

**FMU MANAGEMENT PLAN
(Amendment II)**

2023 - 2027

LALAN RUBBERS (PRIVATE) LIMITED

09th November 2025

1. INTRODUCTION

This is the amendment II for the FMU Management Plan (FMU MP) 2023 – 2027. The main objective of this amendment is to declare the Oil Palm extent managed under each sub FMU. Oil Palm extents will be managed as a separate management unit and long term commitment to FSC™ (FSC- C101709) Principals and Criteria will not be compromised.

The company has made the above decision as we have no intention to market Palm Oil or any other product made out of Oil Palm as FSC™ certified products. All other crops i.e Rubber, Tea, Cinnamon, Coconut and Timber will be remained in the scope of sub FMUs.

Further the company has increased the total extent declared under conservation. According to the extent statement, we have declared 903.69 Ha under conservation.

Moreover, one policy have been amended and the details of which are given in chapter 6.

2. EXTENTS UNDER OIL PALM

The following extents are managed under Oil Palm as of the date of this amendment.

Group	Estate	Division	Total Extent (Ha)
Mahaoya	Mahaoya	Mahaoya	48.41
		Ernen	-
		Glassel	6.36
	Woodend	Woodend	25.93
		Yogama	32.57
		Udayogama	-
		Rangegama	8.13
		Nugahena	-
		Talapitiya	15.51
	Densworth	Densworth	36.18
Group Total			173.09
Sapumalkande	Sapumalkande	Walpola	46.41
		SAP Upper	46.35
		Clunes Upper	26.98
		Clunes Lower	19.28
		Galahitikande	35.72
		Nursery	7.81
	Reucastle	Reucastle	19.86
		Digala Upper	23.50
		Digala Lower	24.27
		Nahelma	42.92
		Deloluwa	-
	Illuktanna	Illuktanna	5.92
		Udaheenkande	-

Group Total			299.02
Udabage	Udabage	Upper	14.34
		Middle	
		Lower	65.18
		Riverside	-
	Eila	Malhasna	-
		Eila	-
		Avington	-
	Udapola	Udapola	2.14
		Yatapola	3.22
		Manikkande	48.09
		Mawaththenna	-
Group Total			132.97
Company Total			605.08

Table1. Oil Palm extent details

3. SCOPE OF THE FOREST MANAGEMENT PLAN

Given below the summary of extents.

Group	Total Extent (Ha)	Conservation Area (Ha)	Line gardens (Ha)	Oil Palm (Ha)	Extent in the Scope (Ha)
Mahaoya	2,006.00	232.57	16.43	173.09	1,816.48
Miyanawita	972.51	291.71	NA	NA	812.01
Pitiakande	1,727.20	165.15	1.65	NA	1,725.55
Sapumalkande	2,042.80	128.16	287.72	299.02	1,456.06
Udabage	1,985.25	86.10	97.92	132.97	1,754.36
Company	8,733.76	903.69	403.72	605.08	7,564.46

Table 2. Scope of the FMP

Thereby the extent of the FMU will be 7,564.46 Ha. Extent under conservation as a % of total extent under the scope is 11.95%.

4. HARVESTING, REPLANTING, PEST AND DISEASE MANAGEMENT AND OTHER MANAGEMENT PRACTICES

Harvesting, replanting and other management practices will be undertaken within the FMU with compliance to FSC Principals and Criteria. Agronomical practices are adopted as per the recommendations of the relevant research institutes. The management will take actions to eliminate green washing whenever possible.

5. PREVENTION OF CONTAMINATION OF FSC WITH NON FSC PRODUCTS

Since we are excluding whole Oil Palm area from the scope the risk of contamination with FSC and Non FSC is zero. We will not market/sell Palm Oil or any product made out of Oil Palm as FSC certified products. Please refer LRAD Policy No. 21 for further details.

6. NEW ADDITIONS AND AMENDMENTS TO THE POLICIES OF LALAN AGRI DIVISION

Following policies have been amended

Policy No.	Summary of amendments made
Policy No 11 – Protected Forest Policy	Total conservation extents updated to 903.69ha. Hunting, trapping, fishing and illicit cutting of trees to be monitored.

7. COMPLIANCE WITH LAWS

The Agri Division of Lalan demonstrates compliance with the following national acts, ordinances, gazettes, and international laws.

Acts & Ordinances

1. Legal rights to harvest

- Land Development Ordinance
- State Lands Ordinance
- State Landmarks Ordinance
- Definition of Boundaries Ordinances
- State Lands Encroachments Ordinance
- Agrarian Service Act No 58 of 1979
- Human Rights Commission of Sri Lanka Act, No 21 of 1996
- Forest Ordinance
- Inland Revenue (Regulation of Amnesty) Act
- Paddy Lands Act
- Land Reform (Amendment) in 1975
- Mahaweli Authority Act No 23 of 1979
- Land Settlement Ordinance (Cap 463)
- Land Acquisition Act No 9 of 1950
- Registration of Titles Act in 1998

2. Management and harvesting planning

- National Forest Policy of Sri Lanka - 1995
- Forest Ordinance
- Felling of Trees (Control) Act No 9 of 1951
- National Environment Act No 47 of 1980

3. Harvesting permits

- Felling of Trees (Control) Act No 9 of 1951
- National Forest Policy of Sri Lanka - 1995
- Forest Ordinance
- National Environment Act No 47 of 1980

4. Taxes and fees

- Forest Ordinance (on stumpage charge)
- Value Added Tax Act, No 14 of 2002
- Sales Tax Act
- Profits Tax (Special Provisions) Act, No. 36 of 1964
- Inland Revenue (Regulation of Amnesty) Act

5. Timber harvesting activities

- Forest Ordinance
- National Forest Policy of Sri Lanka - 1995
- Fauna and Flora Protection Ordinance (Cap 469)
- National Environmental Regulations under the National Environmental Act
- Convention on Biological Diversity

6. Protected sites and species

- National Environment Act No 47 of 1980
- Fauna and Flora Protection Ordinance (Cap 469)
- Animals Act No 29 of 1958
- Control of Pesticides Act No 33 of 1980
- Fertilizer Act No 21 of 1961
- National Heritage Wilderness Areas Act No 3 of 1988

7. Health and safety

- Human Rights Commission of Sri Lanka Act, No 21 of 1996
- Employment's Federation of Ceylon Guidelines on labour, health and safety
- Annual Collective Agreements signed by each plantation sector
- Factories Ordinance, 1942
- Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87)
- Minimum Age Convention, 1973 (No. 138)
- Worst Forms of Child Labour Convention, 1999 (No. 182)

8. Legal employment

- Employees Provident Fund Act No. 15 of 1958
- Employees Provident Fund (Special Provisions) Act
- Employees Trust Fund Act No. 46 of 1980
- Employees Trust Fund (Special Provisions) Act
- Payment of Gratuity Act No. 12 of 1983
- Wages Board Ordinance
- Allowances to Plantation Workers Act No 72 of 1981
- Trade Union Ordinance
- Industrial Disputes Act

9. Third parties' rights

- Forest Ordinance
- Land Development Ordinance (Cap 464)
- Registration of Titles Act in 1998
- Fauna and Flora Protection Ordinance (Cap 469)

10. Trade and transport

- Forest Ordinance

Gazettes

1. Taxes and fees

- Extraordinary Gazette No. 1303/17 dated 28-08-2013

2. Timber harvesting activities

- Gazette Extraordinary No. 772/22 dated 24 June 1993

3. Trade and transport

- Gazette No. 1762/1 dated 11-06-2012 on Timber Transport.
- Environmental Ministry Circular No. 17/96 dated 06-12-1996 with amendments on transportation.

Advisory Circulars

1. Taxes and fees

- Ministry Circular No. 17/96 dated 06-12-1996

2. Rubber Research Institute of Sri Lanka

3. Coconut Research Institute

4. Coconut Development Authority

5. Department of Cinnamon Development

6. Tea Research Institute

7. Forest Department

8. Fruit Research and Development Institute

8. MONITORING AND ASSESSMENT

Company has strengthened its monitoring mechanism through various means. Such as weekly reviews at the head office from the top management level to the muster meetings at the field level. Further, with the introduction of iHarvest online field level performance monitoring platform the monitoring has been further improved. Also we are monitoring FSC and other activities through various whatsapp groups where we can get real time updates. Summary of which are given below

1. Accidents/Workman Compensation

The **Pitiakande Group** reported a total of six accidents from January to October 2025. Three claims have been processed, while the remaining three are still pending. Employees involved in these accidents had a short medical leave of 3–4 days, but some employees failed to submit the required medical documents despite multiple reminders. **Miyanawita Group** experienced a higher number of accidents, with 20 incidents reported during the same period.

Seven accidents resulted in compensation payments totaling Rs. 45,581, and 107 days of leave were granted. However, the settlement of claims for seven other accidents remains incomplete. In **Udabage Group**, there were 19 accidents, leading to an overall loss of 109 man-days and compensation payments of Rs. 99,600. Finally, the **Mahaoya Group** recorded 22 accidents, with compensation amounting to Rs. 102,500 and 133 days of full leave granted to the affected employees. Settlement for the remaining claims is still ongoing. In all groups, accidents were promptly attended to, and corrective measures were discussed to prevent future incidents

2. Cultivation PSPs

Monitoring of Permanent Sampling Plots (PSPs) is a regular activity across all the estates. **Pitiakande Group** has 25 PSP plots, where field officers monitor the plots twice a month, tracking the progress of various crops and identifying any unusual activities. In **Miyanawita Group**, seven PSP plots are closely monitored across different estates. The reports document wildlife sightings such as the purple-faced leaf monkey and Sri Lankan giant squirrel. **Udabage Group** manages 14 PSPs, with monitoring focusing on forest regeneration, wildlife activity, and plant species growth. Observations have confirmed a healthy environment within these plots. **Mahaoya Group** has 20 PSP plots, where a range of wildlife, including monkeys and mongoose, has been recorded. The monitoring of these plots helps ensure that environmental and biodiversity conditions remain stable across all groups, with action taken when any harmful activities are detected, such as the removal of invasive species like *Alstonia*.

3. Conservation Areas

Conservation efforts across the estates involve protecting designated areas from human interference and ensuring the preservation of biodiversity. The **Pitiakande Group** has 165.15 hectares of conservation areas, which are regularly monitored by estate staff and local villagers. If unusual activities are observed, they report them to the Head of Division. Similarly, **Miyanawita Group** manages 291.71 hectares of conservation land, with field officers and watchers maintaining close surveillance to ensure the area's protection. **Udabage Group** has 86.10 hectares of conservation areas, which remain ecologically stable, as indicated by the frequent sightings of wildlife such as black eagles and purple-faced langurs. In **Mahaoya Group**, the conservation areas total 232.57 hectares, and awareness is raised through the installation of notice boards. The monitoring of these areas helps maintain biodiversity and mitigates any potential threats to these protected zones.

4. HCV (High Conservation Value) Areas

Each estate in the groups has identified High Conservation Value (HCV) areas, which are vital for preserving both biodiversity and ecosystem services. **Pitiakande Group** has six HCV plots, and their monitoring is done regularly to track environmental changes and biodiversity. In **Miyanawita Group**, three HCV areas are closely monitored for any unusual events or environmental changes. The group has placed notice boards to raise awareness of these areas. **Udabage Group** identified 27 HCV areas spread across various estates. Monitoring of these areas continues without significant changes, and wildlife like porcupines and bats has been recorded. **Mahaoya Group** has 16 HCV areas, and these are also regularly monitored. The presence of wildlife such as wild boar and peacocks confirms the healthy condition of these areas, while ongoing conservation efforts continue to protect these high-value zones.

5. Stakeholder Meeting Records

Stakeholder engagement is a crucial component of the monitoring and assessment process across the estates. In **Pitiakande Group**, three stakeholder meetings were conducted in 2025. The discussions centered on tree removal, the planting of native species like Kumbuk trees, and addressing the problem of garbage disposal along roadsides. **Miyanawita Group** held a stakeholder meeting in November, focusing on safety measures, environmental concerns, and educational support initiatives for local children. **Udabage Group** held consultations with stakeholders in October and November 2025, where the community expressed appreciation for the estate's efforts in environmental management and safety. **Mahaoya Group** also held a stakeholder meeting in October, addressing concerns like illegal alcohol use and initiatives to improve community health, such as dengue prevention and supporting education for children. The stakeholders have shown continuous support for the ongoing efforts to improve the estates and their surrounding communities.

6. Monitoring of Impacts on Soil and Water

Monitoring the impacts on soil and water quality is a priority across all estates. **Pitiakande Group** conducts regular assessments, but no significant environmental impacts have been identified. Similarly, **Miyanawita Group** and **Udabage Group** report no significant impacts on soil or water quality during the monitoring period, thanks to effective conservation practices. In **Mahaoya Group**, soil and water have not been adversely affected, and the conservation practices in place have helped minimize erosion and maintain water quality. All groups continue to focus on maintaining sustainable land management practices to ensure the health of the ecosystem.

7. Use of PPEs

The use of Personal Protective Equipment (PPE) is rigorously monitored across all estates. **Pitiakande Group** ensures that PPE is used according to specific tasks, with awareness programs held regularly. In **Miyanawita Group**, PPE use is monitored through checklists, and corrective actions are taken if any lapses are observed. **Udabage Group** reports high compliance with PPE guidelines, with action taken in cases of non-compliance. **Mahaoya Group** also prioritizes PPE usage and conducts awareness programs to reinforce the importance of safety gear. However, some incidents of non-compliance were reported, particularly in **Udabage Group**, where workers were bitten by snakes while not wearing PPE. Corrective actions such as warning letters were issued, and further training was conducted.

8. Grievances and Complaints

Each group maintains a grievance record system to address employee and community concerns. In **Pitiakande Group**, grievances are documented in a blue diary, with prompt actions taken to resolve issues. **Miyanawita Group** maintains a public relations book to track grievances, and timely responses are given to the complainants. **Udabage Group** also uses a public relations book to record and address concerns immediately, ensuring transparent and responsive management. **Mahaoya Group** similarly addresses grievances swiftly, ensuring that all concerns, whether from employees or external stakeholders, are resolved in a timely manner.

9. Biodiversity

Biodiversity monitoring is a key aspect of the sustainable management practices across all estates. **Pitiakande Group** continuously monitors plant and animal species, recording special findings and ensuring that conservation efforts are followed. **Miyanawita Group** has conducted a comprehensive biodiversity assessment, identifying various fauna and flora and ensuring ongoing monitoring. **Udabage Group** reports stable biodiversity, with regular sightings of various species such as freshwater fish, purple-faced langurs, and birds. In **Mahaoya Group**, biodiversity monitoring continues with the identification of key species and habitats, with awareness training provided to staff and villagers. Overall, all estates prioritize the protection of biodiversity, ensuring that the flora and fauna in the areas are not only protected but also thriving.

9. HIGH CONSERVATION VALUES (HCV)

Following fauna which was identified as HCVs earlier now have been excluded from the list due to the reasons appended below. Further details can be provided upon request.

Name of HCV identified earlier	Reason for exclusion
Rusty spotted cat at Sapumalkande Upper Division	No observations have been made in last few years and also Prof Dewaka Weerakoon also recommended to reconsider.

In addition to the above, we continue to monitor over 60 High Conservation Value (HCV) areas across all 15 of our estates. Based on monitoring records from the past year, there have been no significant changes or notable concerns regarding these HCVs. We remain committed to protecting and enhancing the ecosystem services of these areas whenever possible, with active participation from stakeholders. For example, we have initiated the planting of native species in the HCV area of the Asamanakande Division.

10. DISPUTE RESOLUTION

Dispute resolution follows the principles outlined in Policy No. 03: Common Practices Policy, emphasizing the open-door approach and stakeholder engagement for resolving grievances and requests. The policy acknowledges the significance of customary practices and seeks to integrate them with formal mechanisms for improved management and record-keeping.

Dispute Resolution Process

- **Open-Door Communication:**

All employees and community members have unrestricted access to managers and staff to raise grievances or requests for resolution without barriers. We have displayed the contact details of our Director as well as plantation executives in prominent places in estates.

- **Steps for Handling Disputes:**

1. **Receipt of Complaint:**

- Grievances or disputes must be acknowledged upon receipt.
- The complainant is requested to provide the details of the dispute in writing.

2. **Preliminary Review:**

- The executive or relevant staff evaluates the issue and determines the necessary steps for resolution.

3. **Resolution Process:**

- Steps are undertaken to resolve the issue in line with applicable laws, policies, and customary practices.
- Where necessary, consultations with legal advisors, competent authority or higher management are initiated.

4. **Outcome Documentation:**

- Resolutions or outcomes are recorded, including any agreements or actions taken to resolve the issue.

5. **Follow-Up:**

- Periodic reviews are conducted to ensure implementation of the resolution and satisfaction of stakeholders.

- Monitoring and Evaluation

Stakeholder engagement

Ensure that the dispute resolution process adheres to both legal and customary requirements while integrating stakeholder feedback. Foster proactive engagement with employees and community members through regular stakeholder meetings, which have proven highly effective in addressing concerns early and preventing potential disputes.

11. ENVIRONMENTAL IMPACT ASSESSMENT

This chapter is added as an addendum to the Chapter 05 of the FMU Management Plan 2023–27. The pre harvesting assessment form/ after harvesting form has been developed to assess potential environmental impacts arising from plantation management activities. This process identifies potential environmental risks associated with such activities, assesses their impacts, and proposes mitigation measures. Furthermore, it prioritizes environmental parameters based on their scale, frequency, and cumulative impact, ensuring the protection of conservation areas, High Conservation Values (HCVs), community safety, and critical environmental components.

Scope

This Environmental Impact Assessment (EIA) applies to activities with potential environmental impacts across plantation estates and their neighboring areas. It establishes guidelines for monitoring and decision-making to minimize risks to the environment and surrounding communities.

Parameters considered in the pre harvesting form

The pre harvesting assessment/ after harvesting assessment includes the following components to ensure comprehensive coverage of potential environmental impacts:

1. **Powerlines and public roads**
 - Management activities near powerlines and public roads pose risks to public safety and infrastructure. These areas are critical for monitoring to prevent accidents and ensure safe operations.
2. **Areas where people are frequently present**
 - Proximity to residential areas, schools, workplaces, or other habitations requires careful planning to mitigate risks from heavy machinery and operations, protecting community safety.
3. **Slope gradients above 23 Degrees (45%)**
 - Steep slopes are prone to soil erosion and instability, particularly in landslide-prone areas. Monitoring and preventive measures are prioritized to prevent environmental degradation.
4. **Natural streams (seasonal and perennial) and natural springs**
 - Surface water sources, vital for biodiversity and community needs, are monitored to prevent contamination from siltation, debris, and other disturbances during operations.
5. **High Conservation Values (HCVs) and conservation forest areas**
 - Rare and endangered species of flora and fauna, along with critical conservation forests, are identified and protected during all management activities to maintain biodiversity.
6. **Landslide prone and potential landslide areas**
 - Activities near areas with landslide risks are carefully managed to avoid triggering or exacerbating such events. Soil stabilization and erosion control methods are implemented where necessary.
7. **Rare plants and rare fauna**
 - Special care is taken to preserve habitats with rare or endangered species by implementing buffer zones and avoiding disruption of sensitive ecosystems.

Exclusions and justifications

The following factors have not been included in detail in the pre harvesting form/ after harvesting form. Their exclusion is based on their negligible or isolated nature and supported by regular monitoring and stakeholder consultations.

1. **Noise Pollution**
 - Noise generated from machinery such as brush cutters, chainsaws, backhoes, boom trucks, and timber transport lorries is temporary, site-specific, and limited to sparsely populated areas.

- Given the limited amount of such activities (one site across 500–1000 ha), the cumulative impact of noise pollution is considered insignificant.
2. **Effluents (Emissions from Vehicles)**
 - Emissions from vehicles and machinery during site-disturbing activities are minimal due to the limited number of vehicles and machines in use.
 - Regular maintenance ensures compliance with environmental guidelines, further reducing emissions to negligible levels.
 3. **Oil spills**
 - Oil spills from vehicles and machinery are rare and localized. Routine maintenance and proper handling of equipment minimize such risks.
 4. **Waste generation**
 - Any waste generated during management activities, such as plant debris or equipment residue, is biodegradable or safely disposed of using established procedures. And also non degradable waste to be disposed safely by the contractors.
 - This reduces the risk of long-term environmental impact to negligible levels.
 5. **Temporary soil compaction**
 - Machinery use may temporarily compact soil in specific areas. However, this is mitigated through established soil conservation practices post-activity, ensuring no long-term impact.

Mitigation measures and monitoring

While certain factors are excluded due to their negligible impacts, the estate undertakes several proactive measures to ensure sustainability.

1. **Regular Monitoring**
 - HCVs, conservation areas, and critical environmental components are regularly monitored to assess potential impacts from plantation management activities.
2. **Biodiversity and Impact Assessments**
 - Periodic assessments (every five years) are conducted on biodiversity, soil and water quality, and social impacts, in collaboration with leading universities and environmental professionals in Sri Lanka.
 - These assessments consistently indicate no significant negative impacts from plantation activities.
3. **Stakeholder Consultations**
 - Regular consultations with local communities, governmental agencies, and stakeholders ensure transparency and incorporate feedback into management plans.
 - These consultations have not raised significant concerns about environmental impacts, further validating the exclusion of isolated or negligible factors.

13. PUBLICLY AVAILABLE INFORMATION

Details of monitoring aspects and other relevant information required under FSC™ (FSC-C101709) principals and criteria will be available for interested parties upon request.