

Intellectual Capital

Our intellectual capital including innovation, certifications, proprietary knowledge, and institutional experience is a key differentiator in the global tea market. TTE's commitment to quality, R&D and digital transformation fuels our ability to anticipate change and deliver superior products. With top-tier certifications, internal expertise, and data-driven tools, we push boundaries while embedding sustainability across our value chain. This section highlights how knowledge and innovation drive operational excellence and brand value.



Strengthening Cybersecurity Resilience

We implement multi-layered cybersecurity measures, regular audits, and ISO-aligned practices to protect data, ensure resilience and mitigate digital threats.



TTE PLC leads forward faster in global sustainability and environmental responsibility

Advances sustainability through net-zero goals, community impact, renewable energy and pioneering eco-restoration aligned with global SDGs.



TTE PLC lead Sri Lanka's journey towards sustainable water and climate action through UNGC partnerships

Pioneering water conservation and climate goals, TTE PLC foster collaboration for a sustainable, resilient corporate future.



Publication in Moving Business Forward Faster 2024

TTE PLC leads climate action, reduces emissions, promotes renewable energy, and supports community empowerment through global sustainability collaboration.

Management Approach

Risks

Loss of critical institutional knowledge due to retirements, turnover, or gaps in succession planning

Lack of clarity and relevance of R & D

Unauthorized access to sensitive information can lead to significant financial and reputational damage

Compliance Risks

Opportunities

Prioritise regenerative agriculture to enhance soil fertility to improve long-term productivity.

Material Matters

- Research and development
- Anti Corruption
- Brands
- Reputation
- Knowledge Management
- Sustainability Practices

Management Approach

Our approach to managing intellectual capital is centred on building, protecting, and enhancing the intangible assets that set our business apart. A key focus is consolidating TTE's industry leadership by continuously strengthening our corporate reputation, championing Environmental, Social, and Governance (ESG) principles, and prioritising the adoption of globally recognised standards and certifications. In parallel, we remain deeply committed to advancing our strategic intangibles — refining our internal knowledge base, strengthening our R&D capabilities, and leveraging group synergies — to ensure we stay ahead of market trends and continue driving sustainable growth.

Governance

Oversight

- Board of Directors
- Group Management Committee
- EESG Committee

Compliance

- Intellectual Property Act No: 36 of 2003

Voluntary Best Practices

- Rainforest Alliance
- ISO 14064-1:2018
- Science Based Targets Verification
- UN Climate Neutral Now
- ISO 22000:2018
- ISO 14001:2015
- ISO 9001:2015
- ISO 45001:2018
- ISO 50001:2018
- HACCP
- GMP
- Mother and Child-Friendly Seal for Responsible Business (MCFB)
- Great Place to Work
- Responsible Care Certification
- Eco Label Certification

Internal Mandates and Commitments

- Hayleys Life Code

Monitoring and Reporting

- Hayleys CUBE™ Sustainability Data Management System
- Finance Department
- Marketing
- Sustainability & Quality Management Team
- Internal Audit
- External Audit
- UN Sustainable Development Goals (SDGs)
- Global Reporting Initiative (GRI)
- Sustainability Accounting Standards Board (SASB)

Capital Performance FY 2024/25

Resource Allocation Highlights

Extensive focus on ESG integration

Rs. 46 Mn allocated for R&D

Invested to adoption and maintain of globally recognised Standards Certifications

Outputs for TTE

- Ranked #1 in High Grown GSA Amongst RPC
- Ranked #1 in Low Grown GSA Amongst RPC
- Ranked #1 in Overall GSA Ranking Amongst RPC
- 223 Top Prices
- 46 Value Added Products
- "TEATEL" & "SPICE COUNTRY" brands
- 1st Plantation company in the world to win the

"World Class Award in GPEA 2024"

Stakeholder Outcomes	FY 2024/25	FY 2023/24	Value Enhanced (+) Preserved (=) Eroded (-)
Awards & Recognitions	93	69	Enhanced
New Innovative Artisanal Grades	4	6	Enhanced
TTE average selling price (Rs) (Jan – Dec)	1403.74	1326.06	Enhanced

SDG's



- Target 4.4: Increase skills for employment, decent jobs, and entrepreneurship



- Target 9.5 – Enhance scientific research and upgrade industrial technologies



- Target - 13.3 – Improve education, awareness, and capacity for climate change mitigation and adaptation



- Target 8.2 – Achieve higher productivity through diversification, technological upgrading, and innovation



- Target - 12.2 – Achieve sustainable management and efficient use of natural resources



- Target - 17.16 – Strengthen global partnerships for sustainable development through knowledge sharing

Intellectual Capital

Awards for FY 2024/25



1. Industry Leadership

1.1 Distinguished Corporate Reputation

A proud legacy represented by the unwavering commitment to quality, sustainable cultivation practices and innovation sets TTE apart in the highly competitive local plantation industry. Today, TTE today is recognised as one of the most respected Regional Plantation Companies (RPCs) in Sri Lanka, with our teas from both our high-grown and low-elevation estates consistently attracting strong demand at the Colombo Tea Auctions, often commanding premium prices well above national averages.

Our speciality artisanal teas too have carved out a distinct reputation as some of the finest Ceylon teas available in the global market. Renowned for their distinctive flavour profiles and unwavering quality, TTE's range of speciality artisanal teas has earned the trust and loyalty of buyers across the world. Through the rapid expansion into new markets in recent years, we remain focused on enabling more tea enthusiasts the world over to discover and savour the authentic, high-quality experience that defines our speciality artisanal teas.

At the same time, we continue to reimagine the tea experience beyond the traditional norms. Recognising that tea is not just a beverage, but a story steeped in culture, history, and nature, we are now venturing into tourism to create immersive, sensory-rich encounters with tea. From guided tours of our scenic estates and interactive tasting sessions to curated experiences that celebrate the heritage of Ceylon tea, we aim to offer a fresh perspective that blends leisure, learning and luxury. These new pathways enable us to connect with a broader audience and redefine how the world experiences and appreciates tea, from leaf to lifestyle.

Key Achievements Recorded by TTE Estates in the Year 2024

Rank No 01 High Grown GSA Ranking	Rank No 01 Low Grown GSA Ranking	Rank No 01 Overall GSA Ranking
Achived the ever highest gap with Rank No 02 - Rs. 72.97 per/kg	Gap with Rank No 02 - Rs. 77.07 per/kg	Gap with Rank No 02 - Rs. 81.44 per/kg
Ever highest gap with Western High Grown Elevation - Rs. 185.34 per/kg	Gap with Low Grown Elevation - Rs. 166.41 per/kg	Ever highest gap with National Elevation - Rs. 178.58 per/kg
Previous Year: Rank No 01 Gap with the Rank No 02 - Rs. 72.47 per/kg Gap with Western High Grown Elevation - Rs. 180.60 per/kg	Previous Year: Rank No 01 Gap with the Rank No 02 - Rs. 112.47 per/kg Gap with Low Grown Elevation - Rs. 147.18 per/kg	Previous Year: Rank No 01 Gap with the Rank No 02 - Rs. 82.77 per/kg Gap with National Elevation - Rs. 154.77 per/kg

Speciality Artisanal Teas and Value Added Products from TTE's Estates

Silver Blossoms	Abbotsford Special	Blooming Tea	Dragon Balls	Silver Curls	Tea Coin
Tea Flame	Emerald Tips	Scalpa Tips	Jade Tips	Green Wine	Golden Sunrays
Ran Pathra	Kiru Curls	White Line	Sparkling Rose	Golden Curls	Bullet Tea
Floral Threads	Silver Twist				



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1.2 Championing ESG

At TTE, we take pride in leading by example in championing Environmental, Social, and Governance (ESG). Our ESG Framework 2030 – Regenerative Agenda serves as the long-term strategy underpinning our commitment to operating responsibly, ethically, and sustainably in every aspect of our business.

Regenerative Business Agenda 2030

Environment

Our environmental agenda is built on the goal of delivering a net-positive impact, with a firm focus on sustainability, resource efficiency, and climate resilience. We are committed to implementing innovative, pragmatic, and regenerative practices aimed at preserving and restoring ecosystems within our operational footprint. .

Socio-economic

We place the highest priority on enhancing the well-being and empowerment of all our stakeholders, including employees, customers, suppliers, and estate-based communities. We are dedicated to cultivating an inclusive and equitable workplace, while continuously

investing in education, healthcare, and social infrastructure to uplift the quality of life within the communities we operate.

Governance

Our governance practices reflect our deep commitment to transparency, accountability, and ethical conduct. We remain agile and principled in navigating an evolving business landscape, striving to create long-term stakeholder value while upholding the highest standards of trust and corporate responsibility.

1.3 Standards and Certifications

Internationally recognised standards and best practices have been instrumental in reinforcing TTE's reputation for excellence and trust. Furthermore, adherence to internationally accepted operational and ethical standards provides tangible assurance to customers, business partners, and other stakeholders regarding the reliability, safety, and sustainability of our offerings.

Over the years, we have voluntarily adopted a number of leading standards and certifications. The integration of these benchmarks into our

operations amplifies our focus on continuous improvement in critical areas such as quality management, food safety, environmental stewardship, and social responsibility. This approach enables us to consistently deliver products that not only meet but often exceed the stringent expectations of customers in increasingly competitive and regulated global markets.

Membership Pledge & Engagement List

GRI 2-28

- Corporate Member of the Wildlife & Nature Protection Society, Sri Lanka
- General Members of Biodiversity Sri Lanka platform
- Pledge CEO Water Mandate
- Signatory member of UN Global Compact
- Pledged UN Women's Empowerment Principles
- Ceylon Chamber of Commerce
- Planters' Association of Ceylon
- Employers' Federation of Ceylon
- Colombo Tea Traders Association

		
Rainforest Alliance Covering 14 estates and factories 14 internal audits 01 external audits	ISO 14064-1:2018 Covering all TTE operations 01 internal audits 01 external audits	Science Based Targets Initiative (SBTi) Covering all TTE operations
UN Climate Neutral Now Covering all TTE operations	ISO 22000:2018 Covering 15 factories 15 internal audits 15 external audits	ISO 14001:2015 Covering 05 factories 05 internal audits 05 external audits
ISO 9001:2015 Covering 01 factory 01 internal audits 01 external audits	ISO 45001:2018 (Implemented) Covering 01 factories	ISO 50001:2018 Covering 01 factories 01 internal audits 01 external audits
Great Place to Work Covering all TTE operations	Responsible Care Certification Covering TTE operations	Eco Label Certification Covering TTE operations
Certificate of Ethical Trading Covering TTE operations	Mother and Child-Friendly Seal for Responsible Business (MCFS) Covering TTE estates	

Journeying Towards Excellence

2005

Great Western

- First tea estate in Sri Lanka to obtain HACCP certification for food safety and hygiene



2006

Kiruwanaaganga

- First tea factory in Sri Lanka to obtain certification under ISO 22000:2005 Food Safety Management Systems

2011

TTE

- Obtained certification under Rainforest Alliance

2018

TTE

- First RPC to be certified under ISO 14064:2018 Greenhouse Gas Emission Inventory



2017

Great Western

- First RPC to be certified under ISO 14001:2015 Environmental Management System and ISO 9001:2015 Quality Management System

2016

TTE

- Adopted United Nations Global Compact Principles
- Advanced Level

2018

TTE

- Adopted the United Nations Women's Empowerment Principles



2018

TTE

- First RPC to be awarded Gold Overall Winner, Business Excellence Awards
- National Chamber of Commerce

2018

Hollyrood

- First factory to be certified under ISO 50001:2018 Energy Management Systems

2021

TTE

- First RPC to be certified as a 'Great Place to Work' and recognised as the 2nd best in Asia alongside seven other prestigious awards

2020

TTE

- First company in Sri Lanka to achieve Gold for all stages - 'measure, reduce, and contribute'
- United Nations Climate Neutral Now



2019

TTE

- First plantation company in the world to adopt the Science Based Targets Initiative, committing net-zero emissions by 2050

2022

TTE

- Obtained certification under Eco Label



2023

TTE

- First category B company to win the Overall award in the twenty-year history of the event. Additionally, we received a remarkable 11 awards in a single night at the 20th Best Corporate Citizen Sustainability Awards
- Winner of Sri Lanka National Quality Award



2024

TTE

- First plantation company in the world to win world class award in Global Performance Excellence Awards 2024
- Win Gold for our Commitment to excellence in recognition of regenerative approach for climate-smart agribusiness management at the APQA International Best Practices Award 2024
- United Nations Climate Neutral Now

TTE PLC Metric

Investment in R&D Development

Our 2030 Target

Improve investment in R&D development



Contribution

R&D, cultivar development, MRL safety, and specialty tea innovations enhance local innovation and sustainable growth, while digitalisation supports modern, resilient infrastructure.

Target 9.5



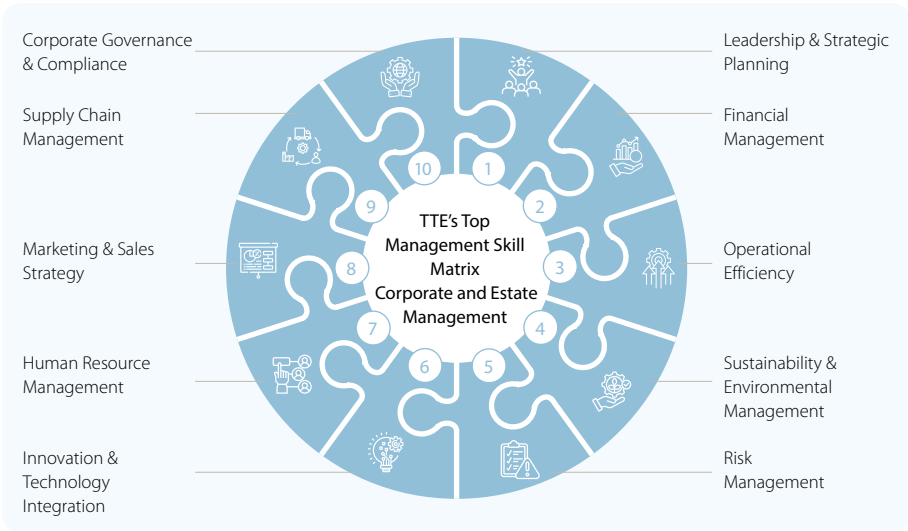
Intellectual Capital

2. Strategic Intangibles

2.1 Knowledge Base

TTE's extensive internal knowledge base, built over decades of experience in the plantation industry, serves as a key strategic intangible that provides a clear competitive advantage. Our teams Corporate Management and Estate Management Teams possess deep industry expertise, honed through years of hands-on experience across every facet of the plantation value chain. The collective knowledge enables the Company to adapt swiftly to industry changes, capitalise on emerging trends, and develop innovative solutions that enhance both product quality and operational efficiency.

Recognising the strategic value of our knowledge base, we are fully committed to bolster this wealth of expertise through ongoing investments in training and capacity building. By providing access to both local and international training opportunities, we empower our teams to refine their existing skills and acquire new competencies to keep them at the forefront of industry advancements. As part of our holistic approach to capacity building, we also promote cross-functional collaboration for the purpose of sharing best practices. Additionally, we encourage senior members to act as mentors to facilitate ongoing knowledge transfer within the organization.



2.2 Research and Development (R&D)

Key Research Initiatives
Our R&D investment accounts for Rs. 46 Mn

Field Operations
Cultivar Development in Nurseries
Improve yield, quality and resilience to climate, pests and diseases

Factory Operations
Innovative Processing Techniques
Enhance flavour, aroma and appearance of tea

Product Development
Value Addition and Diversification
Develop high value-added specialty teas to best-fit evolving consumer preferences and market demands

Soil Management
Soil Health Optimisation
Increase soil nutrition and overall ecosystem sustainability

Quality and Safety
Minimum Residue Level
Promote sustainable cultivation practices to minimise pesticides and chemical residues

TTE's in-house R&D team plays a vital role in driving innovation and sustainability across the organisation. Our R&D efforts focus on key aspects starting with field operations where we explore the development of high yielding and climate resilient cultivar. In recent years our R&D efforts have also increasingly focused on soil health optimisation, specifically in regard to soil nutrition and overall ecosystem sustainability. Another key R&D priority is the adoption of sustainable cultivation practices to minimise pesticides and chemical residues in the tea leaf.

Likewise for factory operations we focus on innovative processing techniques to enhance the flavour, aroma and appearance of tea while value product development looks at developing high value-added specialty artisanal teas to best-fit evolving consumer preferences and market demands.

2.3 Automation and Digitalisation

Aligned with Industrie 4.0 principles, we have strategically invested in automation and digitalization despite our labor-intensive model. These initiatives have streamlined operations and significantly improved efficiency, bolstering our agility and responsiveness in today's dynamic business environment.

Business Disruptions and Continuity

Managing Cyber Security Threats
As a leading RPC, we proactively mitigate cybersecurity threats through a multi-layered approach. Collaborating with our parent company, we maintain a robust disaster recovery system featuring live and off-site backups. Network security is fortified with advanced firewalls, anti-malware, and encryption, while data is classified according to recommended standards.

Furthermore, we prioritize cybersecurity training and conduct regular internal and external audits, vulnerability assessments, and have updated our IT policies and procedures to align with ISO/IEC 27001:2022, ensuring operational resilience and data protection.



HRIS Oracle Cloud System

Integrated HR system streamlines executive hiring, performance, leadership growth and succession for strategic success.



Digital Employee Identification

QR code technology replaces NFC, offering a cost-effective, accessible and eco-friendly solution for estate worker identification.



Fixed GPS Navigation System

GPS tracking optimizes estate vehicle routes, reduces fuel use and enhances security against misuse and pilferage.



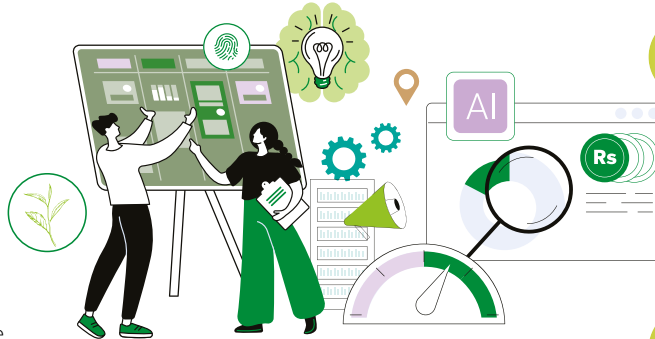
Digital Empowerment of Estate Management

Estate managers use mobile tablets for real-time performance tracking, enabling data sharing and informed decision-making.



Decision Support System

This system enables real-time KPI tracking and proactive planning, ensuring optimal performance across all estate properties.



Online Marketing Ledger System

The in-house IT team developed an end-to-end system streamlining operations and enhancing efficiency across the value chain.



Digital Weighing System

Digitizing green leaf weighing boosts efficiency, accuracy and transparency, enabling real-time insights for optimized estate operations.

2.4 Group Synergies

Being part of the Hayleys Group provides TTE with significant strategic advantages that drive growth and competitiveness. The Hayleys Group's extensive global footprint opens up access to new markets, while strong financial backing supports greater investment in innovation, infrastructure and sustainability initiatives.

Hayleys' expertise in supply chain management and logistics further enhances our operational efficiency, optimising costs while upholding the highest quality standards. Access to cross-industry knowledge-sharing further accelerates our progress through the adoption of global best practices, innovative business strategies, and technological advancements. Our employees also benefit through enhanced career development, leadership training, and exposure to industry expertise, building a motivated, future-ready workforce.

Trade-offs

With Financial Capital

We've continued to invest heavily in innovation and technology spending Rs. 46 Mn on R&D this year and upgrading our digital systems with tools like the HRIS Oracle Cloud, QR-based IDs for employees, and GPS tracking for logistics. These are big investments that can strain our finances in the short term. But we see them as essential building blocks for the future. They help us boost product quality, improve how we work, and strengthen our brand as a leader in sustainable, high-quality tea.

With Natural Capital

Our research into developing better tea cultivars, ensuring safety through MRL testing, and promoting regenerative farming helps reduce the use of chemicals, keep our soils healthy, and protect biodiversity. These efforts are shaping a smarter, more responsible way of managing the land. While things like field trials and test plots might use up a bit more water or temporarily disrupt normal land use, the long-term result is a healthier environment that supports both nature and our business for years to come.

Short Term

Strengthen R&D capacity with a focus on product innovation (e.g. specialty teas, low-residue cultivars), and expand third-party collaborations to bring global expertise into local contexts.

Medium Term

Leverage the HRIS Oracle Cloud System and in-house data analytics to enhance decision-making, performance monitoring and innovation across estates and factories.

Long Term

Position TTE as a knowledge hub in the global tea industry by combining cutting-edge research, sustainable certifications and digital transformation to drive product leadership and industry influence.



Future Roadmap

