

# 2025/26 GHG Inventory Report



**RESILIENCE**  
Strengthen  
natural systems



**MEASURE**  
Track emissions  
with integrity



**RESTORE**  
Regenerate nature  
Restore balance

TRANSITION



**CLIMATE RISK**  
Understand  
our exposure



**MANAGE**  
Reduce emissions  
Enhance efficiency



**REPORT**  
Communicate  
with transparency

Building a low-carbon, climate-resilient future.

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## 1. Introduction

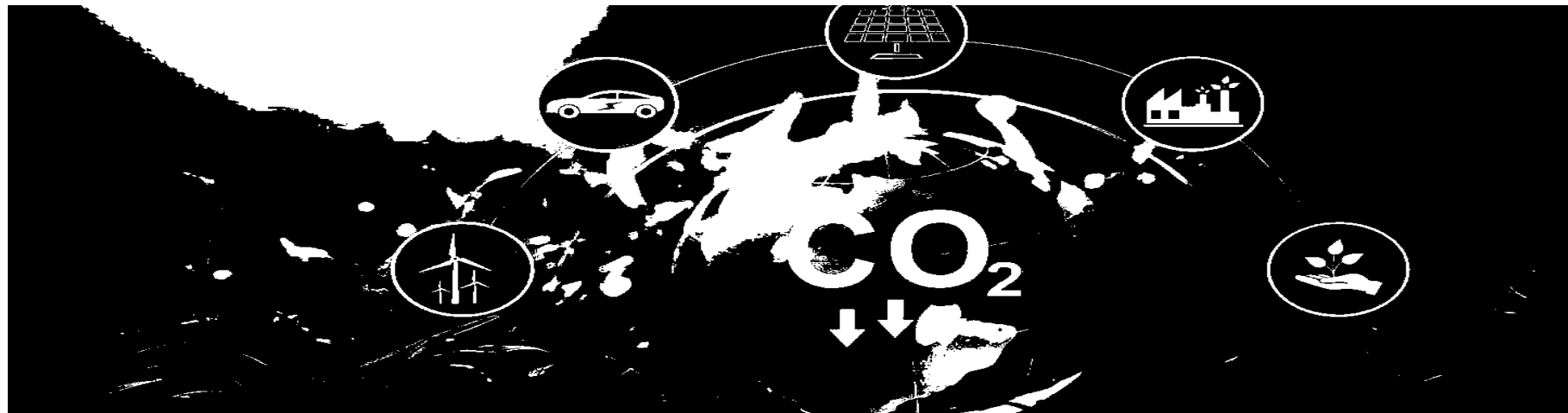
This voluntary Greenhouse Gas (GHG) Emissions Report presents the greenhouse gas emissions inventory of Talawakelle Tea Estates PLC, prepared in accordance with ISO 14064-1:2018. The report also provides details of the verification process undertaken to ensure the accuracy, completeness, consistency, and reliability of the reported emissions data.

### Purpose of the Report

The company publishes GHG report in order to transparently disclose to its stakeholders its GHG emissions in accordance with the commitments made in the Company's policy and strategy. Further, the report supports in measuring, monitoring, and managing the ESG performance of Talawakelle Tea Estates PLC. The information contained in this report discloses the inventory of GHGs and associated emissions during FY 2025-26 (April 1, 2025 to Mar 31, 2026). The report covers all activities which are performed under the scope of Operational boundaries.

### Objective

The objective is to support Talawakelle Tea Estates PLC's commitment to achieving Net Zero greenhouse gas emissions by FY 2050 through transparent measurement, reporting, and management of its GHG emissions. The GHG emissions report has been prepared in accordance with the requirements described in ISO 14064-1:2018 "Greenhouse gases - Part 1 Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals". It includes all required information, except those details that the standard does not consider mandatory and has not been considered relevant following the principle of relevance. This report is carried out in accordance with the GHG Accounting and Reporting Principles found within the GHG Protocol Corporate Accounting and Reporting Standard.



## Frequency of the Report Publication

This report shall be published annually on the Talawakelle Tea Estate Web site on the web link

under the investors section. <https://www.talawakelleteas.com/>

## Science Based Targets



### 1.1 About this Report

This report presents the greenhouse gas (GHG) inventory of Talawakelle Tea Estates PLC for the financial year ended 31 March 2026. The reporting period is 1 April 2025 to 31 March 2026. The report covers the company operations under the operational control approach, including the head office and the 16 estates operated by Talawakelle Tea Estates PLC. The report is intended for management review, sustainability reporting, emissions monitoring, stakeholder communication and external assurance readiness. Management of Talawakelle Tea Estates PLC is responsible for the completeness, accuracy and validity of the activity data, assumptions, emission factors and calculations used in this report.

### GHG Protocol

The GHG Protocol - A Corporate Accounting and Reporting Standard (Revised Edition) (“GHG Protocol”) was established through a partnership of non-governmental organizations, governments, and other stakeholders that was convened by the World Resources Institute and the World Business Council for Sustainable Development. The GHG Protocol provides a consistent standard and guidance for the measurement and reporting of GHG emissions by companies. Talawakelle Tea Estates PLC has adopted this standard for measuring and reporting on the GHG emissions that arise from Talawakelle Tea Estates PLC corporate operations.

### Reasonable Level of Assurance

Talawakelle Tea Estates PLC engaged Sri Lanka Climate Fund to perform a review engagement on management’s assertion that the GHG Emissions Report for the year-ended March 31, 2026, is presented in accordance with the GHG Protocol. ’s report can be found at the end of this Report.

### Important Notes & Limitations

This Report includes non-financial metrics that are subject to measurement uncertainties resulting from limitations inherent in the nature and the methodologies used for determining such data. The selection of different but acceptable measurement techniques, including estimation, can result in materially different measurements. The precision of different measurement and estimation techniques may also vary. This Report was published in July, 2026 Talawakelle Tea Estates PLC reserves the right to update its measurement and estimation techniques and methodologies in the future.

## 1.2 Executive Summary

Talawakelle Tea Estates PLC presents its Greenhouse Gas (GHG) Emissions Report for the financial year 2025/26, covering the reporting period from 1 April 2025 to 31 March 2026. The report has been prepared in accordance with ISO 14064-1:2018 and independently verified by Sri Lanka Climate Fund (Pvt) Ltd in accordance with ISO 14064-3:2019, with a reasonable level of assurance. The verification confirmed that the GHG statement presents fairly, in all material respects, the organization's GHG emissions for the reporting period. For FY 2025/26, Talawakelle Tea Estates PLC recorded total verified GHG emissions of 24,949 tCO<sub>2</sub>e. This consists of 8,474 tCO<sub>2</sub>e of Scope 1 direct emissions, 1,653 tCO<sub>2</sub>e of Scope 2 electricity indirect emissions, and 14,822 tCO<sub>2</sub>e of Scope 3 other indirect emissions. The highest source of direct emissions was chemical fertilizer application, while the largest source of indirect emissions arose from purchased goods and services, mainly linked to raw materials, components, and packaging. The Company's GHG inventory includes emissions from carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons. The assessment covered key operational emission sources including fuel consumption, firewood and briquette use, LPG consumption, refrigerant leakages, fertilizer consumption, grid electricity, purchased goods and services, transportation, waste, employee commuting, business travel, processing of sold products, downstream leased assets, and end-of-life treatment of sold products. The verification process included document reviews, site visits, data tracing, recalculations, interviews, source-data sampling, and review of internal controls. During the verification process, selected data discrepancies were identified and corrected, including municipal water consumption, LPG consumption, grid electricity, generator fuel, vehicle and machinery fuel, and chemical fertilizer data.

**Table 1: Summary of the Emission**

| Indicator                                                                  | Value                              |
|----------------------------------------------------------------------------|------------------------------------|
| Scope 1 - direct emissions                                                 | 8,474 tCO <sub>2</sub> e           |
| Scope 2 - imported electricity                                             | 1,653 tCO <sub>2</sub> e           |
| Scope 3 - other indirect emissions, E&I boundary                           | 14,822 tCO <sub>2</sub> e          |
| Biogenic CO <sub>2</sub> from firewood and briquettes, separately reported | 22,099.42                          |
| GHG saving from Renewable energy generation                                | 5,126.08                           |
| Emission intensity of per Kg of tea (tCO <sub>2</sub> e/Kg)                | 0.00439 kgCO <sub>2</sub> e/kg tea |

## 1.3 Overview of the Company

Talawakelle Tea Estates PLC is a leading Regional Plantation Company in Sri Lanka and a member of Hayleys Plantations. The Company manages a portfolio of high-grown and low-grown tea estates and is recognized for its focus on premium Ceylon Tea, sustainability, environmental stewardship, quality management, renewable energy and responsible plantation operations. The Company operates 16 estates covering 6,491 hectares, with its Head Office and estate operations forming the organizational boundary for the FY 2025/26 GHG inventory. Talawakelle Tea Estates PLC has strengthened its position as a sustainability-led plantation company through climate action, renewable energy development, responsible land management, and transparent corporate reporting. The Company's climate commitment is supported by globally recognized science-based targets aligned with limiting global warming to 1.5°C, together with a long-term ambition to achieve net-zero greenhouse gas emissions across the value chain by FY 2050. Its operations are further supported by

internationally recognized certifications including Rainforest Alliance, ISO 22000:2018, ISO 9001:2015, ISO 14001:2015, and ISO 50001:2018, reflecting its focus on quality, food safety, environmental stewardship, energy management, and responsible production.

Our story blends regional characters the high-grown Dimbula profile from Talawakelle and Nanu Oya, and the low-grown Ruhuna richness from Galle and Deniyaya. It is shaped by skilled hands, disciplined estate management and a culture of care. This dedication has earned recognition, including becoming the first plantation company worldwide to achieve “World Class Winner” status at the Global Performance Excellence Awards by APQO. The Company operates 16 estates: Bearwell, Calsay, Clarendon, Dessford, Somerset, Radella, Great Western, Mattakelle, Holyrood, Wattegoda, Logie, Palmerston, Moragalla, Deniyaya, Kiruwanaganga and Indola. The organizational boundary also includes the head office where relevant operational data are available. We continue to innovate with unique, artisanal tea experiences. Recently, we strengthened our premium portfolio with certified organic teas under the Great Western and Logie garden marks, assuring purity, traceability and responsible cultivation. Embracing wellness trends, we introduced pure Ceylon Matcha Tea, crafted from high-quality green tea leaves, delivering a distinctive Ceylon experience. Our premium promise is supported by rigorous systems and standards. We are proud to be recognized as the Most Awarded Company in Sri Lanka 2025 and the Most Certified Plantation Company in Sri Lanka. Sustainability is our foundation. We were the first plantation company globally to align emissions reduction targets with the SBTi 1.5°C pathway, committing to reduce GHG emissions by 42% by 2030 and 90% by 2050 towards net zero.

This is demonstrated by Sri Lanka’s first Gold-rated Green Building tea factory at Kiruwanaganga, a Rs. 714 Mn climate-smart infrastructure investment. We are building a future-ready tea industry through renewable energy generation 88% higher than total consumption, reforestation, regenerative agriculture, biodiversity conservation, watershed protection, responsible water management, waste reduction, PET bottle recycling and climate action. Our ECO Centre at Somerset promotes PET bottle recycling, creates clean jobs and empowers women, generating environmental and social value. As a Patron Member of the Climate Emergency Task Force Working Group of the UNGC Compact, we strengthen climate resilience and responsible practices in the plantation sector.

Talawakelle Tea Estates PLC has aligned its climate journey with science-based climate action, including a Net Zero commitment by FY 2050, near-term emission reduction pathways, renewable energy investments, estate-level environmental management systems and nature-based restoration initiatives.



SBTN - Science Based Targets for Nature

Added FEB 2026

# Sri Lanka's First & Only Company on the SBTN Ambition Board

Talawakelle Tea Estates PLC stands alone among Sri Lankan companies in publicly committing to science-based targets for nature joining 30 pioneering companies globally.



## What this Means

**A landmark commitment to nature, backed by global standards**

TTE has publicly signalled its intent to submit SBTN Step 1 — the materiality screening and value chain assessment — for external validation by June 2026. This formal public declaration, on SBTN's global Ambition Board, makes TTE the sole Sri Lankan company among 30 international organisations advancing toward science-based targets for nature.



## TTE's Nature Journey



**Nature-Positive Business Policy (2024)**

Zero Net Loss by 2030 · Full Recovery by 2050



**First in Sri Lanka — TNFD adoption**

First Sri Lankan company to adopt TNFD LEAP



**World's First — SBTi verification**

Plantation company globally · Land Scope 3



**SBTN Ambition Board — Step 1**

Validation submission target: June 2026

**SBTN Ambition Board — Agricultural Products Sector · Sri Lanka**

Listed alongside 30 global companies stepping up for nature · [sbtn.info](https://sbtn.info)

Sector: Agricultural products

**Only Sri Lankan Company**

#### 1.4 Aims and Objectives of the GHG Assessment

- Quantify direct and indirect GHG emissions for FY 2025/26 across the defined operational boundary.
- Ensure consistency with ISO 14064-1:2018 and the GHG Protocol Corporate Standard for organizational-level GHG accounting and reporting.
- Identify the major sources of emissions across Scope 1, Scope 2, and Scope 3 activities, including energy, fertilizer, transport, procurement, waste, and other relevant operational areas.
- Support internal management decisions by identifying practical emission reduction opportunities across estate operations, factories, logistics, procurement, and support functions.
- Enable year-on-year comparison with FY 2024/25 and performance tracking against the FY 2022/23 baseline year.
- Measure progress against the Company's climate targets, including absolute emission reduction and GHG intensity reduction commitments.
- Strengthen data quality, traceability, and audit readiness through clear documentation of data sources, calculation methods, emission factors, assumptions, exclusions, limitations, and uncertainties.
- Improve accountability across estates and departments by assigning responsibility for data collection, verification, review, and corrective actions.
- Support the prioritization of mitigation initiatives such as renewable energy adoption, energy efficiency, fertilizer optimization, low-carbon transport, sustainable procurement, waste reduction, and circular resource management.
- Provide a credible basis for external disclosure, stakeholder communication, and independent assurance following final verification.
- Enhance the Company's readiness for evolving climate-related disclosure requirements, including IFRS Sustainability Disclosure Standards, GRI, TCFD and other applicable ESG reporting frameworks.
- Strengthen Talawakelle Tea Estates PLC's long-term transition towards a low-carbon, climate-resilient, and net-zero aligned plantation business.

## 2. Methodology & Inventory Design

### 2.1 Reporting period and methodology

#### Base year

- The base year for Talawakelle Tea Estates PLC's GHG inventory is FY 2022/23, covering the period from 1 April 2022 to 31 March 2023.
- All applicable Scope 3 categories have been assessed and reported as part of the Company's SBTi submission, and the relevant Scope 3 targets have been validated by the Science Based Targets initiative (SBTi).

#### Approach to Measuring GHG Emissions

The quantification approach follows activity data multiplied by applicable emission factors and global warming potentials. Where direct measurement is not practical, calculation-based methods using reliable activity records and recognized emission factors are applied.

Reporting period This GHG emissions report reflects the situation of financial year 2025/26. Methodology Quantifying GHG emissions includes the data collection process and the application of documented emission factors. The quantification is based on two calculation-based methodologies, depending on the type of emission source.

#### General formula

$$\text{tCO}_2\text{e} = \text{Activity Data} \times \text{Emission Factor} \times \text{GWP}$$

Activity data from electricity records, fuel records, fertilizer application data, refrigerant records, travel data, transport calculations, waste records and expenditure or quantity-based Scope 3 calculation methods. Emission factors are drawn from IPCC, DEFRA, Sri Lankan grid references, ICAO, GZA Scope 3 calculator outputs and relevant local or research-based sources.

### 2.2 Inventory Boundaries

#### Organizational Boundary

Talawakelle Tea Estates PLC has established its organizational boundaries for GHG inventory development using the operational control approach in accordance with ISO 14064:1: 2018. Under this approach, the company accounts for all emissions from operations where it has authority to introduce and implement operating policies. Organizational boundaries refer to the inventory that includes production related to Talawakelle Tea Estates company and 16 estates - Bearwell, Calsay, Clarendon, Dessford, Somerset, Radella, Great Western, Mattakelle, Holyrood, Wattegoda, Logie, Palmerston, Moragalla, Deniyaya, Kiruwanaganga and Indola This includes emissions from both owned and controlled facilities and equipment.

### Selection of Quantification Approach

The methodology for this GHG inventory is aligned with ISO 14064-1: 2018 standards and relevant guidelines, and obtained factors from UK Government GHG Conversion Factors for Company Reporting by (DEFRA), the Intergovernmental Panel on Climate Change (IPCC), Sri Lanka Sustainable Energy Authority (SLSEA), National Water Supply & Drainage Board (NWSDB) and Ceylon Electricity Board (CEB) and GZA Scope 03 Calculator. The activity data used for calculating emissions from various sources, such as fuel consumption for standby generators, company owned vehicles, off-road transport, and waste transportation, is derived from the Central Finance Database, electricity bills, and Sustainability data base & service provider records. Emission factors are applied to these data points, with reference to the appropriate emission factors for each fuel type and source, ensuring consistency and accuracy in emissions quantification. For indirect emissions, Scope 2 and Scope 3 emissions are calculated based on grid electricity consumption, raw material and finished goods transportation, and employee commuting, using emission factors from local energy authorities and international databases. The GWP values for CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O emissions are taken from the latest IPCC AR6 report to ensure alignment with global standards.

The total set of Greenhouse Gases (GHGs) emissions caused directly and indirectly by an individual, organization, event or product is considered as Carbon Footprint. The term carbon footprint is commonly used to describe the total amount of carbon Dioxide (CO<sub>2</sub>e) including other GHGs emissions for which an individual or organization is responsible. The amount of GHGs collectively is to use the term carbon Dioxide Equivalent or CO<sub>2</sub> Eq. A quantity of GHG is expressed as CO<sub>2</sub>e by multiplying the amount of the GHG by its Global Warming Potential (GWP). Talawakelle Tea Estates PLC estimated their 'Carbon Footprint' which is a measurement of total GHG emissions from their operations or activities, using the generic equation mentioned below.

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tCO<sub>2</sub>e = tonnes of CO<sub>2</sub>e

Activity Data = Estimated measure of activity related to a specific emissions source

Emission Factor = Factor applied to make varied activities comparable

GWP = Multiplier that makes different GHGs comparable

### 3. GHG Emissions Quantification

All GHG emissions, quantified separately for each GHG, in tons of CO<sub>2</sub>e because it is neither practical, nor in many cases physically possible, to directly measure greenhouse gas emissions, methodologies that will reasonably minimize uncertainty and yield accurate results is used for emission quantification. When emission factors are readily available from reliable sources, GHG activity data was multiplied by the emission factors to calculate the relevant emission quantities. However, when emission factors were not available, published calculation models and the mass balance approach was used to quantify emissions. In all cases, the best available activity data was used to calculate or estimate emissions from a specific source. Metric tonne is the unit of measure used and quantity of each type of GHG was converted to tonnes of CO<sub>2</sub>e using Global Warming Potentials (GWP) listed by the Intergovernmental Panel on Climate Change (IPCC, 2006).

While activity data obtained from utility bills (i.e. grid electricity, water) yield accurate data, approximation of the purchased quantities to consumed amounts, such as in the case of direct fuel combustion, may result in some minimal uncertainty in the data used. All sources of activity data and emission factors used in the calculations are described in detail below and the complete set of emission factors and calculation models used is summarised in Appendix A.

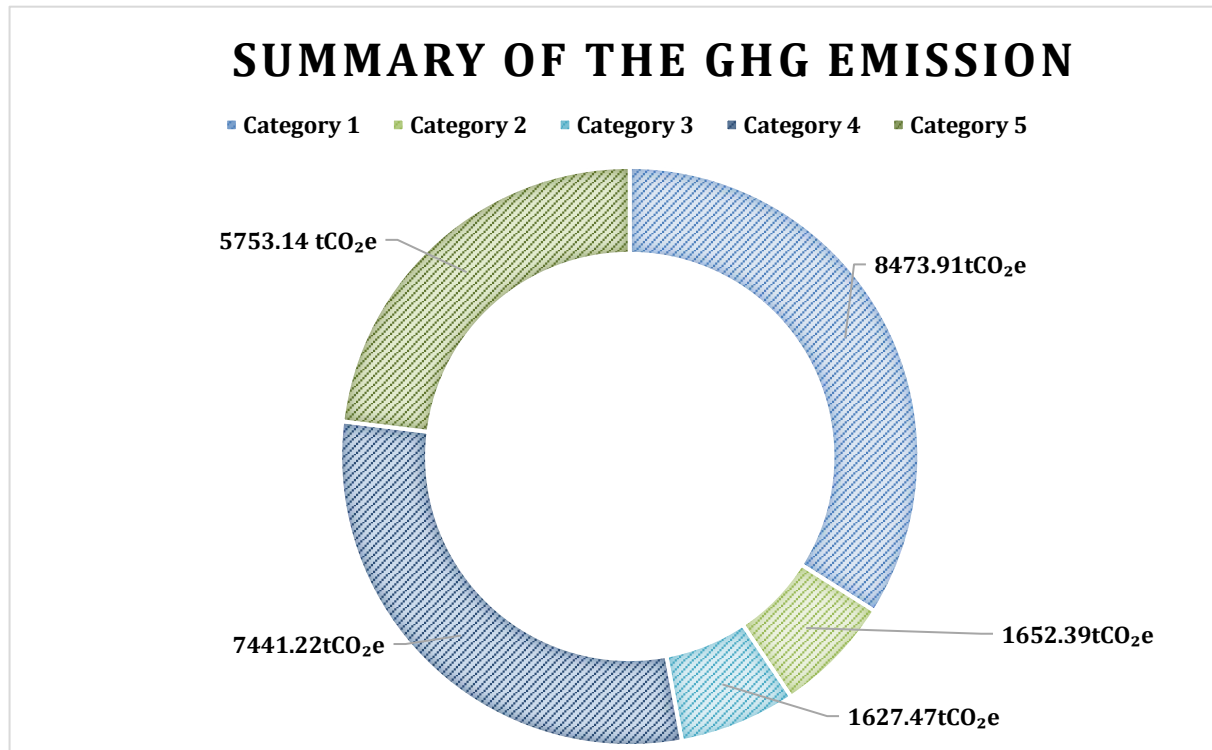
#### GHG Emissions by Source 2025/2026 (ISO 14064-1; 2018)

**Table 2: GHG Emissions by Source 2025/26**

| Emission Source                                       | tCO <sub>2</sub> e | CO <sub>2</sub> (tCO <sub>2</sub> ) | CH <sub>4</sub> (tCO <sub>2</sub> e) | N <sub>2</sub> O (tCO <sub>2</sub> e) | HFC (tCO <sub>2</sub> e) |
|-------------------------------------------------------|--------------------|-------------------------------------|--------------------------------------|---------------------------------------|--------------------------|
| <b>Total Direct GHG emissions</b>                     |                    |                                     |                                      |                                       |                          |
| <b>Category 1: Direct GHG Emissions and Removals</b>  |                    |                                     |                                      |                                       |                          |
| <b>1.1 Direct Emission from Stationary Combustion</b> |                    |                                     |                                      |                                       |                          |
| Stand by Generator                                    | 83.32              | 82.81                               | 0.33                                 | 0.18                                  | -                        |
| LPG Combustion                                        | 16.23              | 16.19                               | 0.04                                 | 0.01                                  | -                        |
| Firewood                                              | 1,678.07           | -                                   | 1,478.72                             | 199.35                                | -                        |
| Briquettes                                            | 135.66             | -                                   | 119.54                               | 16.12                                 | -                        |
| <b>1.2. Direct Emission from Mobile Combustion</b>    |                    |                                     |                                      |                                       |                          |
| Mobile equipment (Off-road) – Diesel                  | 172.95             | 156.23                              | 0.26                                 | 16.46                                 | -                        |
| Mobile equipment (Off-road) – Petrol                  | 89.79              | 84.56                               | 5.09                                 | 0.13                                  | -                        |
| Diesel - company vehicles                             | 276.97             | 272.62                              | 0.43                                 | 3.92                                  | -                        |

|                                                                  |                 |       |      |      |      |
|------------------------------------------------------------------|-----------------|-------|------|------|------|
| Petrol - company vehicles                                        | 96.43           | 93.91 | 1.33 | 1.18 | -    |
| Fuel Allowance (Diesel)                                          | 21.34           | 21.01 | 0.03 | 0.30 | -    |
| Fuel Allowance (Petrol)                                          | 60.03           | 58.46 | 0.83 | 0.74 | -    |
| <b>1.3. Direct Emissions and removal from industrial process</b> |                 |       |      |      |      |
| Process Emission                                                 |                 |       |      |      |      |
| <b>1.4. Direct Emissions from Fugitive Emissions</b>             |                 |       |      |      |      |
| Refrigeration and air conditioning                               | 0.12            | -     | -    | -    | 0.12 |
| Use CO2 fire extinguisher                                        | 0.09            |       | -    | -    | -    |
| Direct Emission from fertilizer                                  | 5,842.91        |       | -    | -    | -    |
| <b>Total direct Emissions</b>                                    | <b>8,473.91</b> |       |      |      |      |
| <b>Total Indirect GHG Emissions</b>                              |                 |       |      |      |      |
| <b>Category 2: Indirect GHG Emissions from import energy</b>     |                 |       |      |      |      |
| Category 2.1: Indirect Emissions from import electricity         | 1,652.39        |       | -    | -    | -    |
| <b>Total Indirect Emissions</b>                                  | <b>1,652.39</b> |       |      |      |      |
| <b>Category 3: Indirect GHG Emission from transportation</b>     |                 |       |      |      |      |
| Upstream transportation & distribution                           | 564.32          | -     | -    | -    | -    |
| Business travel                                                  | 74.29           | -     | -    | -    | -    |
| Employee commuting                                               | 10.1            | -     | -    | -    | -    |
| Downstream transportation & distribution                         | 978.76          | -     | -    | -    | -    |

|                                                                                                     |               |   |   |   |   |
|-----------------------------------------------------------------------------------------------------|---------------|---|---|---|---|
| <b>Category 4: Indirect GHG emissions from products and services used by the organization</b>       |               |   |   |   |   |
| Purchased goods and services                                                                        | 6,721.94      | - | - | - | - |
| Capital goods                                                                                       | 234.96        | - | - | - | - |
| Fuel- and energy-related activities                                                                 | 478.03        | - | - | - | - |
| Waste generated in operations                                                                       | 6.29          | - | - | - | - |
| Upstream Leased Assets                                                                              | N/A           | - | - | - | - |
| <b>Category 5: Indirect GHG emissions associated with the use of products from the organization</b> |               |   |   |   |   |
| Processing of sold products                                                                         | 844.36        | - | - | - | - |
| Use of Sold Products                                                                                | N/A           | - | - | - | - |
| End of life treatment of sold products                                                              | 4,784.67      | - | - | - | - |
| Downstream leased assets                                                                            | 124.11        | - | - | - | - |
| Franchises                                                                                          | N/A           | - | - | - | - |
| Investments                                                                                         | N/A           | - | - | - | - |
| <b>Category 6: Indirect GHG emissions from other sources</b>                                        | N/A           |   |   |   |   |
| <b>Total GHG Emission</b>                                                                           | <b>24,949</b> |   |   |   |   |



**Figure 1: Summary of the GHG Emission**

Figure 2 presents the summary of Talawakelle Tea Estates PLC's GHG emissions by category for FY 2025/26. The total emissions are distributed across five major categories, with Category 1 recording the highest contribution at 8,473.91 tCO<sub>2</sub>e. This represents the largest share of the Company's GHG emissions overall. Category 4 is the second largest contributor, accounting for 7,441.22 tCO<sub>2</sub>e, followed by Category 5 with 5,753.14 tCO<sub>2</sub>e. These three categories together make up most of the Company's emissions profile, indicating that emission reduction actions should primarily focus on these high-impact areas. The smaller contributors are Category 2, with 1,652.39 tCO<sub>2</sub>e, and Category 3, with 1,627.47 tCO<sub>2</sub>e. Although these categories contribute less compared to the major emission sources, they remain important for complete GHG management and year-on-year performance tracking. Overall, the chart highlights the key emission hotspots within the Company's GHG inventory and provides a useful basis for prioritizing future mitigation actions, resource efficiency improvements, renewable energy initiatives, and value-chain emission reduction strategies.

## GHG Emission by Scope 2025/2026 &amp; 2024/2025 yearly Comparison (As per the GHG Protocol)

Table 3: GHG emission by scope 2025/26 &amp; 2024/25

| Scope 01                                         | 2025/26  |               |               |              | 2024/25    |               |               |                                  | % of YoY Change (Total Emission) |
|--------------------------------------------------|----------|---------------|---------------|--------------|------------|---------------|---------------|----------------------------------|----------------------------------|
|                                                  | tCO2     | tCH4 (CO2 Eq) | tN2O (CO2 Eq) | Total tCO2 e | tCO2       | tCH4 (CO2 Eq) | tN2O (CO2 Eq) | Total tCO2 e                     |                                  |
| Stationary Combustion                            |          |               |               |              |            |               |               |                                  |                                  |
| Diesel for Generator                             | 82.81    | 3.33          | 1.83          | 83.32        | 66.29      | 0.26          | 0.14          | 66.70                            | 24.9%                            |
| LPG use                                          | 16.19    | 0.04          | 0.01          | 16.23        | 14.67      | 0.03          | 0.01          | 14.71                            | 10.3%                            |
| Biomass                                          |          | 1,598.26      | 215.46        | 1,813.72     |            | 1,499.60      | 202.17        | 1,701.77                         | 6.6%                             |
| Mobile Combustion                                |          |               |               |              |            |               |               |                                  |                                  |
| Mobile equipment (Off-road) – Diesel             | 156.23   | 0.26          | 16.46         | 172.95       | 152.53     | 0.25          | 16.07         | 168.85                           | 2.4%                             |
| Mobile equipment (Off-road) – Petrol             | 84.56    | 5.09          | 0.13          | 89.78        | 65.98      | 3.97          | 0.10          | 70.05                            | 28.2%                            |
| Diesel - Company vehicles                        | 293.63   | 0.46          | 4.21          | 298.30       | 280.27     | 0.44          | 4.03          | 284.74                           | 4.8%                             |
| Petrol - Company vehicles                        | 152.37   | 2.16          | 1.92          | 156.45       | 133.90     | 1.90          | 1.69          | 137.48                           | 13.8%                            |
| Fugitive Emissions                               |          |               |               |              |            |               |               |                                  |                                  |
| Refrigeration and air conditioning               |          |               |               | 0.12         |            |               |               | 0.12                             | 0.8%                             |
| Direct Emission from fertilizer                  |          |               |               | 5,842.91     |            |               |               | 6,891.15                         | -15.2%                           |
| Use CO2 fire extinguisher                        |          |               |               | 0.09         |            |               |               | 0.16                             | -48.8%                           |
| Total Emission                                   |          |               |               |              |            |               |               |                                  |                                  |
| Scope 1 emission intensity (tCO2/Kg)             | 0.00149  |               |               |              | 0.00159    |               |               |                                  | -6.2%                            |
| Total GHG emission (Excluding Biogenic Emission) | 8,473.88 |               |               |              | 9,335.74   |               |               |                                  | -9.2%                            |
| Scope 02                                         |          |               | 2025/26       |              | 2024/25    |               |               | % of YoY Change (Total Emission) |                                  |
|                                                  |          |               | Total tCO2    |              | Total tCO2 |               |               |                                  |                                  |
| Indirect emissions from imported electricity     |          |               | 1,652.39      |              | 1,702.12   |               |               | -0.3%                            |                                  |
| Total Scope 2 emission                           |          |               | 1,652.39      |              | 1,702.12   |               |               | -2.9%                            |                                  |
| Scope 2 emission intensity (tCO2/Kg)             |          |               | 0.00029       |              | 0.00028    |               |               | 3.1%                             |                                  |
|                                                  |          |               |               |              |            |               |               |                                  |                                  |

| Scope 03                                          | 2025/26                  |                           | 2024/25                  |                           | % of YoY Change (Total Emission) |
|---------------------------------------------------|--------------------------|---------------------------|--------------------------|---------------------------|----------------------------------|
|                                                   | E&I (tCO <sub>2</sub> e) | FLAG (tCO <sub>2</sub> e) | E&I (tCO <sub>2</sub> e) | FLAG (tCO <sub>2</sub> e) |                                  |
| Purchased goods and services                      | 4,389.68                 | 2,332.25                  | 4,450.26                 | 2,363.54                  | -1.3%                            |
| Capital goods                                     | 234.96                   |                           | 415.88                   |                           | -43.5%                           |
| Fuel- and energy-related activities               | 478.03                   |                           | 569.63                   |                           | -16.1%                           |
| Upstream transportation & distribution            | 564.32                   |                           | 480.26                   |                           | 17.5%                            |
| Waste generated in operations                     | 6.29                     |                           | 2                        |                           | 214.5%                           |
| Business travel                                   | 74.29                    |                           | 75.22                    |                           | -1.2%                            |
| Employee commuting                                | 10.10                    |                           | 11.49                    |                           | -12.1%                           |
| Downstream transportation & distribution          | 978.76                   |                           | 989.50                   |                           | -1.1%                            |
| Processing of sold products                       | 844.36                   |                           | 822.7                    |                           | 2.6%                             |
| End of life treatment of sold products            | 4784.67                  |                           | 4,894.02                 |                           | -2.2%                            |
| Downstream leased assets                          |                          | 124.11                    |                          | 179.55                    | -30.9%                           |
| Franchises                                        | N/A                      |                           | N/A                      |                           |                                  |
| Investments                                       | N/A                      |                           | N/A                      |                           |                                  |
| Use of sold products                              | N/A                      |                           | N/A                      |                           |                                  |
| Upstream leased assets                            | N/A                      |                           | N/A                      |                           |                                  |
| Total Scope 3 emission                            | 12365.47                 | 2456.36                   | 12710.96                 | 2543.09                   | -2.8%                            |
| Scope 3 emission intensity (tCO <sub>2</sub> /Kg) | 0.00261                  |                           | 0.00259                  |                           | 0.45%                            |
| <b>Total Emission</b>                             | <b>24,949</b>            |                           | <b>26,291</b>            |                           | <b>-5.1%</b>                     |
|                                                   |                          |                           |                          |                           |                                  |

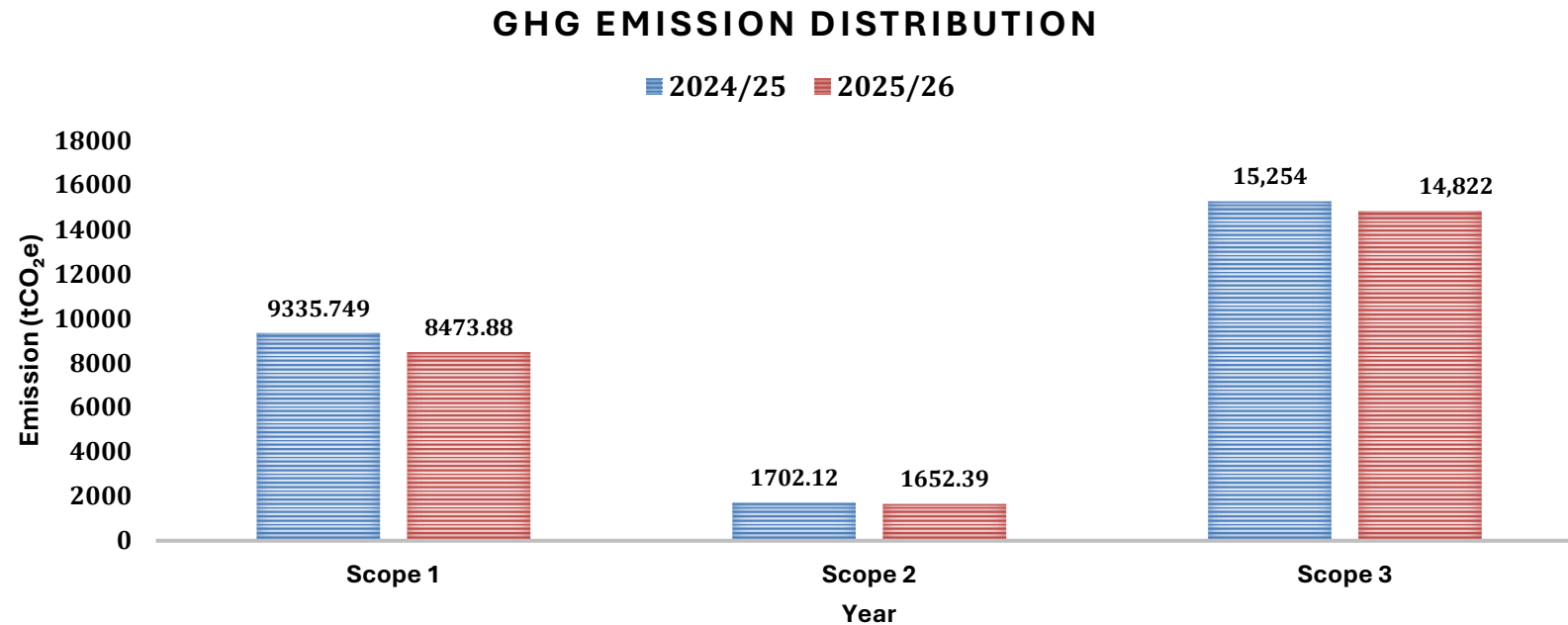


Figure 2 : 2024/25 & 2025/26 Yearly Comparison of GHG Emissions

As per Figure 03 Between the years 2024/25 and 2025/26, the GHG emissions show notable changes across all scopes. Scope 1 emissions decreased from 9,335.75 tCO<sub>2</sub>e to 8,473.91 tCO<sub>2</sub>e, representing a 9.2% reduction, reflecting successful mitigation of direct emissions from owned or controlled sources. Scope 2 emissions remained largely stable, with a marginal decline from 1,702.12 tCO<sub>2</sub>e to 1,652.39 tCO<sub>2</sub>e, equivalent to a 2.9% decrease, indicating consistent energy consumption patterns. Scope 3 emissions, which cover indirect value chain emissions, fell from 15,254 tCO<sub>2</sub>e to 14,822 tCO<sub>2</sub>e, a 2.8% reduction, highlighting efforts to address supply chain and other indirect emission sources. Overall, these changes demonstrate measurable progress in emission reduction, particularly in direct operations and value chain management.

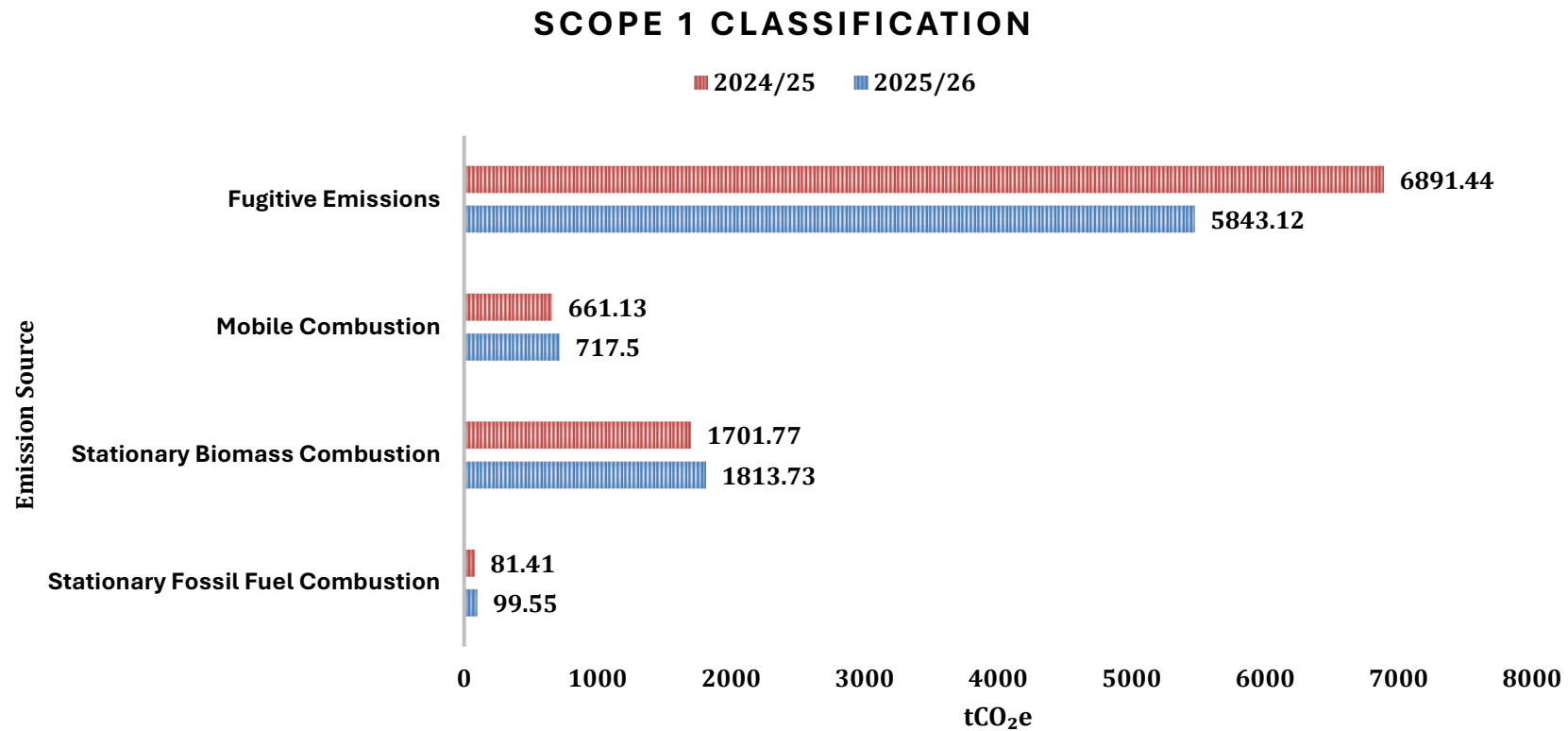


Figure 3: Scope 01 Classification

The Scope 1 classification shows that fugitive emissions remained the largest contributor to direct emissions in both FY 2024/25 and FY 2025/26. However, fugitive emissions decreased significantly from 6,891.44 tCO<sub>2</sub>e in 2024/25 to 5,843 tCO<sub>2</sub>e in 2025/26, indicating a major reduction in this category. In contrast, emissions from mobile combustion increased from 661.13 tCO<sub>2</sub>e to 717.50 tCO<sub>2</sub>e, while stationary biomass combustion increased from 1,701.77 tCO<sub>2</sub>e to 1,813.73 tCO<sub>2</sub>e. Stationary fossil fuel combustion also increased slightly from 81.41 tCO<sub>2</sub>e to 99.55 tCO<sub>2</sub>e. Overall, the graph indicates that although most combustion-related Scope 1 categories increased in FY 2025/26, the substantial reduction in fugitive emissions helped reduce total Scope 1 emissions compared to the previous year.

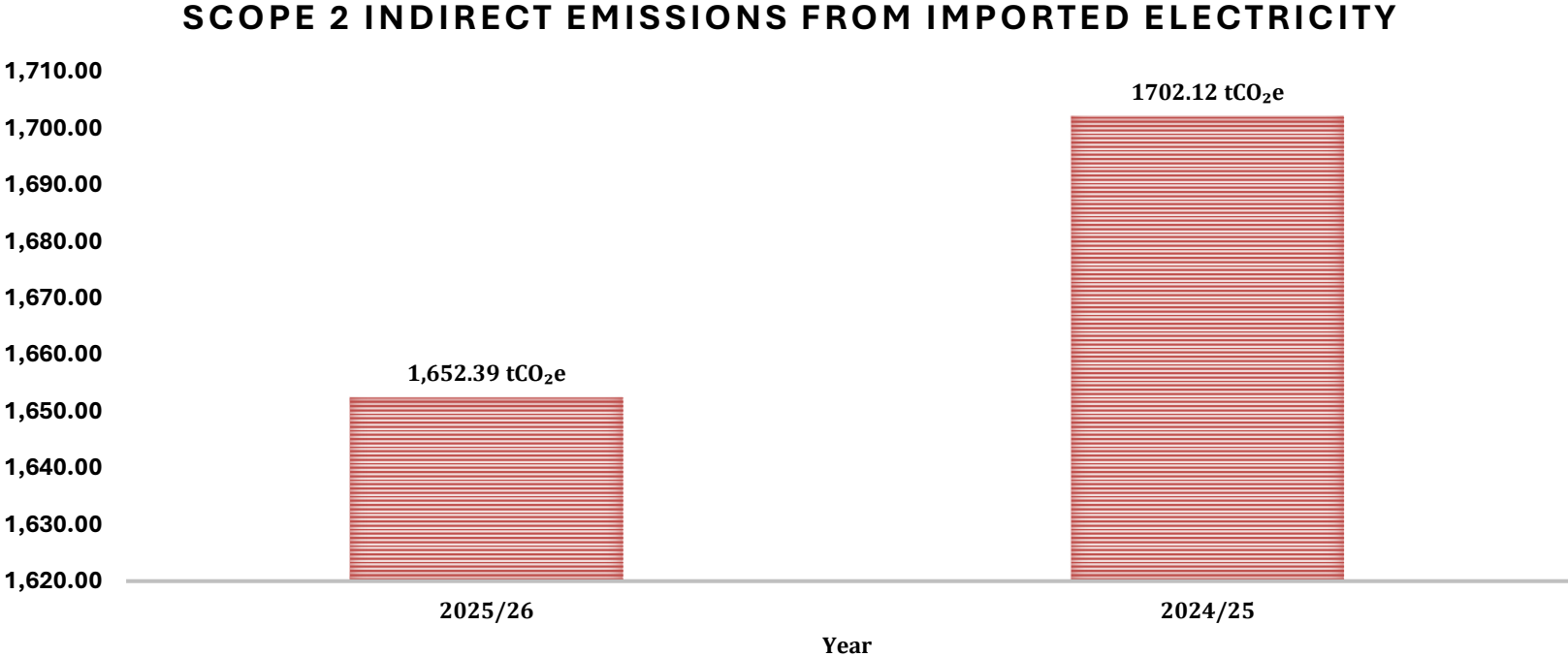


Figure 4: Scope 2 Classification

Scope 2 indirect emissions from imported electricity decreased from 1,702.12 tCO<sub>2</sub>e in FY 2024/25 to 1,652.39 tCO<sub>2</sub>e in FY 2025/26. This represents a reduction of 49.73 tCO<sub>2</sub>e, or approximately 2.9% year-on-year. The decrease indicates a modest improvement in electricity-related emissions performance, which may be linked to lower grid electricity consumption, improved energy efficiency, increased use of renewable energy, or operational changes during the reporting year.

## SCOPE 3 CLASSIFICATION

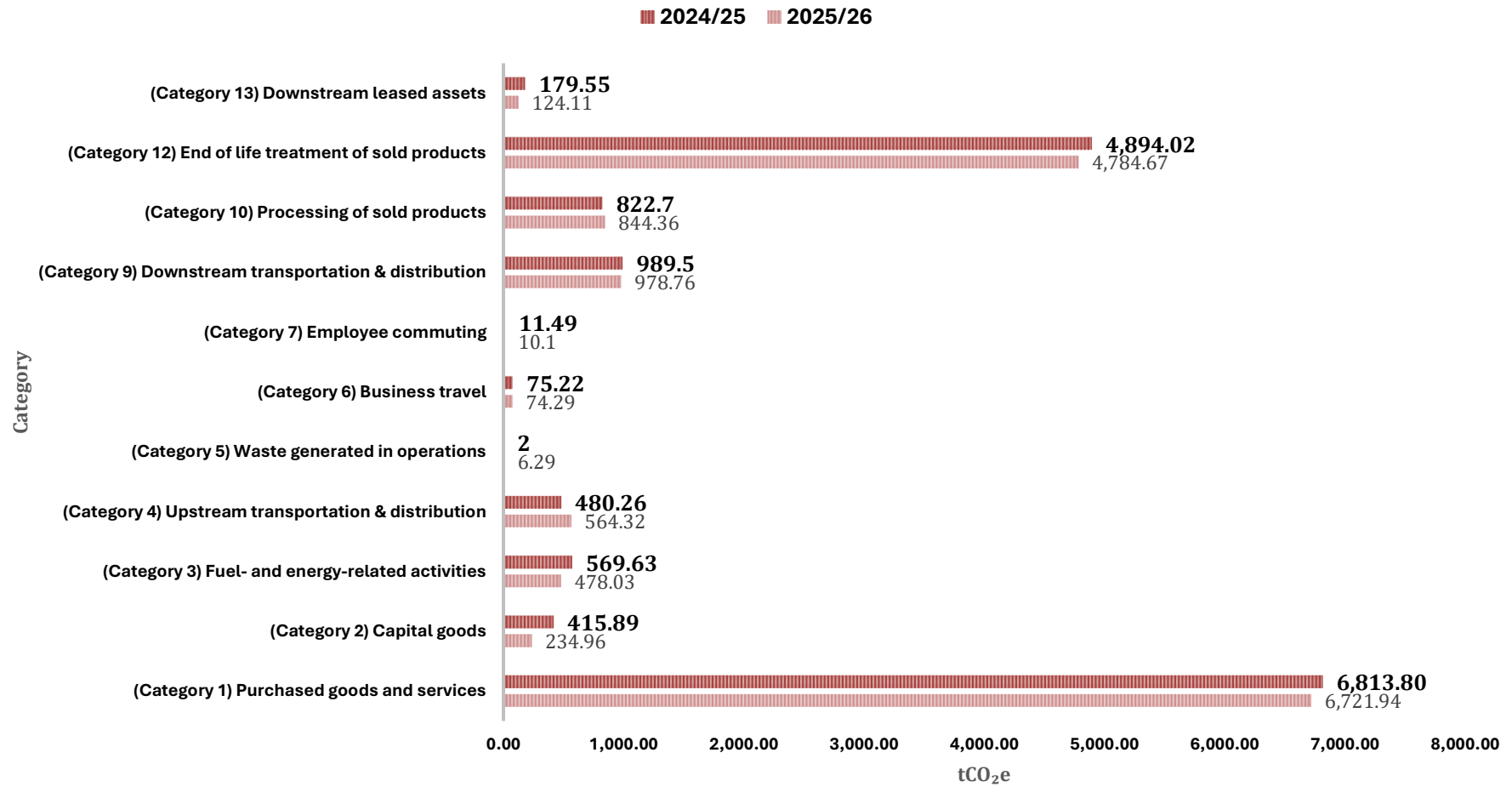
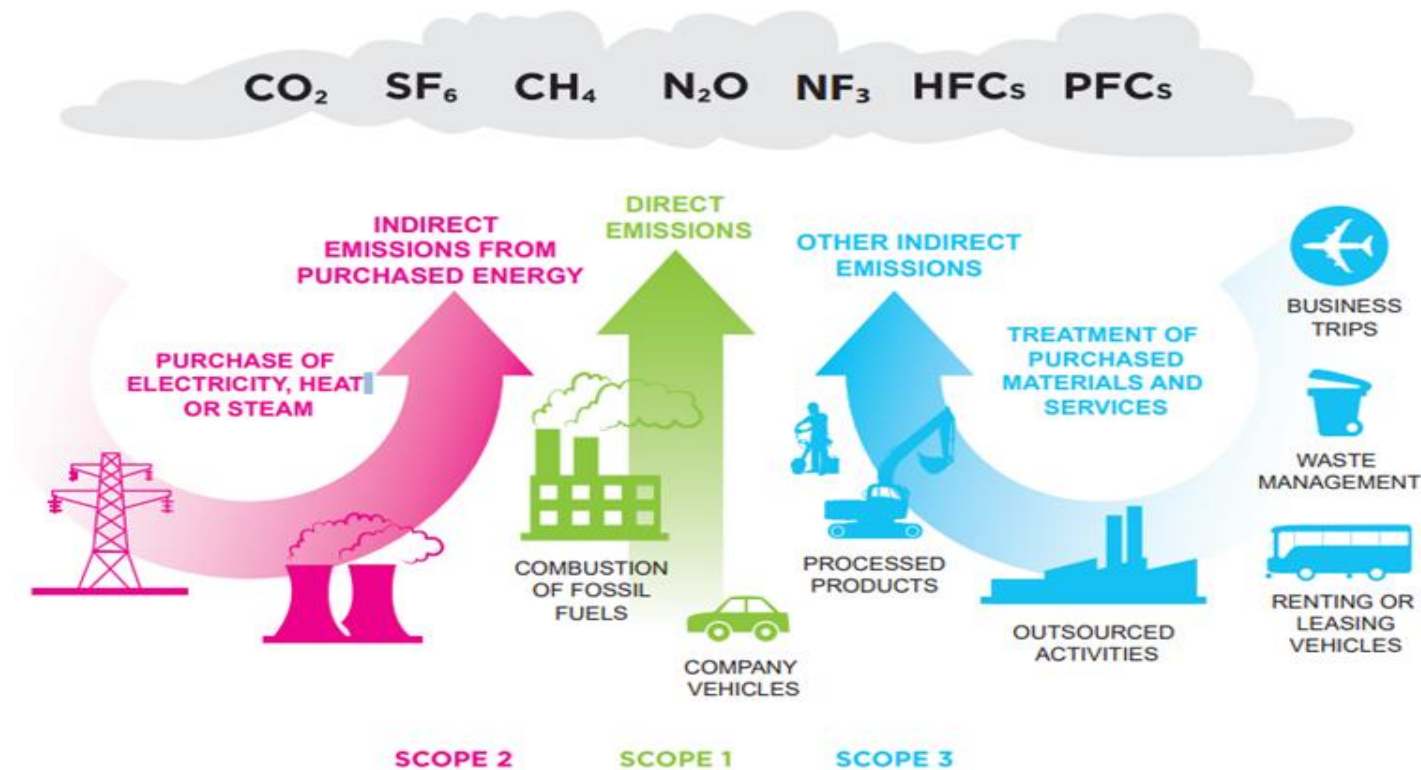


Figure 5: Scope 03 Classification

The Scope 3 classification shows that purchased goods and services remained the largest contributor to Scope 3 emissions in both years, although emissions slightly decreased from 6,813.80 tCO<sub>2</sub>e in FY 2024/25 to 6,721.94 tCO<sub>2</sub>e in FY 2025/26. This category continues to dominate Scope 3 emissions, mainly due to raw materials, components, packaging, and other procured goods and services. The second largest contributor was end-of-life treatment of sold products, which decreased from 4,894.02 tCO<sub>2</sub>e to 4,784.67 tCO<sub>2</sub>e. Downstream transportation and distribution also showed a slight decrease from 989.50 tCO<sub>2</sub>e to 978.76 tCO<sub>2</sub>e, while fuel- and energy-related activities reduced from 569.63 tCO<sub>2</sub>e to 478.03 tCO<sub>2</sub>e. Some categories increased during FY 2025/26. Upstream transportation and distribution increased from 480.26 tCO<sub>2</sub>e to 564.32 tCO<sub>2</sub>e, while processing of sold products increased from 822.70 tCO<sub>2</sub>e to 844.36 tCO<sub>2</sub>e. Waste generated in operations also increased, although it remains a very small contributor in absolute terms. Overall, total Scope 3 emissions decreased from 15,254.06 tCO<sub>2</sub>e in FY 2024/25 to 14,821.84 tCO<sub>2</sub>e in FY 2025/26, representing a 2.8% reduction. The reduction was mainly supported by lower emissions from capital goods, fuel- and energy-related activities, end-of-life treatment of sold products, and downstream leased assets.



## Emission by Scope Comparison Compared to Base year

| Item                                         | 2025/26                  | 2022/23                  | Change % |       |
|----------------------------------------------|--------------------------|--------------------------|----------|-------|
|                                              | Total tCO <sub>2</sub> e | Total tCO <sub>2</sub> e |          |       |
| Scope 01                                     |                          |                          |          |       |
| Stationary Combustion                        |                          |                          |          |       |
| Diesel for Generator                         | 83.32                    | 114.14                   | ▼        | -0.27 |
| LPG use                                      | 16.23                    | 10.21                    |          | 0.59  |
| Biomass                                      | 1813.72                  | 1672.79                  |          | 0.08  |
| Mobile Combustion                            |                          |                          |          |       |
| Diesel (Off-road)                            | 172.95                   | 131.04                   |          | 0.32  |
| Petrol (Off-road)                            | 89.78                    | 77.85                    |          | 0.15  |
| Diesel (On Road)                             | 298.30                   | 216.52                   |          | 0.38  |
| Petrol (On Road)                             | 156.45                   | 150.75                   |          | 0.04  |
| Fugitive Emissions                           |                          |                          |          |       |
| Refrigeration and air conditioning           | 0.12                     | 11.61                    | ▼        | -0.99 |
| Use CO2 fire extinguisher                    | 0.09                     | 0.097                    | ▼        | -0.07 |
| Direct Emission from fertilizer              | 5842.91                  | 3185.97                  |          | 0.83  |
| Process Emissions                            |                          |                          |          |       |
| Total Scope 01                               | 8473.91                  | 5570.98                  |          | 0.52  |
| Scope 02                                     |                          |                          |          |       |
| Indirect emissions from imported electricity | 1652.39                  | 2147.83                  | ▼        | -0.23 |

|                                                       |                  |                  |                                                                                             |
|-------------------------------------------------------|------------------|------------------|---------------------------------------------------------------------------------------------|
| <b>Total Scope 02</b>                                 | <b>1652.39</b>   | <b>2147.83</b>   |  -0.23   |
| <b>Scope 03</b>                                       |                  |                  |                                                                                             |
| (Category 1) Purchased goods and services             | 6721.94          | 3593.63          | 0.87                                                                                        |
| (Category 2) Capital goods                            | 234.96           | 24.57            | 8.56                                                                                        |
| (Category 3) Fuel- and energy-related activities      | 478.03           | 1087.86          |  -0.56   |
| (Category 4) Upstream transportation & distribution   | 564.32           | 181.61           | 2.11                                                                                        |
| (Category 5) Waste generated in operations            | 6.29             | 2.93             | 1.15                                                                                        |
| (Category 6) Business travel                          | 74.29            | 12.85            | 4.78                                                                                        |
| (Category 7) Employee commuting                       | 10.1             | 119.67           |  -0.92   |
| (Category 8) Upstream Leased Assets                   | N/A              | N/A              |                                                                                             |
| (Category 9) Downstream transportation & distribution | 978.76           | 1715.94          |  -0.43   |
| (Category 10) Processing of sold products             | 844.36           | 3942.66          |  -0.79   |
| (Category 11) Use of Sold Products                    | N/A              | N/A              |                                                                                             |
| (Category 12) End of life treatment of sold products  | 4784.67          | 7869.38          |  -0.39 |
| (Category 13) Downstream leased assets                | 124.11           | 27.89            | 3.45                                                                                        |
| (Category 14) Franchises                              | N/A              | N/A              |  -0.20 |
| (Category 15) Investments                             | N/A              | N/A              | -                                                                                           |
| <b>Total Scope 03</b>                                 | <b>14,821.84</b> | <b>18,578.99</b> |                                                                                             |
| <b>Total Emission</b>                                 | <b>24,948.13</b> | <b>26,297.80</b> |                                                                                             |

4. Special Emission Categories and Disclosure Items

4.1 Emission Reduction Intensity

At Talawakelle Tea Estates PLC, emission reduction intensity serves as a critical measure of how efficiently we manage our greenhouse gas (GHG) emissions.

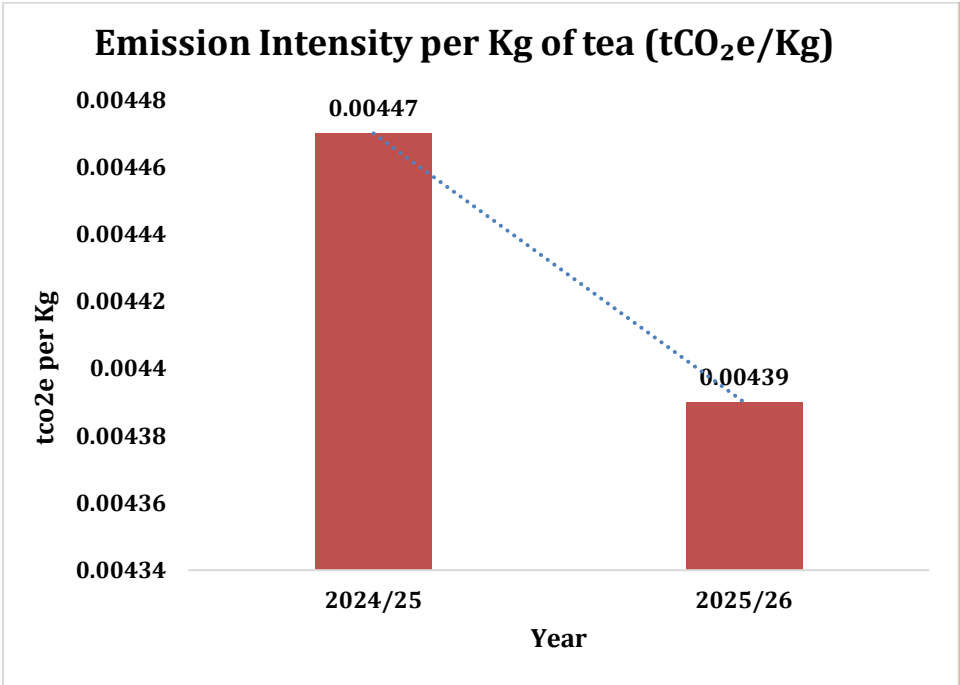


Figure 6: Emission Reduction Intensity

The graph illustrates the year-on-year change in GHG emission intensity per kilogram of tea produced. Emission intensity decreased from **0.00447 tCO<sub>2</sub>e/kg in FY 2024/25** to **0.00439 tCO<sub>2</sub>e/kg in FY 2025/26**, reflecting a **1.91% reduction**.

This improvement indicates that Talawakelle Tea Estates PLC generated lower emissions per kilogram of tea during FY 2025/26 compared to the previous year. The reduction demonstrates progress in emissions efficiency and supports the Company’s ongoing efforts to improve energy management, increase renewable energy usage, optimize operations, and reduce the carbon intensity of tea production.

## Total Emission Behavior in Past Three Years

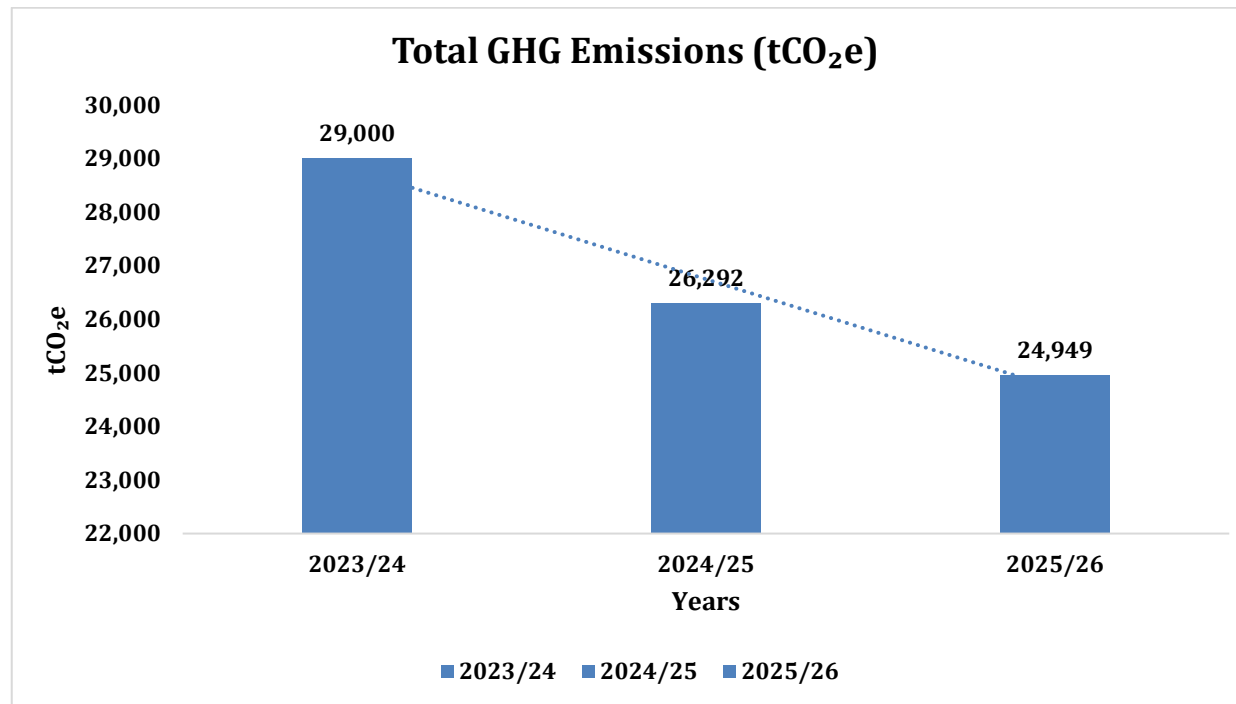


Figure 7: Total Emission Reduction

The graph shows a clear downward trend in total GHG emissions over the three-year period from FY 2023/24 to FY 2025/26. Total emissions decreased from 29,000 tCO<sub>2</sub>e in FY 2023/24 to 26,292 tCO<sub>2</sub>e in FY 2024/25, and further reduced to 24,949 tCO<sub>2</sub>e in FY 2025/26.

Overall, Talawakelle Tea Estates PLC achieved a total reduction of 4,051 tCO<sub>2</sub>e over the three-year period, representing an approximate 14% decrease compared to FY 2023/24. The continued reduction reflects progress in emissions management and supports the Company's ongoing efforts to improve operational efficiency, renewable energy use, and climate-related performance.

#### 4.2 GHG Savings of the year 2025/26

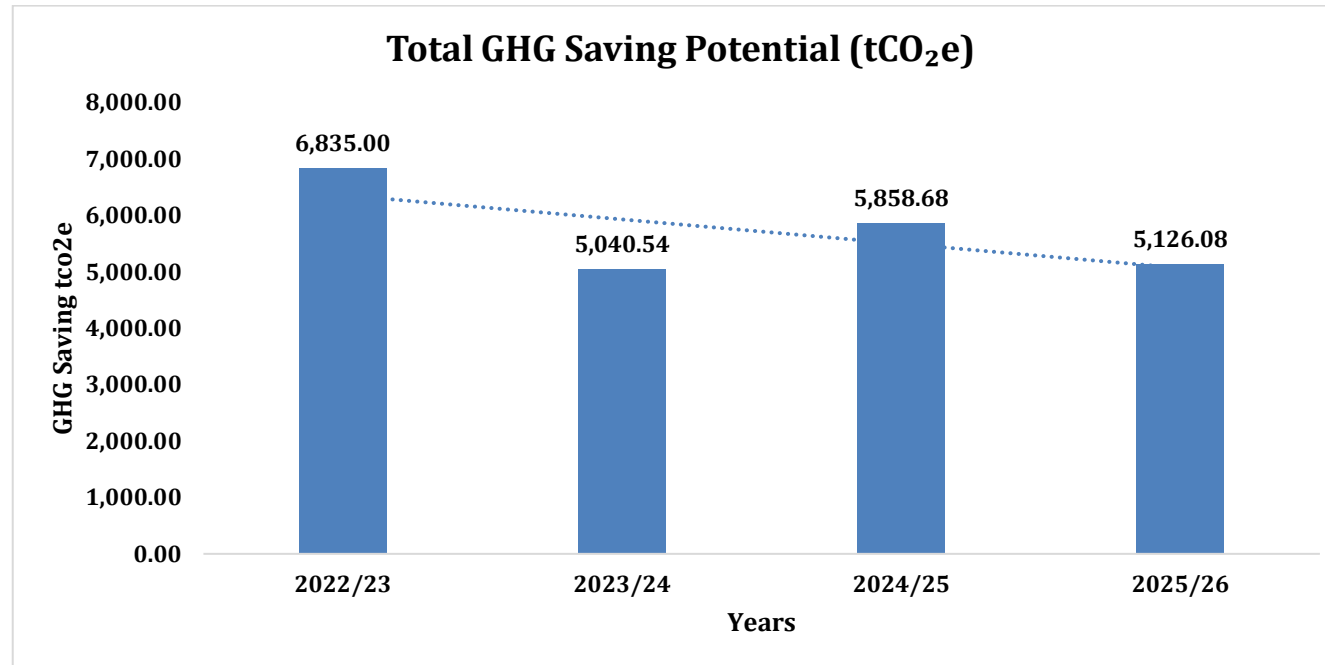
Table 4: GHG saving of the year 2025/26

| Item                                | Unit                | tCO <sub>2e</sub> | tCH <sub>4</sub> (CO <sub>2</sub> Eq) | tN <sub>2</sub> O (CO <sub>2</sub> Eq) | tHCFC/HFC (CO <sub>2</sub> Eq) | Total tCO <sub>2</sub> |
|-------------------------------------|---------------------|-------------------|---------------------------------------|----------------------------------------|--------------------------------|------------------------|
| GHG saving from electricity (Hydro) | kWh                 | 4,531.77          | -                                     | -                                      | -                              | 4,531.77               |
| GHG saving from electricity (Solar) | kWh                 | 594.32            | -                                     | -                                      | -                              | 594.32                 |
| Total GHG Saving                    | kgsCO <sub>2e</sub> | 5,126.08          | -                                     | -                                      | -                              | 5,126.08               |

In FY 2025/26, Talawakelle Tea Estates PLC achieved total GHG savings of 5,126.08 tCO<sub>2e</sub> through renewable electricity generation from hydropower and solar power. Hydropower contributed the largest share, accounting for 4,531.77 tCO<sub>2e</sub>, while solar electricity contributed 594.32 tCO<sub>2e</sub> in avoided emissions. Both sources have significantly contributed to reducing Scope 2 emissions, with no reported contributions from methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), or refrigerants (HCFC/HFC). This achievement underscores the company's continued commitment to decarbonizing its energy mix and promoting sustainable energy solutions across its operations.

These savings demonstrate the Company's continued use of renewable energy as a key climate action measure, helping reduce reliance on grid electricity and supporting its broader emissions reduction and net-zero pathway. During FY 2025/26, Talawakelle Tea Estates PLC continued to strengthen its renewable energy contribution as part of its ReGen Agenda 2030 and Net Zero transition. Renewable energy remained central to the Company's climate strategy, with solar, biomass and hydropower collectively meeting 88.2% of current average annual energy requirements.

The Company's renewable energy generation reached 28,336 GJ during FY 2025/26, supported by three mini-hydropower plants and rooftop solar installations across its estates. Hydropower generation amounted to 6,991,310 kWh, while solar generation reached 879,924 kWh during the year.



**Figure 8: GHG Saving Potential**

The graph shows total GHG saving potential from renewable energy usage over the four-year period from FY 2022/23 to FY 2025/26. The highest saving was recorded in FY 2022/23, with 6,835.00 tCO<sub>2</sub>e, followed by a decline to 5,040.54 tCO<sub>2</sub>e in FY 2023/24.

In FY 2024/25, total GHG savings improved to 5,858.68 tCO<sub>2</sub>e, indicating stronger renewable energy contribution compared to the previous year. However, in FY 2025/26, savings decreased to 5,126.08 tCO<sub>2</sub>e, representing a reduction compared to FY 2024/25.

Overall, the trend shows that GHG savings from renewable energy have fluctuated across the four-year period rather than following a consistent upward trend. While FY 2025/26 remains above the FY 2023/24 level, it is lower than FY 2024/25 and FY 2022/23. This indicates the need to further strengthen renewable energy generation, particularly through solar and hydropower expansion, to improve future emission-saving performance.

Solar capacity reached 899.86 kW in FY 2025/26, while approvals were also secured for a proposed 5 MW ground-mounted solar project at Moragalla Estate, converting underutilized land into a productive clean energy asset. The Annual Report also highlights that biomass remained the foundation of factory energy use, with all 14 factories operating biomass-fired systems for tea drying.

Through renewable electricity usage, Talawakelle Tea Estates PLC achieved total GHG savings of 5,126.08 tCO<sub>2</sub>e in FY 2025/26, comprising 4,531.77 tCO<sub>2</sub>e from hydropower and 594.32 tCO<sub>2</sub>e from solar electricity. These initiatives support reduced dependence on grid electricity, improved long-term energy resilience, and the Company's progress towards its SBTi-verified targets and Net Zero 2050 ambition.



### Biomass

**85.5%**

of total energy mix

Biomass remains the largest contributor to TTE's renewable energy mix. All TTE factories are equipped with biomass-powered steam systems for tea drying. Fuelwood is mainly sourced from sustainably managed estate fuelwood plots, including allocated hectares and high-grown estates. Eucalyptus spp. accounts for most of this area, with the balance under mixed forestry. Briquettes are used where applicable to supplement supply.



### Solar Energy

**879,924 Kwh**

of total energy generation

Solar energy generation 15.3% of TTE's total electricity usage mix. To date, TTE has invested LKR 82.6 Mn in rooftop solar systems across selected estates, with a total installed capacity of 899.86 kWp. Our solar installation at Kiruwanaganga Tea Factory demonstrates sustainable design by incorporating energy-efficient systems, natural lighting, recycled materials and green building principles.



### Hydropower

**6,991,310 Kwh**

Hydro Power Generated

Hydropower has served as a reliable renewable energy source for many years, supported by mini-hydro plants that harness natural water flows. Mini-hydro facilities located at Somerset, Radella and Palmerston estates operate within designated hydro-catchment areas and collectively contribute approximately 6.2% to TTE's renewable energy mix



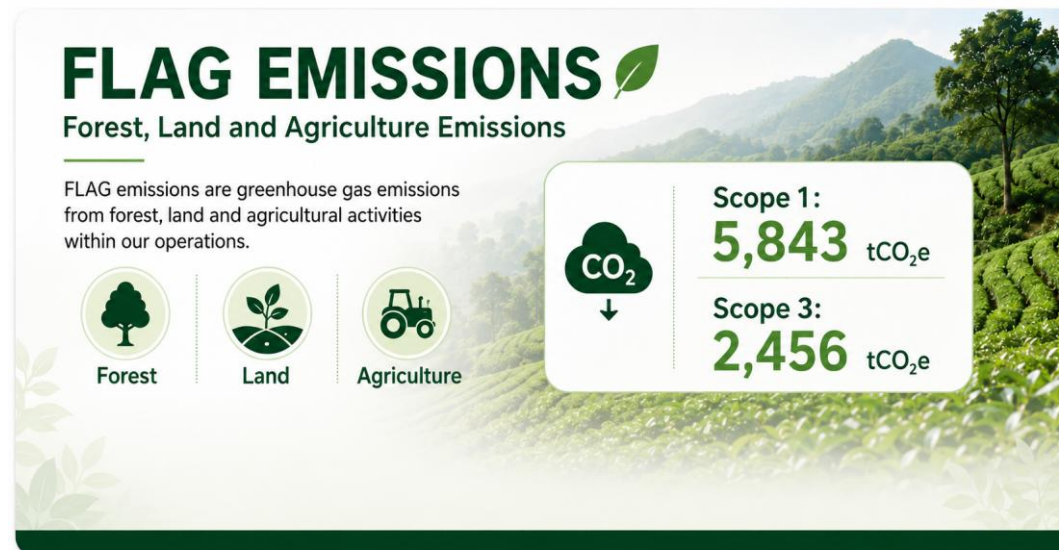
#### 4.3 Emissions from The Combustion of Biomass

While emissions data for direct CO<sub>2</sub> emissions from biologically sequestered carbon (e.g. from combustion of biomass) are not accounted for in GHG inventories, it should ideally be reported separately from the scopes. Based on the annual usage obtained from purchase and stock inventory records, the associated CO<sub>2</sub> emissions were calculated according to the emission factors for the stationary combustion of wood and wood waste published in the IPCC guidelines of 2006.

| Biogenic Emission from Firewood and Briquettes Tea Estates PLCs |                              |
|-----------------------------------------------------------------|------------------------------|
| 2025/26                                                         | 22,099.42 tCO <sub>2</sub> e |
| 2024/25                                                         | 20,735.32 tCO <sub>2</sub> e |

#### 4.4 FLAG Emissions

FLAG emissions are emissions and removals associated with forests, land management and agricultural activities. As a plantation company, Talawakelle Tea Estates PLC should continue to disclose FLAG-related emissions separately to support credible SBTi FLAG-aligned reporting and to distinguish land-sector emissions from energy and industrial inventory.



The FLAG calculation should be reviewed alongside fertilizer, green leaf and land-use assumptions. Any removals or sequestration claims should only be included where there is a documented, auditable methodology and evidence base. In FY 2025/26, Talawakelle Tea Estates PLC's FLAG (Forest, Land, and Agriculture) emissions were quantified to provide a clear view of the company's land-related carbon footprint. Scope 1 FLAG emissions totaled 5,843 tCO<sub>2</sub>e, primarily resulting from fertilizer application across the estates. Scope 3 FLAG emissions amounted to 2,456 tCO<sub>2</sub>e, with key contributions from purchased green leaf and downstream leased assets, including vegetable cultivation lands. Monitoring and reporting of these emissions enable the company to track progress, identify reduction opportunities, and implement sustainable land management practices that minimize environmental impact across the value chain.

#### 4.5 Exclusions

Due to constraints in collecting reliable data below identified emission sources were excluded from the GHG inventory for this year.

- Chemical and fertilizer transportation

Generation records are not maintained for the quantity of food waste at source level, hence it was excluded from the assessment. Tea residues generated by the factory is re-utilized as inputs to the extent possible.

### 5. Data Reliability, Risk and Assurance

#### 5.1 Uncertainties and Data Quality

The inventory includes both high-quality primary data and estimated data. Electricity consumption, fuel consumption, fertilizer quantities, hydro/solar generation and refrigerant refill records are generally stronger data sources. Scope 3 categories that rely on expenditure-based methods or average transport assumptions carry higher uncertainty.

In Sri Lanka, latest available GHG emission factor of grid electricity published by the Sri Lanka Sustainable Energy Authority is based on 2021 calculation. Thus, there is little uncertainty.

Average travel distances were taken for calculations of employee commuting.

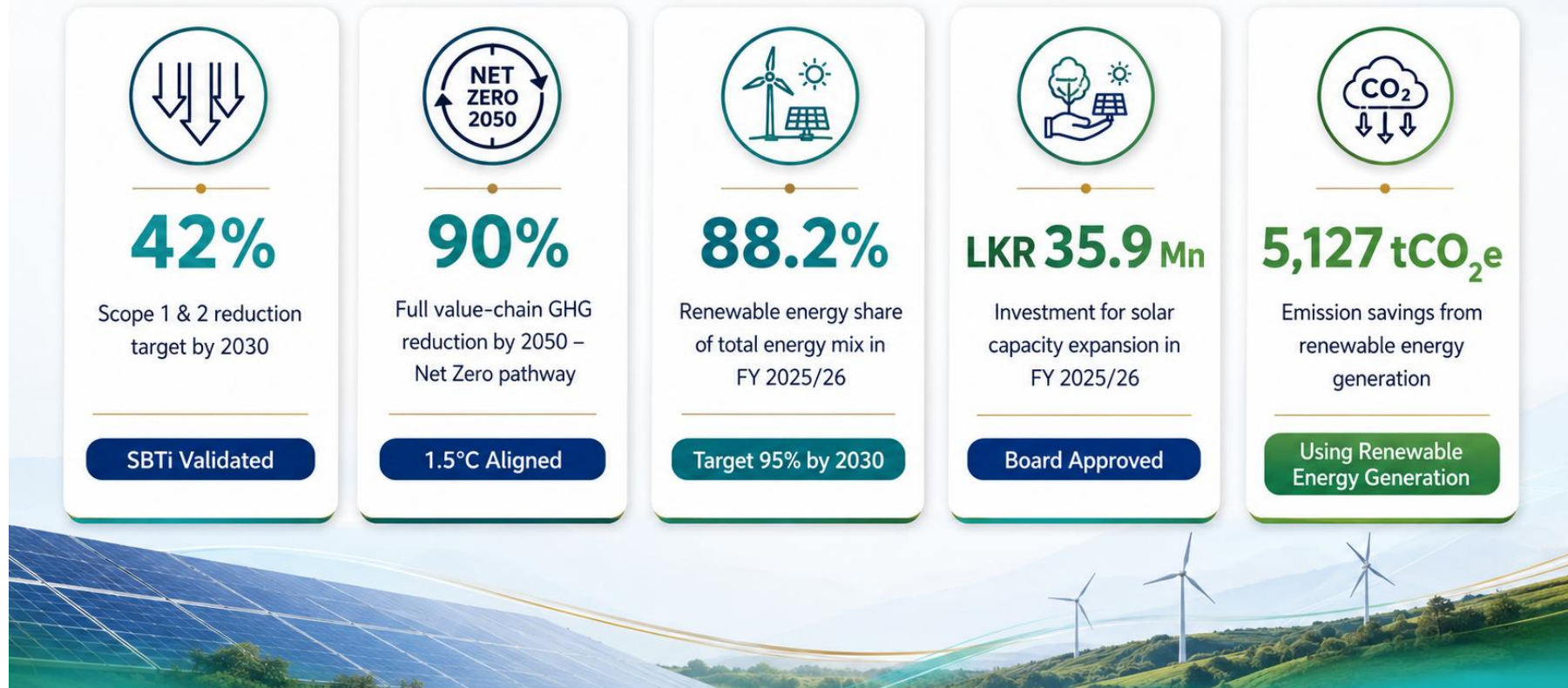
As there are no local specific emission factors in Sri Lanka, most of the emission factor was adopted from DEFRA, and fuel NCV was adopted from IPCC. Applying emission factors and NCVs that are not representative of the combustion conditions in the country which also have range of uncertainty.

### 6. GHG Emission Reduction Strategies

Our Transition plan for Climate Change Mitigation TTE's transition plan aligns with the 1.5°C pathway, informed by SBTi Net-Zero and climate scenario analysis. our transition plan, including decarbonization of estates, factories, and energy systems, with key actions such as renewable energy expansion, efficiency improvements, EV pilots, and regenerative agriculture.

# Climate Targets & Renewable Energy Performance

FY 2025/26



Our Environmental Policy, we are focused in our efforts address climate change and global warming. We give due strategic precedence to minimize our GHG emissions and move towards having a lesser carbon footprint. We have progressively adopted best environmental practices, particularly, in managing our energy usage, as discussed above, and ensuring that we meet our emission targets. According to our compressive Environment and Energy policy, we are currently working to develop GHG management policy and strategies according to international framework of Science Based Targets Initiatives. However, our core strategic approach and program of the GHG management is mentioned below.

- **Measure** company greenhouse gas emissions accurately.

- **Reduce** as much as possible through company own actions; and
- **Compensate** those which cannot be currently avoided

### Carbon Credit - Creating Value, Reducing Impact

Talawakelle Tea Estates PLC has implemented a rooftop solar PV project across multiple estates to support its renewable energy and climate action goals, significantly reducing greenhouse gas emissions. The solar systems are grid-connected and monitored using the Combined Margin CO<sub>2</sub> factor from SLESA under AMS-I.D v18, with verified emission reductions of 775 tCO<sub>2</sub>e to date. These systems are permanently installed and tracked under the SLCCS Track II registry, with calibrated meters verified by the Sri Lanka Climate Fund, ensuring long-term sustainability and accurate emission accounting. The project also engages stakeholders to encourage clean energy adoption, minimize environmental impact, and support biodiversity, while community engagement and careful rooftop utilization reduce social and land-use trade-offs. Overall, the initiative contributes to energy transition, climate resilience, and the creation of sustainable value for stakeholders.

### GHG Removals in our Value Chain

Our Scope 1 removals focus on biomass and soil-based carbon storage, driven by responsible forestry management and biomass systems across estates. The biogenic CO<sub>2</sub> storage from biomass and land use is carefully tracked and monitored.

GHG removals action in our operation

- Maintain existing trees and prevent deforestation or pruning that reduces carbon stock.
- Apply compost and biochar to enrich soil organic carbon.
- Maintain cover crops to reduce erosion, retain moisture, and increase soil carbon storage.
- Afforestation/reforestation on marginal lands or underutilized areas.
- Capture organic residues from manufacturing and processing for soil application.

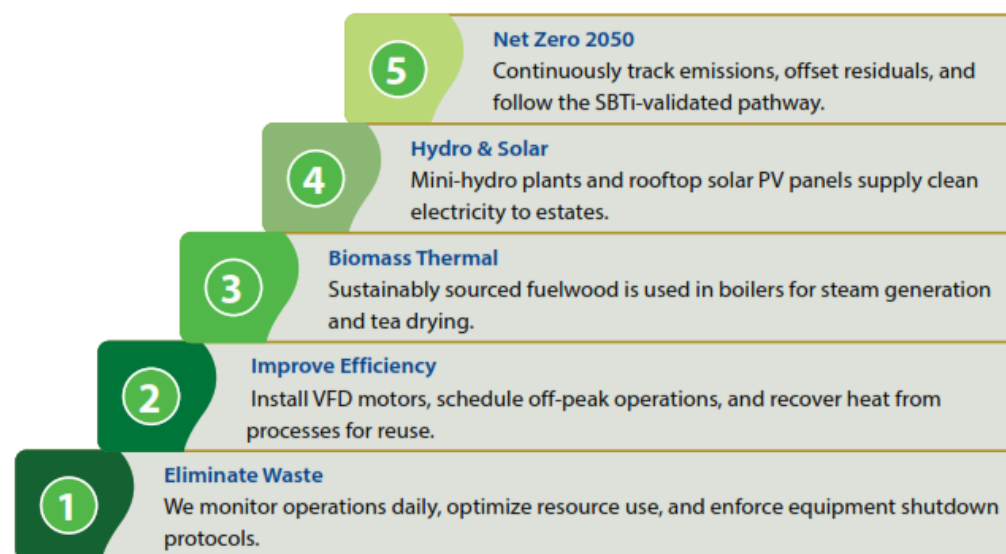
Apart from the current practices which Talawakelle Tea Estates PLC follows like close monitoring, installing VFDs for withering, the measures shown below can be taken further to reduce the GHG emissions. Further, the company can look in to develop carbon neutral action plans, identify key mitigation opportunities and develop feasibility studies, develop carbon footprint for main products and ultimately reach carbon neutral status.

- Maintain monthly estate-level GHG data tracking through the sustainability data system and management review process.
- Prioritize fertilizer optimization and soil nutrient management because fertilizer remains the largest single direct emission source.
- Accelerate factory energy efficiency through VFDs, efficient motors, LED lighting, process optimization and ISO 50001-based controls.
- Reduce dependence on high-emission biomass and fossil fuel sources through energy efficiency, renewable electricity and fuel-use optimization.

- Improve logistics planning for bought leaf, finished tea and service-related transport to reduce tonne-km emissions and empty runs.
- Expand supplier engagement to obtain primary data for packaging, agricultural inputs and purchased goods rather than relying heavily on expenditure-based estimates.
- Strengthen waste segregation, composting, recycling and estate-level circular-economy practices.
- Develop auditable carbon-removal and nature-based solution methodology before using sequestration claims in net-emission statements.

### The Energy Transition Staircase

TTE's structured energy hierarchy each step built on the last, climbing from conservation to net zero. Replace the traditional pyramid with an ascending commitment pathway.



### Managing our other Air Pollutants

Beyond GHG emissions, TTE manages air pollutants from manufacturing, estate operations, transport, and community activities. Operations do not release significant ozone-depleting substances, and NO<sub>x</sub>, SO<sub>x</sub>, and other regulated emissions are minimal, monitored through cleaner energy, operational controls, and ISO 14001.

Ozone-Depleting Substances (ODS) Refrigeration and air-conditioning equipment are the only potential sources, managed via maintenance, responsible servicing, and compliance controls to minimize leakage.

## Non-Energy Related Emissions

### Solid Waste Management

- A comprehensive solid waste management program promotes reduction, reuse, and recycling at all operational sites. Organic waste is composted to avoid methane generation in landfills, while recyclable materials such as plastics, paper, and metals are segregated and sent to certified recyclers. Special focus is given to minimizing hazardous waste and ensuring safe, compliant disposal through licensed contractors. Awareness campaigns encourage employees to actively participate in waste minimization initiative waste management activities,
- Liquid Waste (Wastewater) Management  
The company is committed to managing wastewater responsibly to minimize environmental impacts. All processed water and domestic wastewater are treated through on-site treatment plants before discharge.

### Key Actions to Reduce Non-GHG Emissions

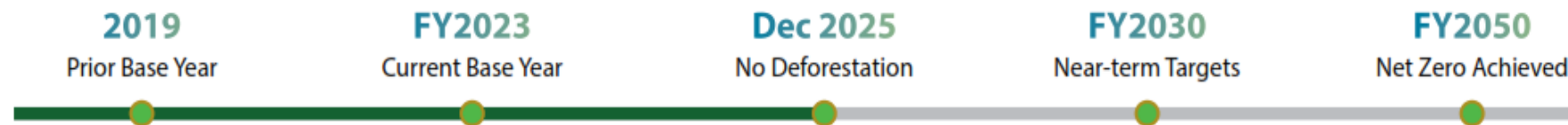
- Biomass Boiler Management – Efficient combustion reduces smoke emissions and meets stack standards.
- Air Quality Monitoring – ISO 14001-based monitoring ensures compliance and identifies abnormal emissions.
- Waste Management – Open burning is prevented; waste is segregated, composted, or disposed of responsibly.
- Cleaner Energy Transition – Use of mini-hydro, solar, and biomass reduces fossil fuel use and lowers NO<sub>x</sub>, SO<sub>x</sub>, and particulates.
- Low-VOC Green Building – Kiruwanaganga Factory uses low-VOC paints and responsible materials to minimize indoor pollutants.

## 7. Future Plans for Emission Reduction

TTE commits to net-zero greenhouse gas emissions across its full value chain by FY2050 validated by the Science Based Targets initiative.

During FY2025/26, Talawakelle Tea Estates PLC strengthened its climate commitments by aligning its GHG reduction pathway with the SBTi Corporate Net-Zero Standard, including FLAG sector guidance. The commitment covers Scope 1, 2, and 3 emissions across operations, purchased energy, and the value chain, with near-term targets to 2030 and long-term targets to 2050.

### Net Zero Pathway



### Near-Term Targets – FY2030 from FY2023 Base Year

|                                                   |                                                                                                             |                                                                                                            |                                                                                                                                        |
|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| <b>2030</b><br>NEAR TERM<br>From FY2023 Base Year | <b>Scope 1 &amp; 2:</b><br><b>42%</b><br>Absolute reduction in direct and electricity-related GHG emissions | <b>Scope 3:</b><br><b>42%</b><br>Reduction in value chain emissions, including purchased goods & logistics | <b>FLAG – Scope 1 &amp; 3:</b><br><b>30.3%</b><br>Land-sector emissions from fertilizer use, soil carbon, and forest-linked activities |
|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|

### Long-Term Targets – FY2050 From FY2023 Base Year

|                                                   |                                                                                                     |                                                                                                                         |                                                                                                                                   |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| <b>2030</b><br>NEAR TERM<br>From FY2023 Base Year | <b>Scope 1 &amp; 2:</b><br><b>90%</b><br>Absolute reduction in direct and electricity GHG emissions | <b>Scope 3:</b><br><b>90%</b><br>Reduction in value chain emissions – residual neutralized with high-integrity removals | <b>FLAG – Scope 1 &amp; 3:</b><br><b>72%</b><br>Land-sector GHG reduction across agricultural and forest-related emission sources |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|



## 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/0542  
 Date of Issue : 04.05.2026  
 Period of Assessment : 01.04.2025 – 31.03.2026  
 Selected Boundary : Operationally controlled business operations of Talawakelle Tea Estates PLC (Head Office and 16 Tea Estates)

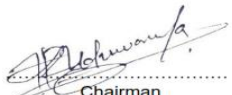
Direct GHG Emissions : 8,474 tonnes of CO<sub>2</sub> equivalent  
 Indirect GHG Emissions : 16,475 tonnes of CO<sub>2</sub> equivalent  
**Total GHG Emissions : 24,949 tonnes of CO<sub>2</sub> equivalent**

**\*\*Scope 1** Direct GHG Emissions : 8,474 tonnes of CO<sub>2</sub> equivalent  
**Scope 2** Electricity Indirect GHG Emissions : 1,653 tonnes of CO<sub>2</sub> equivalent  
**Scope 3** Other Indirect GHG Emissions : 14,822 tonnes of CO<sub>2</sub> equivalent

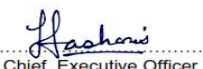


ISO/IEC 17029 and ISO 14066

VVB 001-01

  
 Chairman

Sri Lanka Climate Fund (Pvt) Ltd

  
 Chief Executive Officer  
 Sri Lanka Climate Fund (Pvt) Ltd

Validity period of the certificate: 04.05.2026 – 30.06.2027

Exclusions: GHG emissions from Land use change

\*Materiality threshold is below 5%, The reported GHG emissions are rounded up to the nearest highest value.

\*\*GHG emissions have been reported in accordance with GHG Protocol

## 8. Appendix A - Activity Data Used for Quantifying GHGs

Table 5: Activity data used for quantifying GHGs

| Emission Source                                                    | Activity Data Type                       | Unit    | Reference Data Source                                          | Description                                                                                         |
|--------------------------------------------------------------------|------------------------------------------|---------|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| <b>Standby Generator</b>                                           | Fuel consumption                         | Liter   | Stock book record keeping                                      | Fuel used in standby generators to provide backup power during outages.                             |
| <b>LPG Combustion</b>                                              | Fuel Consumption                         | Liter   | Stock book record keeping                                      | Fuel consumption of LPG used for Cooking Purpose                                                    |
| <b>Company-Owned Vehicles</b>                                      | Fuel Consumption                         | Liter   | Stock book record keeping                                      | Fuel consumption of vehicles owned and operated by the company for business purposes.               |
| <b>Off-Road Transport</b>                                          | Fuel Consumption                         | Liter   | Stock book record keeping                                      | Fuel used by off-road vehicles or equipment involved in operational tasks                           |
| <b>Leakages from CO2 Fire Extinguishers</b>                        | CO2 fire extinguisher refilled amount    | kg      | Service Providers Database                                     | Amount of CO2 refilled in extinguishers, accounting for fugitive emissions.                         |
| <b>Emissions from Import Electricity</b>                           | Grid electricity consumption             | kWh     | Electricity Bills                                              | Electricity purchased from the grid and consumed in operational facilities.                         |
| <b>Raw Material Transportation - Land</b>                          | Mileage of transport                     | km      | Central Financial reports                                      | Distance travelled during land-based transportation of raw materials - Port to warehouses           |
| <b>Finished Goods Transportation - Land</b>                        | Mileage of transport                     | km      | Central Financial reports                                      | Distance covered in the land transportation of finished goods to distribution to Port.              |
| <b>Employee Commuting</b>                                          | Mileage of transport relevant to vehicle | km      | Survey                                                         | Total distance employees commute to and from the workplace, categorized by vehicle type.            |
| <b>Disposal of Solid and Liquid Waste</b>                          | Waste transport mileage                  | km      | Sustainability data base                                       | Distance travelled during the transportation of waste to disposal facilities.                       |
| <b>Transmission and Distribution Loss of Purchased Electricity</b> | Grid electricity consumption             | kWh     | Electricity Bills                                              | Indirect emissions due to losses during the transmission and distribution of purchased electricity. |
| <b>Emissions from Municipal Water Supply</b>                       | Municipal water consumption              | m3      | Water Bills                                                    | Water consumption data is used to estimate emissions from the supply of municipal water.            |
| <b>Purchased goods and services</b>                                | Financial value of expenditure           | USD, Kg | Financial value of expenditure/ DEFRA Factors for use quantity | Purchased goods and services emission estimation                                                    |
| <b>Capital goods</b>                                               | Financial value of expenditure           | USD     | GZA Scope 3 Calculator (Expenditure based)                     | Capital goods expenditure for emission estimation                                                   |

|                                                     |                                                    |               |                                         |                                                                    |
|-----------------------------------------------------|----------------------------------------------------|---------------|-----------------------------------------|--------------------------------------------------------------------|
| <b>Fuel- and energy-related activities</b>          | Fuel consumption                                   | Litres, Kg    | DEFRA Factors                           | Fuel and energy consumption activities for estimation.             |
| <b>Upstream transportation &amp; distribution</b>   | Expenditure for transportation & distribution      | USD           | Financial value of expenditure          | Total emission occurred for upstream transportation & distribution |
| <b>Waste generated in operations</b>                | Waste Generation                                   | Kg            | DEFRA Factors                           | Waste generation emission estimation.                              |
| <b>Business travel</b>                              | Financial value of expenditure                     | USD           | ICAO Carbon Emissions Calculator (ICEC) | Business travel emission estimation                                |
| <b>Employee commuting</b>                           | Mileage of transport relevant to vehicle           | Passenger kms | IPCC Factors                            | Emission estimation for employee commuting                         |
| <b>Downstream transportation &amp; distribution</b> | Mileage of transport relevant to vehicle           | tonne.km      | DEFRA Factors                           | Emission estimation in downstream transportation and distribution. |
| <b>Processing of sold products</b>                  | Expenditure based                                  | USD           | Financial value of expenditure          | Total emission estimation of processing of sold products           |
| <b>End of life treatment of sold products</b>       | Quantity of end of life treatment of sold products | Kg, Cum       | DEFRA Factors                           | Emission estimation of end of life treatment of sold products      |
| <b>Downstream leased assets</b>                     | Vegetable cultivated lands                         | Ha            | Local Research                          | Emission estimation of downstream leased assets.                   |

## 9. Appendix B - Emission Factors and References

| Item                                                 | Sources                                                                                                                                                                 |
|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Global Warming Potential Fossil                      | 2006 IPCC AR6 (IPCC's Sixth Assessment Report (AR 6)                                                                                                                    |
| Diesel (Stationary)                                  | 2006 IPCC AR6 (IPCC's Sixth Assessment Report (AR 6)                                                                                                                    |
| Diesel (Mobile)                                      | 2006 IPCC AR6 (IPCC's Sixth Assessment Report (AR 6)                                                                                                                    |
| Diesel (Mobile- Off-road)                            |                                                                                                                                                                         |
| Petrol (Stationary)                                  | 2006 IPCC AR6 (IPCC's Sixth Assessment Report (AR 6)                                                                                                                    |
| Petrol (Mobile-Vehicle)                              | 2006 IPCC AR6 (IPCC's Sixth Assessment Report (AR 6)                                                                                                                    |
| Petrol (Mobile- Off-road) 2 stroke                   |                                                                                                                                                                         |
| Petrol (Mobile- Off-road) 4 stroke                   | 2006 IPCC AR6 (IPCC's Sixth Assessment Report (AR 6)                                                                                                                    |
| Kerosene                                             | 2006 IPCC AR6 (IPCC's Sixth Assessment Report (AR 6)                                                                                                                    |
| Furnace Oil                                          |                                                                                                                                                                         |
| LPG                                                  |                                                                                                                                                                         |
| Firewood                                             |                                                                                                                                                                         |
| Electricity 2022                                     | <a href="https://www.energy.gov.lk/images/energy-balance/energy-balance-2022.pdf">https://www.energy.gov.lk/images/energy-balance/energy-balance-2022.pdf</a> page: 99  |
| Electricity Conversion & Transmission Losses         | <a href="https://ceb.lk/front_img/img_reports/1719383943Statistical_Digest_2023_n.pdf">https://ceb.lk/front_img/img_reports/1719383943Statistical_Digest_2023_n.pdf</a> |
| Electricity (Hydro) Generated                        | <a href="https://www.energy.gov.lk/images/energy-balance/energy-balance-2021.pdf">https://www.energy.gov.lk/images/energy-balance/energy-balance-2021.pdf</a> page: 98  |
| Electricity (Solar) Generated                        |                                                                                                                                                                         |
| Urea                                                 | 2006 IPCC AR5 V4_11_Ch11_N2O&CO2                                                                                                                                        |
| Co2-C convert to CO2                                 |                                                                                                                                                                         |
| Compost                                              | DEFRA's / DECC's Greenhouse Gas Conversion Factors for company reporting: 2024                                                                                          |
| Paper Sacks                                          |                                                                                                                                                                         |
| Bottled Water                                        |                                                                                                                                                                         |
| Passenger Vehicle - Average                          |                                                                                                                                                                         |
| Delivery Vehicle Average light (up to 3.5 tonnes)    |                                                                                                                                                                         |
| Delivery Vehicle Average Heavy (above to 3.5 tonnes) |                                                                                                                                                                         |
| Average passenger with RF                            |                                                                                                                                                                         |

|                                                                            |                                                                                                                                                                                     |
|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Economy class with RF</b>                                               | DEFRA's / DECC's Greenhouse Gas Conversion Factors for company reporting: 2024                                                                                                      |
| <b>Premium economy class with RF</b>                                       |                                                                                                                                                                                     |
| <b>Business class with RF</b>                                              |                                                                                                                                                                                     |
| <b>First class with RF</b>                                                 |                                                                                                                                                                                     |
| <b>Organic: mixed food and garden waste Composting/Anaerobic digestion</b> |                                                                                                                                                                                     |
| <b>Organic: mixed food and garden waste Landfill</b>                       |                                                                                                                                                                                     |
| <b>Commercial and industrial waste Landfill</b>                            |                                                                                                                                                                                     |
| <b>Commercial and industrial waste Anaerobic digestion</b>                 |                                                                                                                                                                                     |
| <b>Glass Recycling</b>                                                     |                                                                                                                                                                                     |
| <b>Plastic Recycling</b>                                                   |                                                                                                                                                                                     |
| <b>Polythene Recycling</b>                                                 | DEFRA's / DECC's Greenhouse Gas Conversion Factors for company reporting: 2024                                                                                                      |
| <b>Metal/Iron Recycling</b>                                                |                                                                                                                                                                                     |
| <b>Paper Recycling</b>                                                     |                                                                                                                                                                                     |
| <b>E-Waste (Nos) Recycling</b>                                             |                                                                                                                                                                                     |
| <b>Water supply</b>                                                        | <a href="https://www.climatechange.lk/Documents/A_Guide_for_Carbon_Footprint_Assessment.pdf">https://www.climatechange.lk/Documents/A_Guide_for_Carbon_Footprint_Assessment.pdf</a> |
| <b>Water treatment</b>                                                     |                                                                                                                                                                                     |
| <b>Non-Fossil CH4</b>                                                      | 2006 IPCC AR6 (IPCC's Sixth Assessment Report (AR 6))                                                                                                                               |

## 10. Glossary

| Abbreviation       | Definition                                             |
|--------------------|--------------------------------------------------------|
| CEB                | Ceylon Electricity Board                               |
| CFP                | Carbon Footprint                                       |
| CH <sub>4</sub>    | Methane                                                |
| CO <sub>2</sub>    | Carbon dioxide                                         |
| DEFRA              | Department for Environment, Food and Rural Affairs, UK |
| GHG                | Greenhouse Gas                                         |
| GWP                | Global Warming Potential                               |
| IPCC               | Intergovernmental Panel on Climate Change              |
| kWh                | Kilowatt Hour                                          |
| N <sub>2</sub> O   | Nitrous Oxide                                          |
| NWSDB              | National Water Supply & Drainage Board                 |
| Pvt                | Private                                                |
| SEA                | Sri Lanka Sustainable Energy Authority                 |
| SLCF               | Sri Lanka Climate Fund                                 |
| tCO <sub>2</sub> e | Tonnes of carbon dioxide equivalent                    |
| T&D Loss           | Transmission and Distribution Loss                     |
| US EPA             | United States Environmental Protection Agency          |
| WBCSD              | World Business Council for Sustainable Development     |
| WRI                | World Resources Institute                              |

