Task Force:

- Reviews board composition with an eye on gender, age, and skill balance
- Oversees succession planning and board appointments, incorporating diversity goals
- Recommends governance framework enhancements that reflect inclusive values

Future Alignment:

The proposed Task Force by 2030 will formalize these efforts with expanded terms:

- Setting annual diversity KPIs
- Driving inclusive leadership training
- Liaising with HR and DE&I stakeholders across TTE

Governance Policy Highlights:

All 12 governance-related policies required by the 2024 CSE Listing Rules including diversity-relevant policies like Corporate Governance, Board Appointments, and ESG were adopted by TTE by October 2024

Publish an annual company diversity report by 2030

1 Phase 2023 | 2 Phase 2025 | 3 Phase 2027 | 4 Phase 2030

On Track

Transparency in reporting on diversity progress is key to accountability. TTE plans to introduce a formal annual Diversity Report by 2030, showcasing milestones, gaps, and future targets.

Foundations Already in Place:

- Gender and skill matrix of the Board is currently disclosed in the annual report.
- Annual self-assessments are conducted to evaluate board effectiveness and composition.
- Disclosures of appointments/resignations, including gender and diversity implications, are made publicly via CSE and the Annual Report.

Future Report Components May Include:

- Board and management diversity dashboards
- DE&I policies and training rollouts
- Succession pipeline diversity metrics
- Annual progress toward the 40% diversity index improvement target

4.1 Policy Compliance

4.1.1 Laws and Policies Within the Company and Supply Chain

Achieve a zero-tolerance on laws and policies within the company and supply chain

1Phase 2023 2Phase 2025 3Phase 2027 0 2030

Achieved

TTE PLC has committed to a zero-tolerance culture for legal and policy non-compliance, both within the organisation and across the entire value chain. This aligns with its purpose-driven approach and governance model rooted in ethical conduct and integrity.

Initiatives:

- Adopted 12 key governance policies in 2024/25 (e.g., Code of Conduct, Anti-Bribery Policy, Data Protection Policy, Policy on Whistleblowing, etc.)
- Embedded governance oversight through Audit, Nomination, Risk, and Related Party Transaction Committees
- Implemented regular internal audits and policy awareness training across all business units
- Supply chain partners are screened and engaged under ethical sourcing guidelines and policy compliance clauses

Aspect	Details
Number of governance policies	12 (compliant with CSE Listing Rules)
Whistleblowing mechanism	Fully functional; anonymous reporting channels enabled
Supplier assessments	Ethical and policy compliance included in screening criteria
Workforce trained	Over 5,200 employees sensitized on company policies

Supply Chain Compliance and Ethical Practices

- **Supplier Onboarding & Screening:** All new suppliers undergo a due diligence process aligned with our Code of Conduct and sustainability requirements.
- **Contractual Obligations:** Supplier contracts include mandatory clauses on human rights, fair labor practices, and environmental responsibility.
- **Awareness & Training:** Periodic training sessions are held for key suppliers on ethical sourcing, anti-corruption, and regulatory compliance.
- **Monitoring & Evaluation:** Performance reviews and site visits are conducted for high-risk suppliers to ensure adherence to company policies.
- **Traceability Measures:** We maintain transparency by tracking sourcing origins for tea and other critical inputs, ensuring alignment with local and international laws.

4.1 Policy Compliance

4.1.2 Zero Major Compliance Violations by 2030 in Overall Value Chain

Zero major compliance violations by 2030 in overall value chain

1Phase 2023 2Phase 2025 3Phase 2027 0 2030

Achieved

TTE's proactive governance mechanisms are designed to prevent, detect, and address non-compliance at every level. The aim is to fully eliminate major policy breaches by 2030 through rigorous internal controls and a culture of ethical accountability.

Initiatives & Measures in Place:

- Established a compliance assurance framework with quarterly oversight
- Zero material legal penalties or regulatory actions reported for FY 2024/25
- Incorporated compliance checks in the supply chain due diligence process
- Strengthened reporting through SLFRS S1 & S2 aligned disclosures (including ESG-linked risk management)

Year	Major Compliance Violations	Legal Fines Paid	Regulatory Warnings
2024/25	0	Rs. 0	None
Target by 2030	Maintain zero	Maintain zero	Maintain zero

Supporting Structures:

- Audit Committee and Risk Committee oversee regulatory and internal compliance
- Enterprise-wide risk registers track legal/regulatory risks
- Senior management sign-off on policy adherence included in performance KPIs

4.1.2 Transparency and Accountability in Reporting in Value Chain

TTE is focused on enhancing transparency and reporting standards not only within the company but also across its suppliers and partners. Transparent, integrated, and assured disclosures build long-term stakeholder trust.

Key Highlights and Achievements:

- Fully adopted SLFRS S1 & S2 under a 'climate-first' approach, making TTE a pioneer in integrated ESG reporting in the plantation sector
- 2024/25 report includes impact-related disclosures under the double materiality principle
- Increased community, employee, and government disclosures across all six capitals

4.1 Policy Compliance

Increase transparency and accountability in reporting in value chain

35% 2023 | 45% 2025 | 65% 2027 | 75% 2030

Lagging

As part of our commitment to strengthening governance and ethical practices, we set a 2025 interim target of achieving 45% transparency and accountability in reporting across our entire value chain. By the end of the reporting period, we successfully reached 30%, marking significant progress despite operational complexities and varying maturity levels across partners.

This achievement reflects the deployment of digital reporting tools, standardized compliance frameworks, and improved supplier engagement practices. We introduced structured data collection protocols, initiated sustainability disclosure training for selected supplier clusters, and began integrating ESG checkpoints into procurement processes.

Metric	FY 2024/25 Status
Assurance on ESG disclosures	Limited assurance obtained
Transparency rating	97% (ESG AA Rating)
Value shared with stakeholders	Rs. 3.7 Bn to employees, Rs. 543 Mn to government
Whistleblowing reports	Monitored and addressed through secure systems
Training Hours per Employee	1.91 hrs (includes compliance awareness)

Additional Initiatives

- Issuance of first integrated value chain report expected by FY 2026/27
- Disclosure of supplier data and third-party certifications to be expanded
- Digital systems introduced to track policy adherence and reporting transparency across estates

4.1 Accurate Reporting and Transparency

4.1.2 Transparency in Corporate Governance

Increase transparency in corporate governance with 90% positive rating

70% 2023 | 80% 2025 | 85% 2027 | 90% 2030

Achieved

TTE has made significant strides in enhancing transparency in governance through the adoption of advanced disclosure practices, policy reforms, and stakeholder engagement. This target aims to achieve a 90% positive stakeholder perception of corporate governance transparency.

Figures & Initiatives:

Item	Status/Progress
ESG Rating	AA / 97%
Governance Policy Compliance	100% (12 policies disclosed & adopted)
Board Composition Disclosure	Available (skill, gender, age, independence matrix)
Positive Employee Feedback on Leadership	99% (Great Place to Work 2024)
Stakeholder Engagement Mechanisms	Implemented annually with feedback loops

Key Achievements & Practices:

- Fully compliant with 2024 CSE Listing Rules requiring disclosure of 12 corporate governance policies
- Disclosures aligned with SLFRS S1 and S2, enhancing clarity and investor confidence
- Maintains Board Evaluation Reports, committee reports, and individual director disclosures
- 99% employee satisfaction rate and certification as a "Great Place to Work" reaffirm trust in governance

4.1.2 Implement ESEG MIS Achieving 100% Data Accuracy and Completeness

In a digitally transforming governance landscape, the implementation of an integrated Environmental, Social, Economic, and Governance Management Information System (ESEG MIS) ensures high-quality data collection, monitoring, and assurance for strategic decision-making.

Strategic Actions:

- Began digital transformation of HR and operational reporting systems
- Introduced AI-based tools and predictive analytics to monitor worker performance
- Utilised digital dashboards for internal ESG tracking and reporting
- Applied SLFRS S2-compliant disclosures with external limited assurance for FY 2024/25

4.1 Accurate Reporting and Transparency

Implement ESEG MIS achieving 100% data accuracy and completeness

75% 2023 | 80% 2025 | 90% 2027 | 100% 2030

Achieved

Figures & Systemic Enhancements:

Area	2024/25 Status
HR Digitalisation	AI-based harvest tracking and predictive analytics
ESG Reporting Systems	SLFRS S1 & S2 aligned; Limited assurance obtained
MIS Implementation Status	Underway; full rollout planned by FY 2025/26
Accuracy of Reported ESG Data	Verified through 3rd party assurance
Stakeholder Engagement Mechanisms	Implemented annually with feedback loops

Outlook:
With full implementation of ESEG MIS, TTE targets 100% data accuracy and traceability by 2030 across all estates, factories, and subsidiaries.

4.1.2 ESG Transparency of Overall Value Chain

TTE recognizes that full ESG integration across the value chain from suppliers to distribution is essential for credibility and long-term sustainability. This target addresses increasing public access to ESG data across the supply network by 50% by 2030.

Improve ESG transparency of overall value chain by 50% in 2030

30% 2023 | 40% 2025 | 45% 2027 | 50% 2030

Lagging

Initiatives in Progress:

- Published value chain performance metrics in 2024/25 report (e.g., renewable material use, GHG emissions, training hours)
- Shared metrics for employee welfare (Rs. 3.7 Bn), environmental spend (Rs. 58 Mn), and community investment (Rs. 119 Mn)
- Adoption of Nature Positive Business Policy for transparency in biodiversity goals
- Supplier screening processes include ESG compliance and traceability

Indicator	FY 2024/25 Baseline
Environmental Investment	Rs. 58.3 Mn
Renewable Materials Used	20,223 MT
Supplier Data in Report	Disclosed for 2,157 suppliers
ESG Scope Coverage	5,247 employees; 16 estates; 15 factories

4.1 Stakeholder Engagement

4.1.1 Increase Stakeholder Engagement

Increase stakeholder engagement ratio by 40% by 2030

10% 2023 | 20% 2025 | 30% 2027 | 40% 2030

On Track

Stakeholder engagement is essential to TTE's long-term strategy and value creation. Increasing the engagement ratio ensures inclusive governance, improves decision-making quality, and enhances social license to operate, especially in a resource-intensive industry like plantations.

How It Helps the Company:

- Builds stakeholder trust, which directly enhances TTE's brand reputation
- Ensures better alignment with material risks and opportunities
- Drives operational and ESG transparency

Current Actions and Metrics:

Area	2024/25 Status
Employee Satisfaction Score	99% (Great Place to Work Certified)
Number of Buyers	238 (engaged through sustainable tea platforms)
Community Investment	Rs. 119 Mn in 2024/25
Supplier Base	2,157 approved suppliers
Engagement via UNGC and Industry Orgs	Patron Member of UN Global Compact Task Force

Initiatives:

- Annual employee surveys and town halls
- Buyer and broker consultations on product development
- Community engagement programs under the Regen Agenda
- Supplier engagement through ethical sourcing protocols

4.1.1 Stakeholder Consultations and Feedback

Improve effectiveness of regular stakeholder consultations and feedback

5% 2023 | 10% 2025 | 15% 2027 | 20% 2030

Achieved

Regular, high-quality feedback loops with stakeholders ensure that decisions are informed, relevant, and forward-looking. TTE's aim is to improve effectiveness not just frequency of stakeholder dialogues through better responsiveness and data integration.

How It Helps the Company:

- Enhances responsiveness to stakeholder concerns
- Strengthens accountability and corporate reputation
- Identifies early warning signals for operational or ESG risks

4.1 Stakeholder Engagement

Consultation Channel	Outcome/Impact (2024/25)
Community Feedback Programs	Improved local livelihood projects
ESG Feedback Forums	Strengthened climate action and nature policy
Employee Feedback Mechanisms	Helped retain 96.6% of workforce
Digital HR Tools & AI	Enabled real-time performance feedback
Engagement via UNGC and Industry Orgs	Patron Member of UN Global Compact Task Force

Stakeholder engagement is essential to TTE's long-term strategy and value creation. Increasing the engagement ratio ensures inclusive governance, improves decision-making quality, and enhances social license to operate, especially in a resource-intensive industry like plantations.

Initiatives:

- Launch of “EmpowerU – Pathways to Leadership” engaging estate youth
- Use of AI-driven analytics for employee performance and feedback
- Inclusive ESG forums with buyers and regulators (e.g., SLFRS S1/S2 input)

Achieve a score of 4 out of 5 or higher on stakeholder engagement indices by 2030

TTE intends to establish and score at least 4 out of 5 on stakeholder engagement indices covering trust, inclusiveness, responsiveness, and transparency. This benchmark will validate the quality of its stakeholder governance model.

How It Helps the Company:

- Supports decision-useful ESG reporting
- Enhances investor confidence and sustainability ratings
- Reinforces industry leadership and competitive advantage

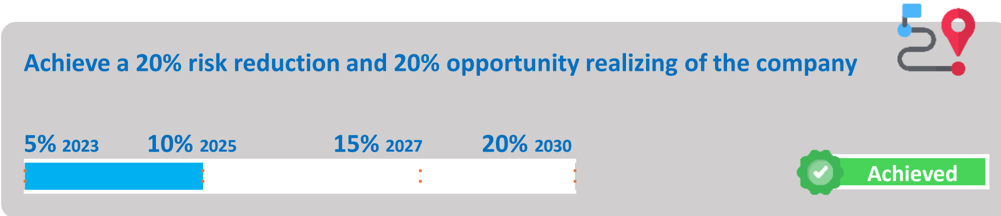
Metric	FY 2024/25 Baseline
Employee Trust Index	99%
ESG Rating	97% / AA
Customer Satisfaction Rate	92%
External Engagements (UNGC, BOI, etc.)	Active membership and advisory roles
Stakeholder Index Goal for 2030	≥ 4.0/5

Initiatives:

- Develop formal **Stakeholder Index** by FY 2025/26
- Expand stakeholder mapping and prioritization framework
- Publish stakeholder feedback outcomes in future reports

4.1 Risk & Opportunity Management

4.1.2 Strengthening Organizational Resilience Through Risk Reduction and Opportunity Activation



TTE's governance approach integrates enterprise risk management (ERM) with opportunity mapping, aiming for a 20% reduction in key operational and ESG-related risks while simultaneously activating 20% of identified opportunities. This dual strategy is vital to safeguard business continuity while driving value creation.

How It Helps the Company:

- Enhances long-term operational resilience
- Improves responsiveness to market and environmental volatility
- Promotes innovation and proactive value capture

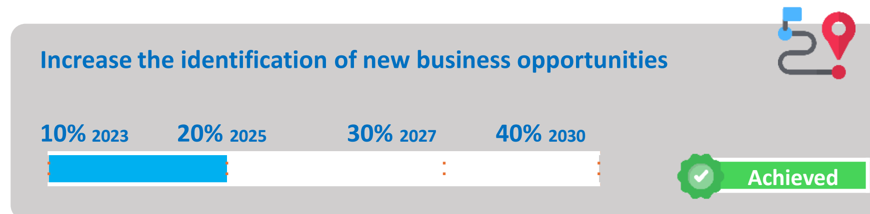
Figures & Initiatives:

Element	Status/Progress (2024/25)
ESG Risk Register	Updated across operations
Enterprise Risk Framework	Fully operational and Board-reviewed
Opportunity Realisation	Glamping, Artisanal Tea, Tea Tourism launched
Risk-Driven Investments	Rs. 633.6 Mn CapEx in 2024/25
Risk Type Monitored	Climate, regulatory, financial, market

Key Initiatives:

- Integration of SLFRS S1/S2 risk disclosures and materiality alignment
- Launched Nature Positive Policy, reducing climate and biodiversity risk
- Diversified into renewable energy (solar, hydro, biomass) to mitigate energy cost volatility
- Introduced Tea Tourism and premium product lines as opportunity capture

4.1.2 Unlocking Future Growth by Identifying New Business Opportunities



TTE's governance structure now includes formal mechanisms for identifying, evaluating, and scaling new opportunities aligned with stakeholder and market needs. This supports TTE's objective to continuously reinvent itself and stay competitive in an evolving global market.

How It Helps the Company:

- Supports diversification and revenue stream expansion
- Mitigates over-reliance on commodity-based income
- Strengthens brand presence and stakeholder value

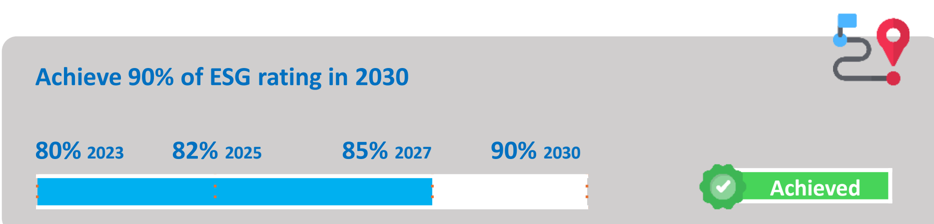
4.1 Risk & Opportunity Management

New Ventures/Markets Explored	Details
Tea Tourism	Experience centres, glamping, boutique expansion
Renewable Energy	Solar (669 MWh), Hydro (7,975 MWh), Biomass use
Product Diversification	Artisanal, green, cinnamon-infused and wellness teas
Crop Diversification	Cinnamon, timber, coconut, strawberries
Digitalisation & AI	Predictive HR analytics, ESG dashboards

Key Actions:

- Rs. 36.4 Mn invested in R&D and product innovation
- 3 new tea brands launched in FY 2024/25
- ESG-aligned reforestation and biodiversity initiatives converted into partnership-based income streams

4.1.2 Uplifting ESG Performance Towards 90% Rating by 2030



Achieving a 90% ESG rating by 2030 reflects TTE's aspiration to set new governance benchmarks in the plantation sector. ESG integration is tied to risk reduction, compliance assurance, and long-term value protection for stakeholders.

How It Helps the Company:

- Attracts sustainability-focused investors and buyers
- Reduces regulatory and reputational risks
- Enhances internal performance through ESG-aligned KPIs

ESG Metric	2024/25 Performance
Overall ESG Rating	97% / AA
Scope 1 & 2 Emission Reduction	27% reduction from 2022/23 baseline
Environmental Investment	Rs. 58.3 Mn
Renewable Energy Use	8,644 MWh (solar + hydro + biomass)
Community Investment	Rs. 119 Mn

Strategic Actions:

- Implemented Nature Positive Business Policy with goal to halt nature loss by 2030
- Certified under 7+ international ESG-related standards including Rainforest Alliance, ISO 22000, and ISO 14064-1
- Joined UNGC Climate Emergency Task Force as Patron Member

4.1 Our Commitment to Anti-Corruption Governance

Talawakelle Tea Estates PLC (TTE) considers integrity and ethical conduct as foundational to its business success. As part of our proactive governance strategy, we have fully integrated anti-corruption risk management, communication, and training into our operations and value chain oversight. This is aligned with national regulations and global frameworks such as the UN Global Compact.

4.1.2 Corruption Risk Assessments and Identified Risks

TTE's enterprise risk management framework includes corruption as a critical risk factor. Risk assessments are conducted periodically across estates, factories, and the broader supply and distribution chain to evaluate exposure and develop preventive measures.

Indicator	FY 2024/25 Performance
Total operational units assessed	100% (16 estates, 15 factories, 3 subsidiaries)
Significant risks identified	None reported
Risk types included	Fraud, bribery, third-party ethical breaches

4.1.2 Training and Communication on Anti-Corruption Measures

All levels of the organization, including the Board of Directors, senior executives, middle management, workers, and partners, are continuously informed and trained on anti-corruption policies. This is a key strategy to build a vigilant, aware, and compliant workforce.

Training & Communication Matrix:

Category	Communication Coverage	Training Completion (%)
Board of Directors	100%	100%
Top Management	100%	100%
Middle Management	100%	98%
General Employees	100%	85%
Supply Chain Partners	100% (via contracts & CoC)	Not formally tracked
Distribution Partners	100%	Not formally tracked

Initiatives Taken:

- Included anti-bribery clauses in all supplier and distributor contracts
- Conducted virtual and estate-level anti-corruption workshops
- Communicated policies through digital HR systems and onboarding kits
- Strengthened whistleblower policy with anonymous reporting tools

Compliance Record for FY 2024/25

Item	Status
Legal actions related to anti-competitive behavior	None
Legal actions related to anti-trust violations	None
Legal actions related to monopoly practices	None
Decisions or judgments during the period	Not applicable
Ongoing investigations as of 31 March 2025	None reported

4.1.2 Confirmed Incidents and Remedial Actions

During the FY 2024/25 reporting period, no confirmed incidents of corruption involving employees or external partners were recorded. This reflects the effectiveness of our preventive training, policy enforcement, and governance culture.

Indicator	FY 2024/25 Outcome
Confirmed incidents involving employees	0
Dismissals or disciplinary actions due to corruption	0
Business contracts terminated or blacklisted for corruption	0
Legal cases (filed, ongoing, or closed) involving corruption	0

Economic Performance

Delivering Sustainable Economic Value

Talawakelle Tea Estates PLC (TTE) generates and distributes economic value to its stakeholders across employees, shareholders, government, and the community. The financial reporting is based on accrual accounting principles, in line with SLFRS.

		Group			Company		
	Unit	2024/25	2023/24	Change %	2024/25	2023/24	Change %
Others							
Economic Value Generated	Rs. Mn	**5,787.62**	5,930.49	(2.41)	**5,737.28**	5,879.58	(2.42)
Economic Value Distributed	Rs. Mn	**4,595.32**	5,368.17	(14.40)	**4,565.88**	5,345.36	(14.58)
Government	Rs. Mn	**543.24**	409.56	32.64	**530.05**	401.88	31.89
Employees	Rs. Mn	**3,712.28**	3,683.90	0.77	**3,696.03**	3,667.47	0.78
Others	Rs. Mn	**339.80**	1,274.71	(73.33)	**339.80**	1,276.00	(73.37)
Value Added per employee	Rs.	**1,100,309**	1,380,147	(20.28)	**1,093,441**	1,372,451	(20.33)
Group employment	Nos	**5,260**	4,297	22.41	**5,247**	4,284	22.48
Average Revenue per employee	Rs.	**1,483,972**	1,806,751	(17.87)	**1,469,727**	1,796,137	(18.17)
Average operating income per employee	Rs.	**276,390**	365,710	(24.42)	**275,340**	362,768	(24.10)

Managing Climate Risks and Unlocking Green Opportunities

Category	Description
Risk Type	Physical and Regulatory (climate impact on crops, changing rainfall, compliance cost)
Impacts	Reduced productivity, increase in adaptation costs, changes in water use
Management Tools	Nature Positive Policy, reforestation, renewable energy, biodiversity corridors
Actions Taken	Rs. 58.3 Mn invested in environmental protection in FY 2024/25
SLFRS S2 Alignment	Adopted for ESG disclosures and climate risk reporting

Employee Retirement and Benefit Commitments

TTE contributes to mandatory government retirement schemes (EPF, ETF) for all eligible employees.

Scheme	Employer Contribution (%)	Employee Contribution (%)
Employees' Provident Fund (EPF)	12%	10%
Employees' Trust Fund (ETF)	3%	–
Additional Plans	No separate fund reported	–

Market Presence and Wage Equality

4.1.2 Confirmed Incidents and Remedial Actions

During the FY 2024/25 reporting period, no confirmed incidents of corruption involving employees or external partners were recorded. This reflects the effectiveness of our preventive training, policy enforcement, and governance culture.

Indicator	FY 2024/25 Outcome
Confirmed incidents involving employees	0
Dismissals or disciplinary actions due to corruption	0
Business contracts terminated or blacklisted for corruption	0
Legal cases (filed, ongoing, or closed) involving corruption	0

Our Commitment to UN SDGs

At Talawakelle Tea Estates PLC, our sustainability strategy is closely aligned with the United Nations Sustainable Development Goals (UN SDGs).

These global goals offer a clear framework for building a more inclusive, sustainable, and resilient future and we are proud to contribute meaningfully.
Through our 2030 Regen Agenda, we've set measurable targets that support 12 priority SDGs relevant to our operations and stakeholders. From climate action and biodiversity to ethical governance and community upliftment, we embed the SDGs across our value chain. This section outlines how our initiatives support each selected SDG reflecting our commitment to sustainable value creation for people, planet, and prosperity.

Not reported

xx Related SDG Target

SDG 13 Climate Action – Take urgent action to combat climate change and its impacts
13.1 | 13.2 | 13.3

SDG 7 Affordable and Clean Energy – Ensure access to aordable, reliable, sustainable and modern energy for all
7.2 | 7.3

SDG 12 Responsible Consumption and Production – Ensure sustainable consumption and production patterns
12.2 | 12.4 | 12.5 | 12.6

SDG 15 Life on Land – Protect and restore ecosystems, manage forests sustainably, combat land degradation, and halt biodiversity loss.
15.1 | 15.2 | 15.5

SDG 6 Clean Water and Sanitation – Ensure availability and sustainable management of water and sanitation for all
6.1 | 6.3 | 6.6

SDG 10 Reduced Inequalities – Reduce inequality within and among work place
10.2 | 10.3 | 10.4

SDG 5 Gender Equality – Achieve gender equality and empower all women and girls
5.1 | 5.5

SDG 8 Decent Work and Economic Growth – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
8.2 | 8.3 | 8.5

SDG 3 Good Health and Well-being – Ensure healthy lives and promote wellbeing for all at all ages
3.8 | 3.9 | 1.5

SDG 1 No Poverty – End poverty in all its forms everywhere
1.2 | 1.4 | 1.5

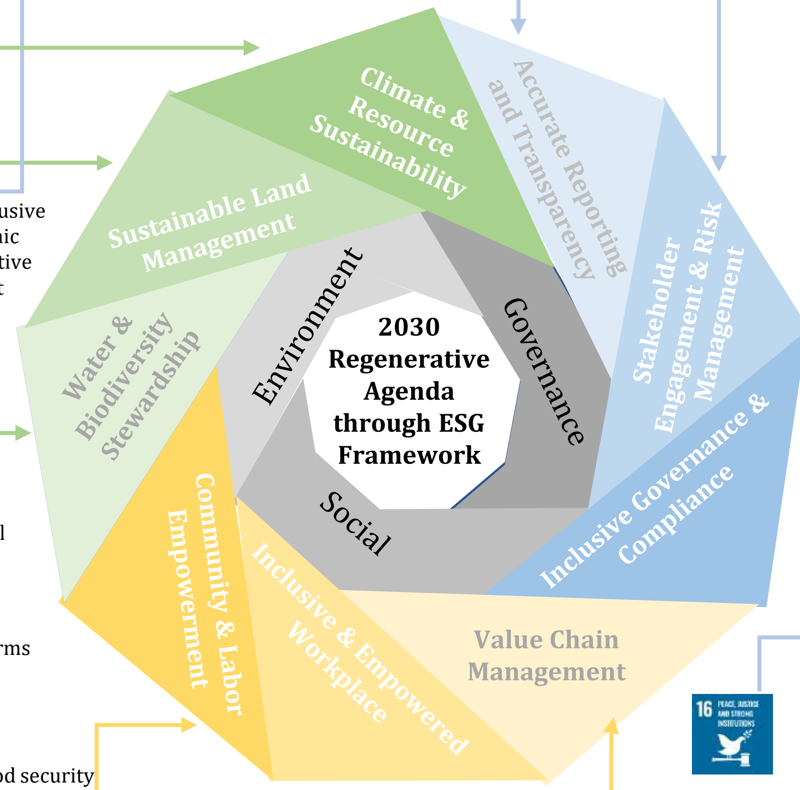
SDG 2 Zero Hunger – End hunger, achieve food security and improved nutrition and promote sustainable agriculture
2.4 | 2.3

SDG 4 Quality Education – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
4.3 | 4.4 | 4.7

SDG 11 Sustainable Cities and Communities – Make cities and human settlements inclusive, safe, resilient and sustainable
11.1 | 11.3 | 11.6

SDG 9 Industry, Innovation and Infrastructure – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
9.1 | 9.4 | 9.5

SDG 16 Peace, Justice and Strong Institutions – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
16.1 | 16.5



1 NO POVERTY

End poverty in all its forms everywhere

WHY IT MATTERS?

Many families living within estates struggle to make ends meet. Problems such as family disharmony and being unable to afford healthy and balanced meals also run rife. Our company, too, is affected as people, especially the younger generations, are becoming more and more reluctant to be employed at estates, fearing that their economic standing will never improve. As an entity that is the caretaker to such a large population, we have taken it upon ourselves to ensure the socio-economic progress of our resident community through various initiatives that enhance their income and improve the quality of their lives.

WHAT WE DO?

➢ Improve the living environment, and community capacity building continuously.
➢ Empower youth and women
➢ Ensure improvements in the earning potentials of plantation workers and the community.
➢ Ensure no extreme poverty
➢ Home for Every plantation worker.

OUR COMMITMENT

Enhancing the residential surroundings, fostering community development, and empowering the youth within the framework of the "Home for Every Plantation Worker" initiative strives to continuously improve the living standards and income opportunities for plantation workers, their families, and the surrounding community.

INTENDED IMPACT:

Build healthier, more sustainable communities with an improved quality of life, enabling individuals to thrive and lead fulfilling lives.

Key Indicators	2023	2024	2025	2027	2030
	Base	Actual	Target		
Beneficiaries	10%	8,034	20%	30%	50%
Investment	10%	36.9 Mn	20%	30%	50%

Improving the Living Environment-Highlights of Home for Every Plantation Worker

2 ZERO HUNGER

TOGETHER, ERADICATING HUNGER

WHY IT MATTERS?

WHY IT MATTERS?
Undernourished and hungry individuals are easily susceptible to diseases, are less productive and consequently, unable to earn enough to improve their livelihoods. Nutritious food, therefore, not only form the basis of good health, but drive increased earnings and improve standards of living. In order to ensure that our employees and their families at our estates are well nourished and never go hungry, we ensure that they understand the benefits of having balanced diets, and ensure that they have better access to nutritious foods.

WHAT WE DO?

- ➢ Special care to pregnant, lactating women, disabled people
- ➢ Promote and follow SMART agricultural and HR practice
- ➢ Promote to do home gardening to become more selfsustained.
- ➢ Provide food to workers from estates (grains, “Kanda”, sweet potatoes, boiled egg)
- ➢ continuous education & monitoring on nutrition, balanced diet
- ➢ Provide Mid-day meals to manual grade employees

OUR COMMITMENT

Within the "Home for Every Plantation Worker" initiative, the emphasis on health and nutrition revolves around ensuring food security and meeting the nutritional needs of the workforce and the associated community. Special attention is given to children, pregnant and lactating women, and older individuals. Our sustainable agriculture management system is geared towards boosting productivity and enhancing the community's capacity to adapt to climate change

INTENDED IMPACT:

Enhance the health and vitality of estate communities, allowing them to live more productive, enriched lives.

- ✓ 59.7 Mn Investment on Health and Nutrition
- ✓ Awareness building on nutrition
- ✓ Free mid-day meal for children
- ✓ Building, training & support on growing nutritious food in home gardens

Community Kitchen

World Vision

TEA LEAF TRUST

Empowering Communities Through Sustainable Cooking: World Vision and Tea Leaf Trust’s Cookstove Initiative”

3 GOOD HEALTH AND WELL-BEING

INSPIRING COMMUNITY TO LIVE A HEALTHY & HAPPY LIFE

WHY IT MATTERS?

Healthy people are the foundation of resilient and healthy entities. When people have inadequate access to health facilities, or have low awareness about the importance of maintaining their own health and well-being, it's a serious impediment to socioeconomic progression. Identifying this vital role that good health plays in driving us forward, we offer our employees with ample opportunities to for them to educate themselves on making better, healthier life choices, to test and screen themselves, and to obtain healthcare where necessary.

WHAT WE DO?

➢ Conduct health and safety programs under RA certification
➢ Educate & encourage employees to attend at work for increased earnings
➢ Ensure a conducive working environment for employees
➢ Digitalization of field operations
➢ Provide newly designed tea harvesting baskets to employees to avoid ergonomic health impacts

OUR COMMITMENT

The "Home for Every Plantation Worker" program addresses health and nutrition, while the health and safety program under the Rainforest Alliance certification is geared towards enhancing the well-being and safety metrics of both our workforce and the plantation community.

INTENDED IMPACT:

Enhance the health and vitality of estate communities, allowing them to live more productive, enriched lives.

Key Indicators	2023	2024	2025	2027	2030
	Base	Actual	Target		
Beneficiaries	10%	245,004	20%	30%	50%
Investment	10%	59.7Mn	20%	30%	50%

Providing medical facilities

4 QUALITY EDUCATION

CONTINOUS LEARNING TOWARDS SUCCESFUL FUTURE

WHY IT MATTERS?

Proper education drives socioeconomic progress and is a vital factor that will help people escape the vicious cycle of poverty. In order to tackle the many poverty-related problems that our estate resident communities experience, ensuring they have access to good educational facilities, including primary, tertiary and vocational education is a must. This will help them lead a meaningful and dignifies life

WHAT WE DO?

- ➢ Build community capacity
- ➢ Empower youth
- ➢ Provide access to free and quality education
- ➢ Provide vocational and territory education/ funds/scholarships
- ➢ Fully Qualified CDO in preschools and child care – strategy
- ➢ PM - Free English course - 3 months - 3 , 4 months - last 2 years

Improve the living environment, community capacity

OUR COMMITMENT

Community capacity building and Empowerment of Youth under the “Home for Every Plantation Worker” program ensure access to free and quality education, vocational and tertiary education and including University of plantation community

INTENDED IMPACT:

Develop a future-ready youth population that is empowered, employable, and capable of driving positive transformation.

- ➢ Vocational and technical training
- ➢ Soft skill and leadership development
- ➢ Education on relevant social topics

Providing educational support

Youth Empowerment Investment: Rs.1.2 Mn Beneficiaries: 45,931

5 GENDER EQUALITY

EMPOWERED WITH THE DIGNITY

WHY IT MATTERS?

Our workforce is predominantly female, manual grade employees who, with their dextrous hands, source the green leaves that sets off the process of manufacturing our highquality teas. Identifying that gender inequality seriously impedes social progression, we ensure they receive the proper remuneration for their hard work, that working conditions are safe for them, and that they have the needed support to achieve their own ambitions.

WHAT WE DO?

- ➢ Conduct Women Empowerment programs
- ➢ Ensure human rights violations and or any kind of discrimination within the organization
- ➢ Conduct training & awareness programs addressing domestic violence, sexual & other exploitation both men & women
- ➢ Open door policy to address women's grievances.

OUR COMMITMENT

Company social policies endorse and align with the United Nation "Women's Empowerment Principles", ensure the any kind of discrimination or human right violation within the organization. Regular training and awareness program address domestic violence, sexual and other types of exploitation within plantation sector community

INTENDED IMPACT:

"HerLead" Project: A Milestone in Gender-Inclusive Leadership in the Tea Sector

The introduction of female supervisors under the HerLead project has been widely acknowledged as a pivotal achievement in advancing genderinclusive leadership within the tea sector. These appointments underscore the project's dedication to empowering women in supervisory roles and fostering a more equitable and representative workforce. The efforts were prominently recognized at various events organized in celebration of International Women's Day, highlighting the significant contributions of women in leadership.

"HerLead" Project: A Milestone in Gender-Inclusive Leadership in the Tea Sector

6 CLEAN WATER AND SANITATION

PROVIDING ACCESS TO CLEAN PORTABLE WATER TO EVERYONE

WHY IT MATTERS?

Water is essential to health and nourishment. When people have access to clean and safe water, it ensures food security, peace and poverty reduction. We are committed to ensuring that our resident communities have access to good water. Our commitment also extends to ensuring that all sources of water are protected and that our operations have minimal negative impact on them.

WHAT WE DO?

- ➢ Ensure proactive drinking water and sanitation within all our location
- ➢ Conserve natural water bodies including rivers, water falls, streams, ponds. etc
- ➢ Conduct training programs on sanitation and personal hygiene
- ➢ self -help housing projects
- ➢ repairs & maintenance of existing drinking water projects
- ➢ Water Retention System – Rain Water Harvesting The Chemical Free Buffer Zones
- ➢ Protecting The Drinking Water Sources &Periodic Water Testing

OUR COMMITMENT

Our integrated water management system ensures proactive water stewardship within all our locations. Water stewardship initiatives focus on conserving natural water bodies, water efficiency, clean water, and sanitation for the community.

INTENDED IMPACT:

- ➢ 147 water sources protection
- ➢ 94 percent compliance of wastewater discharge
- ➢ Rainwater harvesting within fields and factories
- ➢ 96 Wastewater treatment units within fields and factories

St. Clair Restoration Project images

Investment for water conservation : 18,119,769

Water Source Protecting

As part of our commitment to environmental stewardship, Talawakelle Tea Estates PLC leads the **St. Clair Restoration Project**, focused on restoring biodiversity and protecting vital watershed areas linked to one of Sri Lanka's major water sources. Through reforestation, riparian buffer management, and continuous monitoring, we work to safeguard water quality and ensure long-term availability for both ecosystems and nearby communities. This initiative remains central to our sustainable water management efforts, supported by active collaboration with local and national stakeholders.

7 AFFORDABLE AND CLEAN ENERGY

OFFERING PEOPLE THE OPPORTUNITY TO ACCESS CLEAN ENERGY

WHY IT MATTERS?

The process of manufacturing tea is highly energy intensive. We have identified that our dependence on conventional sources of energy emits large amounts of greenhouse gases that cause climate change, and thereby affect our sustenance as well as the livelihoods of our people and wider society. To support this SDG, we are engaged in the production of renewable energy and increasing energy efficiency.

WHAT WE DO?

- Generate & consume renewable energy
- Increase energy efficiency while reducing energy intensity
- Supply of affordable, reliable energy to the plantation community

OUR COMMITMENT

Our energy management policy and relevant procedures addresses enhancing the clean and renewable energy portion of the energy mix. We are continually working according to ISO 50001:2018 energy management standards to increase energy efficiency and energy intensity on production. Living environment under the 'Home for Every Plantation Worker' program focus on ensuring access of affordable, reliable, sustainable, and modern energy for our plantation's community .

INTENDED IMPACT:

- our renewable energy systems generated 215 GJ this year, helping us lower our greenhouse gas emissions and move closer to energy independence
- Scaling renewable energy projects across hydropower and solar domains
- Rs. 93.0 Mn invested to-date in solar energy generation
- Rs. 225.79 Mn invested to-date in hydro energy generation
- Rs. 678.71 Mn invested to-date in biomass conversion

TTE PLC Renewable Energy Generation Data in the Past Two Years

Source	2024/25	2023/24	tCo2e Saving
Biomass (Gj)	185,137	177,085	
Hydropower (Gj)	28,783	24,697	5452
Solar Power (Gj)	2,064.50	2,240	406


Rooftop Solar Generation


Hydro Power Generation


Biomass Energy Usage

8 DECENT WORK AND ECONOMIC GROWTH

GREATER PRODUCTIVITY FOR A STRONGER ECONOMIC GROWTH

WHY IT MATTERS?

Promoting sustained, inclusive, and sustainable economic growth is essential to reducing poverty and improving living standards. In Sri Lanka's plantation sector, where rural employment is a key driver of the economy, decent work ensures dignity, equality, safety, and economic empowerment for thousands of families. This goal is especially important in bridging socio-economic gaps and enabling long-term resilience in communities and industries alike.

WHAT WE DO?

At Talawakelle Tea Estates PLC (TTE PLC), we have embedded fair labor practices, inclusive growth, and skills development into every level of our operations.

Key initiatives include:

- Providing secure employment and welfare for over 6,000 individuals across our estates.
- Adopting digitized HR systems (Oracle Cloud) to ensure transparency and accuracy in attendance, payroll, and benefits.
- Offering training and upskilling opportunities across technical, agricultural, and administrative roles.
- Promoting gender equity, diversity, and inclusion in leadership and field roles.
- Supporting smallholder livelihoods through community outreach, extension services, and ethical sourcing.
- Investing in worker housing, healthcare, and financial literacy programs.

OUR COMMITMENT

We are committed to being a model employer in the plantation sector by:

- Upholding international labor standards, including safe and equitable work conditions.
- Ensuring **zero child or forced labor**.
- Enhancing workforce well-being through continuous health, education, and economic initiatives.
- Supporting enterprise growth through innovation, productivity, and digital transformation.

INTENDED IMPACT:

- Improved quality of life and job satisfaction for our workforce (97% employee satisfaction).

- Strengthened local economies through stable incomes, SME support, and inclusive hiring.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

BUILD A CULTURE OF INNOVATION FOR BUSINESS GROWTH

WHY IT MATTERS?

Sustainable industrialization and innovation are key drivers of economic growth, efficiency, and resilience. For the plantation sector, modern infrastructure and technology are essential to improve quality, traceability, productivity, and environmental performance. Investing in innovation ensures competitiveness and long-term value creation while minimizing environmental impacts.

WHAT WE DO?

- Drone technology for agrochemical and fertilizer application, enhancing precision and reducing environmental impact.
- AI-powered tea grading machines for accuracy and quality control.
- Real-time weighing systems for transparency and traceability in harvesting.
- SAP, Oracle Cloud & Power BI ESG dashboards for improved data management and corporate governance.
- CUBE sustainability platform and online ESG reporting interface to track performance and compliance.
- Certification Management Portal for streamlined stakeholder access and audit readiness.

OUR COMMITMENT

We are committed to advancing smart agriculture and resilient infrastructure through continued investments in innovation, technology, and capacity building. Our strategy focuses on integrating digital and green infrastructure to enhance value chain efficiency, reduce carbon footprint, and foster inclusive and sustainable industrial growth.

INTENDED IMPACT:

- Improve productivity, quality, and cost efficiency through tech-enabled operations.
- Reduce GHG emissions and optimize resource use via precision farming and energy-efficient systems.
- Strengthen competitiveness and market access with traceable, high-quality tea.
- Promote knowledge transfer, upskilling, and digital readiness within rural communities.

AI powered tea grading machines

Use Drone for fertilizer spray

10 REDUCED INEQUALITIES

BREAKING THE BONDS

WHY IT MATTERS?

Reducing inequality within and among communities is essential for building a just and inclusive society. In the plantation sector, historically underserved populations such as estate workers and rural communities require targeted support to ensure equal access to opportunities, services, and resources. Reducing inequality also drives long-term social stability, productivity, and sustainability.

WHAT WE DO?

- Fair labor practices with structured wage systems, housing, healthcare, and education access.
- Women and youth empowerment programs through training, leadership development, and inclusive employment policies.Zero discrimination policy across recruitment, remuneration, and workplace engagement.
- Access to services: investments in child development centers, mobile health camps, and estate infrastructure benefit marginalized communities.
- Local sourcing and SME support, integrating smallholder farmers and suppliers into our value chain.
- Language and literacy development to support social mobility within multi-ethnic estate communities.

OUR COMMITMENT

We are committed to building an inclusive workplace and equitable community ecosystem that upholds dignity, provides equal opportunity, and actively removes systemic barriers for disadvantaged groups. Our policies and practices prioritize fairness, participation, and sustainable empowerment at every level of the business.

INTENDED IMPACT:

- Narrow income and opportunity gaps within estate communities.
- Increase representation of women and youth in skilled and leadership roles.
- Strengthen social cohesion and reduce vulnerability across estate populations.
- Support long-term upliftment of plantation communities through access to essential services and dignified livelihoods.

Career Guidance Seminar for Youth

Child development centers

CITIES IN BALANCE WITH THEIR COUNTRYSIDE

WHY IT MATTERS?

Creating inclusive, safe, and sustainable communities is vital for long-term social resilience. In plantation regions, estate communities are often rural and underserved, lacking adequate access to essential services, infrastructure, and dignified living conditions. Promoting sustainable community development helps reduce poverty, improve quality of life, and foster social stability.

WHAT WE DO?

Talawakelle Tea Estates PLC strengthens estate communities through long-term, place-based investments in infrastructure, health, education, and environmental stewardship:

- Community infrastructure, such as roads, preschools, and crèches.
- Solar and renewable energy projects to power estate communities sustainably.
- Disaster preparedness and climate adaptation support for high-risk areas.Community reforestation and ecosystem restoration (e.g., St. Clair Restoration Project).
- Heritage conservation and responsible tourism via partnerships in sustainable travel.

OUR COMMITMENT

We are committed to building resilient, inclusive, and sustainable communities within our estates by ensuring that every employee and their families benefit from safe housing, accessible services, environmental security, and long-term wellbeing. Our initiatives are aligned with national goals for rural development and urban-rural integration.

INTENDED IMPACT:

- Improved quality of life for over 6,000 estate residents.
- Greater access to clean water, healthcare, and early childhood education.
- Reduced ecological footprint of community living.
- Empowered, self-sustaining communities that contribute to local economies and environmental conservation.

Road development inside the estates

Community infrastructure

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

LESS IS MORE

WHY IT MATTERS?

The tea industry is resource-intensive, with significant environmental and social impacts if not managed responsibly. Inefficient use of raw materials, energy, agrochemicals, and poor waste management contribute to pollution and resource depletion. Promoting responsible production and consumption helps preserve ecosystems, reduce emissions, and ensure long-term viability of agriculture.

WHAT WE DO?

- AI-powered factory automation to reduce grading errors and material waste.
- Zero-emission Zip Line system to reduce fuel use in transporting green leaf.
- Organic composting to minimize chemical fertilizer use.
- Solar energy and Sunny Portal monitoring to reduce dependence on fossil fuels.
- Green building concept followed factory at Kiruwanaganga, ensuring energy efficiency.
- Online ESG reporting interface for performance tracking and transparency.
- Reforestation and soil conservation for sustainable land use.

OUR COMMITMENT

We are committed to adopting a circular and climate-smart production model that minimizes waste, maximizes resource efficiency, and sets a benchmark for responsible agriculture. We aim to influence both upstream suppliers and downstream buyers toward sustainable practices.

INTENDED IMPACT:

- Reduce GHG emissions and energy intensity across operations.
- Minimize waste and chemical inputs through efficient systems and organic alternatives.
- Promote transparent, traceable, and ethical production across the supply chain.
- Contribute to a sustainable agri-food system that balances profitability with environmental care.


AI powered tea grading machine


New factory building followed green building concept


Organic composting

13 CLIMATE ACTION

SOLUTION, NOT POLLUTION

WHY IT MATTERS?

Climate change poses a direct threat to agriculture, biodiversity, water availability, and livelihoods particularly in climate-sensitive sectors like tea cultivation. Shifting weather patterns, increasing temperatures, and extreme events such as droughts and floods threaten both yield stability and long-term economic sustainability. Taking urgent and proactive climate action is vital for business resilience, food security, and community well-being.

WHAT WE DO?

- Climate Smart Agribusiness Management (CSAM) Project to drive adaptive and low-carbon practices.
- Drone-based agrochemical and fertilizer spraying to reduce input usage and GHG emissions while improving precision and soil health
- Reforestation and buffer zone management under the St. Clair Restoration Project to protect watersheds and enhance carbon sinks.
- ISO 50001:2018 energy management certification for efficient energy use
- Zero-emission transport systems like the green leaf zip line.
- Quarterly ESG Steering reviews to monitor climate risks and opportunities.

OUR COMMITMENT

We are committed to reducing our carbon footprint, enhancing climate resilience, and championing nature-based solutions. Through innovation and responsible stewardship, we aim to lead Sri Lanka's plantation sector in climate-smart transformation.

INTENDED IMPACT:

- Lower Scope 1 and 2 GHG emissions across operations.
- Improve adaptive capacity of estates and surrounding communities.
- Increase renewable energy share in total consumption.
- Strengthen ecosystems and watershed protection through reforestation and conservation.

Solar power usage


Sustainable Water Sourcing


Reduce synthetic fertilizer usage & adopt to Organic composting

15 LIFE ON LAND

SAVE THE EARTH

WHY IT MATTERS?

Healthy ecosystems and rich biodiversity are essential for the long-term productivity of agricultural lands, climate resilience, water security, and community well-being. Unsustainable land use, deforestation, and degradation pose severe threats to soil health, water retention, and ecosystem services—directly affecting plantation performance and livelihoods. As stewards of vast tea landscapes in the central highlands of Sri Lanka, protecting terrestrial ecosystems is both a responsibility and a necessity for Talawakelle Tea Estates PLC (TTE PLC).

WHAT WE DO?

- St. Clair Restoration Project: One of the largest private-sector reforestation initiatives in Sri Lanka, restoring riparian zones and degraded lands to preserve biodiversity and protect a key watershed.
- Reforestation & Riparian Buffer Management: Strategic planting to reduce erosion, maintain soil fertility, and improve carbon sequestration.
- Monitoring of biodiversity zones in our estates to protect native flora and fauna.
- Drone technology and precision agriculture tools to minimize over-application of agrochemicals, protecting surrounding habitats and reducing runoff.

OUR COMMITMENT

We are committed to restoring degraded lands, conserving high-value ecosystems, and promoting sustainable agricultural landscapes. TTE PLC aims to become a model for biodiversity integration in commercial plantation operations.

INTENDED IMPACT:

- Restoration of native vegetation and critical watersheds.
- Enhanced ecosystem services (pollination, soil health, erosion control).
- Strengthened natural habitats and protection of endangered species.
- Long-term sustainability of plantation productivity and climate resilience.

St. Clair Restoration Project images

Chemical free buffer Zone

Organic Fertilizer (Compost)

UN Global Compact

UNGC Principle	Our Approach at TTE	Page(s)
Human Rights		
1	**Businesses should support and respect the protection of internationally proclaimed human rights :** TTE upholds human rights through strong ethical policies, grievance mechanisms like "We Care 360," and training on workplace dignity. All employee contracts include clauses on non-discrimination, child protection, and equal opportunity.	68-69
2	**Make sure that they are not complicit in human rights abuses:** Through human rights due diligence, supplier screening, and robust internal awareness, TTE ensures no complicity in human rights violations across its value chain.	62-23
Labor		
3	**Uphold freedom of association and effective recognition of the right to collective bargaining :** Freedom of association is respected across all estates. Over 90% of TTE's workforce is unionized, and Collective Bargaining Agreements are in place.	59,66,68
4	**Eliminate all forms of forced and compulsory labour :** Forced labour is strictly prohibited through our Code of Conduct and compliance mechanisms across both operations and suppliers.	58-62,69
5	**Effective abolition of child labor:** TTE prohibits child labor across all operations and suppliers. Supplier onboarding includes social compliance checks, including age verification.	59
6	**Eliminate discrimination in employment and occupation:** TTE has a formal Gender Equality and Inclusion Policy. A 1:1 basic salary ratio is maintained. In FY2024/25, over 850 female recruits joined the company.	53-54,68
Environment		
7	**Support a precautionary approach to environmental challenges:** TTE's climate resilience strategy includes Net Zero commitments, risk assessments, TNFD-aligned LEAP analysis, and LCA for sustainable tea cultivation.	22-50
8	**Undertake initiatives to promote greater environmental responsibility:** Our environmental programs span reforestation, renewable energy, zero waste initiatives, and green procurement in alignment with the NGRS and SDGs.	
9	**Encourage development and diffusion of environmentally friendly technologies:** Through drip irrigation, composting, satellite-based monitoring, and factory innovation, TTE enhances climate-smart agricultural practices.	
Anti-Corruption		
10	**Work against corruption in all its forms, including extortion and bribery:** TTE maintains a zero-tolerance policy for corruption, with internal audits, an employee Code of Ethics, and whistleblower protections in place.	73-76, 80-83

Greenhouse Gas Verification Opinion

GREENHOUSE GAS VERIFICATION OPINION

Sri Lanka Climate Fund (Pvt) Ltd

Ministry of Environment

Organization Level GHG statement developed by

Talawakelle Tea Estates PLC

No.400, Deans Road, Colombo 10, Sri Lanka

complying with the requirements of ISO 14064-1:2018 has been verified in accordance with the specification of ISO 14064-3:2019 with reasonable level of assurance*

Opinion No	: SLCF/CFP/0358
Date of Issue	: 20.05.2025
Period of Assessment	: 01.04.2024 – 31.03.2025
Selected Boundary	: Operationally controlled business operations of Talawakelle Tea Estates PLC (Head Office and 16 Tea Estates)
Direct GHG Emissions	: 8,161 tonnes of CO_2 equivalent
Indirect GHG Emissions	: 15,271 tonnes of CO_2 equivalent
Total GHG Emissions	**: 23,432 tonnes of CO_2 equivalent**

****Scope 1** Direct GHG Emissions	: 8,161 tonnes of CO_2 equivalent
Scope 2 Electricity Indirect GHG Emissions	: 1,703 tonnes of CO_2 equivalent
Scope 3 Other Indirect GHG Emissions	: 13,569 tonnes of CO_2 equivalent

ISO 14065
GHG 001-01

Chairman
Sri Lanka Climate Fund (Pvt) Ltd

Chief Executive Officer
Sri Lanka Climate Fund (Pvt) Ltd

Period of Validity: 20.05.2025 – 30.06.2026
Exclusions: GHG Emissions from Land use Change
*Materiality threshold is below 5%, **GHG emissions have been reported in accordance with GHG Protocol

Talawakelle Tea Estates PLC
No. 400, Deans Road, Colombo 10, Sri Lanka