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Ver 17 May 2023

Ecosystem Restoration Verification

Report for:

Horana Plantations PLC

in

Central and Western Province, Sri Lanka

Report Finalised:	26th March 2024
Audit Dates:	16-17th January 2024
Audit Team:	Nicholas Fong Vui Chik (Lead Auditor) Eranda Lakmal Mateo Cariño Fraisse
Certificate issue/expiry:	2nd April 2024 / 1st April 2029
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INTRODUCTION

This report presents the findings of an independent audit conducted by a team of specialists representing Preferred by Nature. The purpose of the audit was to evaluate the ecological, economic and social performance of Horana Plantations PLC restoration initiative as defined by the established Ecosystem Restoration Standard Version 3.1 by Preferred by Nature.

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EXECUTIVE SUMMARY

Project description

Under an agreement made on January 18, 2023, between Hayleys and the Wildlife and Nature Protection Society's PLANT program, Horana Plantations PLC started a project called REGROW. There are two sites under the project, which includes Maskeliya Oya Basin Ecosystem Restoration Project and the Halwathura Estate Ecosystem Restoration Project. The former aims to build a forest path along the banks of the Maskeli-Oya River. This path goes through Hayleys' plantations and shows how both groups are dedicated to protecting the environment and nature. The proposed action plan is anchored in the legal frameworks of Section 49, 50, 55, 101 of the State Lands Ordinance No 8 of 1947, and the Fauna and Flora Protection Ordinance No. 02 of 1937. The Horana Plantations PLC approach is threefold:

1. **Minimum Reservation Boundary**: Establishing a minimum of 10 meters on each side of the waterway as a reservation boundary for reforestation, marking this boundary visibly for project clarity.
2. **Buffer Extension**: In areas without adjacent tea or crop plantation, extending the buffer to 15 meters on either side, encompassing the reforestation strip.
3. **Existing Forest Coverage**: Retaining any existing forest coverage wider than 15 meters as part of the project buffer.

Additionally, plans include identifying and marking neglected land patches for reforestation, addressing occupied corridor sections, and initiating parallel reforestation work at two-kilometre intervals. The project envisages a collaborative effort between Hayleys and PLANT, with the latter taking the lead in coordinating on-the-ground activities, sourcing plant saplings suitable for montane environments, and funding initial labour costs. Hayleys contributes by overseeing plant nurturing and setting up a plant nursery. Community involvement, particularly through awareness programs for neighbouring schools, is spearheaded by the WNPS Youth Wing and the PLANT team in partnership with Hayleys. These programs focus on biodiversity awareness and birding insights, further fostering community engagement in the project.

Preferred by Nature is a non-profit organisation that for almost 30 years has worked to support better land management and business practices that benefit people, nature and the climate. With the rising relevance and actions towards restoration initiatives, there is increasing need from funders, investors or other stakeholders seeking to monitor the progress. Verification against the Standard allows project managers to communicate about the efforts and demonstrate resources are invested in the right direction, taking into account the social and environmental conditions of the restoration areas. Preferred by Nature has thus conducted a field audit to evaluate the ecological, economic, and social performance of **Forest corridor creation for the Maskeli-Oya Banks** restoration initiative in the Central Province (Sri Lanka) and Halwathura Estate natural regeneration area as defined by the established Ecosystem Restoration Standard vs. 3.1.

The field audit lasted for 2 days, preceded by a stakeholder consultation process that continued throughout the audit as well. The methodology consisted in triangulating the verification of existing files with the various Horana Plantations PLC responsible staff, interviews with stakeholders and beneficiaries, and the field visit observations. With no major specific stakeholder concerns having being raised, the sites were sampled based mainly on the type of management, the degradation drivers, the size, and the age of the plantations. Two sites were selected: Halwathura and Maskeliya.

The main issues identified to be dealt with by Horana Plantations PLC are:

1. Lack of evidence of longer-term resources (5 and 20 years) to implement the Restoration Plan.
2. Lack of broader indicators in reference to the target, objectives and goals. At the moment, it only covers tree survival and mortality rate.
3. Baseline information on biodiversity is available but not integrated into the restoration plan. The metrics need to be thoroughly considered.
4. Clarity on the resources for implementation of the Monitoring Plan over a 5-year period.

Project scale and risk

The scale and risk of the project defines how frequent desk and field audits must be performed during the 5-year duration of the verification.

Scale and risk	Justification
☐ Small	
☒ Medium	The area under the scope of audit is 155 hectares.
☐ Large	
Comments: NA	

1 AUDIT CONCLUSIONS

1.1 Audit Recommendation and Decision

Based on Organisation's conformance with the requirements, the following recommendation is made:

☒	Verification approved: Upon acceptance of NCR(s) issued below
☐	Verification not approved: Conformance with MAJOR NCR(s) required

Additional comments, including issues identified as controversial or hard to evaluate and explanation of the conclusion reached: NA

1.2 Non-conformity Reports (NCRs)

Note: NCRs refer to non-fulfilment of a requirement. In simpler terms this means that some part of the standard has not been correctly fulfilled and need to be corrected in order to maintain the verified/validated status.

☐ **No NCR(s) issued**

NCR: 01/24	**Minor**
Standard & Requirement:	Preferred by Nature Ecosystem Restoration Standard vs. 3.1, 1.5.6
Report Section:	Annex I
Description of Non-conformance and Related Evidence:	
The review of the restoration plan revealed that only a one-year budget has been provided, with no long-term financial resources allocated. The Restoration Manager (RM) explained that the budget for the restoration project is developed annually. However, this approach lacks clear documentation to prove the availability of sufficient financial resources for the duration of the restoration project, which is scheduled to end in 2040.	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.

Timeline for Conformance:	By next surveillance audit
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	**OPEN**
Comments (optional):	

NCR: 02/24	**Minor**
Standard & Requirement:	Preferred by Nature Ecosystem Restoration Standard vs. 3.1, 1.6
Report Section:	Annex I
Description of Non-conformance and Related Evidence:	
The restoration plan by HP outlines the broad strategies for the restoration techniques to be used. It identifies the Afforestation method for the Maskeliya Oya restoration project and the natural regeneration method for the Halwathura Estate restoration project. Although the plan provides a basic understanding of the approaches, it lacks specific operational details, such as the timing, tools used, and the specifics of planting techniques like hole size and depth. During the field audit, evidence of these two methods was observed, but further documentation detailing the step-by-step execution would enhance the plan's usefulness for understanding how the project's aims are to be achieved and for assessing the technical and field performance more thoroughly.	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	By next surveillance audit
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	**OPEN**
Comments (optional):	

NCR: 03/24	**Minor**
Standard & Requirement:	Preferred by Nature Ecosystem Restoration Standard vs. 3.1, 4.1
Report Section:	Annex I

Description of Non-conformance and Related Evidence:	
Field monitoring occurs on monthly basis based on records provided. However, it is very limited to the monitoring of survival and mortality of trees that have been planted. The monitoring does not include the other goal and objectives as described in the restoration plan. The restoration plan and the monitoring plan have outlined a set of target such described for example water quality and erosion control (see 4.3.1). However, the expected outcomes were not monitored in line with the restoration plan.	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	By next surveillance audit
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	**OPEN**
Comments (optional):	

NCR: 04/24	Minor
Standard & Requirement:	Preferred by Nature Ecosystem Restoration Standard vs. 3.1, 4.3.1
Report Section:	Annex I
Description of Non-conformance and Related Evidence:	
The interview with the RM revealed that the monitoring indicators are limited to the: • Type of Plants • Plants Count • Girth of the plant • Height of the Plant • Plant Condition It appears that the project does not monitor the threat or degradation drivers, for example, invasive species although it was described in the restoration plan. Additionally, during the same interview, soil analysis has been undertaken to understand the quality of the soil where planting will take place. However, no further monitoring of the said indicator. On top of that, water quality is determined as one of the main goals and indicators on that are not part of the plan nor monitored.	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as

	the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	By next surveillance audit
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	**OPEN**
Comments (optional):	

NCR: 05/24	**Minor**
Standard & Requirement:	Preferred by Nature Ecosystem Restoration Standard vs. 3.1, 4.4
Report Section:	Annex I
Description of Non-conformance and Related Evidence:	
Based on the interview with the RM and the review of the restoration plan, the budget was prepared on annual basis. The Restoration Plan outlined a long terms strategy up until 2040 to restore the area under the scope of this verification. However, no evidence of resources for monitoring exists for longer term including the long-term budget for the implementation of the restoration project.	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	By next surveillance audit
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	**OPEN**
Comments (optional):	

NCR: 06/24	**Minor**
Standard & Requirement:	Preferred by Nature Ecosystem Restoration Standard vs. 3.1, 4.6.1
Report Section:	Annex I

Description of Non-conformance and Related Evidence:	
Monitoring is conducted based on a limited indicators across various activities and impacts, rather than being systematically implemented to improve the achievement of the restoration's targets, goals, and objectives. This indicator is closely linked to Indicator 4.3.1. Hence, a minor non-conformance is issued in this regard.	
Corrective action request:	Organisation shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	By next surveillance audit
Evidence Provided by Organisation:	PENDING
Findings for Evaluation of Evidence:	PENDING
NCR Status:	**OPEN**
Comments (optional):	

1.3 Observations

Note: Observations are issued for the early stages of a problem which does not of itself constitute a non-conformance, but which the auditor considers may lead to a future non-conformance if not addressed by the organisation; observations may lead to direct non-conformances if not addressed.

☐ **No observation(s) issued**

OBS: 01/24	**Standard & Requirement:**	Preferred by Nature Ecosystem Restoration Standard vs. 3.1, 1.4.8
	Report Section	Annex I
Description of findings leading to observation:	During the field audit, one reference site was evaluated: 1) the Peak Wilderness Sanctuary. A visit to the Peak Wilderness Sanctuary revealed that the forest is well-preserved and legally protected. HP collaborates with the Forest Department of Sri Lanka for periodic seed collection, enhancing species diversity in the project area. WNPS confirmed their recommendation of both	

	sites to HP as exemplary models for the project. No reference site was identified for the restoration area at Halwathura Estate. Despite this, the presence of mature trees and young seedlings in the natural regeneration area was observed. The Restoration Manager (RM) reported that human intervention has been minimal, primarily aimed at controlling invasive species. Due to the absence of a reference site, the project has adopted the natural regeneration method for the restoration at Halwathura Estate.
Observation:	The Organisation should identify natural reference site for Halwathura site, which is currently undergoing natural regeneration.

OBS: 02/24	**Standard & Requirement:**	Preferred by Nature Ecosystem Restoration Standard vs. 3.1, 1.5.8
	Report Section	Annex I
Description of findings leading to observation:	The Restoration Manager (RM) explained that various funding grants and donations opportunities are available for ecosystem restoration projects. However, securing these funds and managing budgets can be challenging. In response, HP is actively exploring ways to enhance the effectiveness and efficiency of their existing restoration projects. Strategies like participating in carbon markets and promoting ecotourism are being considered to generate revenue and support future restoration efforts. The restoration plan includes a mitigation strategy that emphasizes securing reliable funding sources and preparing for potential cost overruns.	
Observation:	The Organisation should ensure that the cost of carrying out restoration align with the restoration plan and cost projection.	

OBS: 03/24	**Standard & Requirement:**	Preferred by Nature Ecosystem Restoration Standard vs. 3.1, 2.4.1
	Report Section	Annex I
Description of findings leading to observation:	A comprehensive list of stakeholders was provided for the audit. Interviews were conducted by the audit team with a diverse group of stakeholders, including representatives from the women's group, a school principal, a pastor, a local politician's representative, and the workers' union. These stakeholders reported that HP had conducted an engagement session with their groups to brief them about the restoration project at its inception. The project is in the early stages of the	

	implementation and furthermore, during the celebration of International Mountain Day, representatives from each group were invited to participate in a tree-planting event alongside HP. Photographic evidence of this event was presented during the interviews. There is a dispute resolution mechanism developed by HP (see 2.5.1), however, it was observed that not all interviewed stakeholders were aware of this process. Consequently, it is recommended that HP conduct specific outreach sessions to ensure stakeholders are informed about the grievance process and understand how to submit complaints.
Observation:	The Organisation should conduct a targeted outreach session especially with the local communities on the procedure for filing complaints.

OBS: 04/24	**Standard & Requirement:**	Preferred by Nature Ecosystem Restoration Standard vs. 3.1, 4.5
	Report Section	Annex I
Description of findings leading to observation:	The monitoring results were thoroughly reviewed and found to align with the monitoring plan, executed on a monthly basis. It was observed that the results are meticulously documented in a manner that ensures accuracy and reliability. Moreover, these documents are systematically organized and readily available, facilitating easy access for both management and verifiers. This organizational approach enhances the ability of managers to make informed decisions based on the monitoring data and supports verifiers in their evaluation process. The transparency and accessibility of the monitoring results underscore the project's commitment to maintaining high standards of documentation and verification, thereby contributing to the overall effectiveness of the restoration efforts. However, more comprehensive list of indicators (see 4.3.1) is needed to be recorded in line with the goal and objective of the restoration project including addressing the degradation drivers.	
Observation:	The Organisation should record the monitoring result as comprehensive as possible following the requirement of 4.3.1.	

1.4 Stakeholder consultation

The purpose of the stakeholder consultation strategy is threefold:

1. To ensure that the public is aware of and informed about the assessment process and its objectives;
2. To assist the field assessment team in identifying potential issues; and,
3. To provide diverse opportunities for the public to discuss and act upon the findings of the assessment.

This process goes beyond mere stakeholder notification; it aims for detailed and meaningful interaction to the greatest extent possible. The stakeholder interaction process does not conclude after field visits or even after a certification decision has been made. Preferred by Nature actively welcomes comments on verified projects at any time, as these often contribute to the basis of field assessments.

The majority of the meetings were held on-site particularly at the restoration sites.

Stakeholder Type (NGO, government bodies, local inhabitant, contractor etc.)	Stakeholders Notified (#)¶	Stakeholders consulted directly or provided input (#)
National/International NGOs		
Local/Regional NGOs	1	1
Local Community members	1	3
Government Agency	1	1
Labor Union	1	1
Certified Companies		

The table below summarises the issues identified by the assessment team with a brief discussion of each based upon specific interview and/or public meeting comments.

Note: Preferred by Nature audit teams must keep a separate record of stakeholder comments which is provided to the task manager.

1: Planning	
Stakeholder comment	**Preferred by Nature response**
NA	
2: Tenure, Rights & Engagement	
Stakeholder comment	**Preferred by Nature response**

We are not sure of how the dispute resolution mechanism works although we know that such process exist.	The dispute resolution was provided for but more outreach session for stakeholders are needed indeed as per the audit team interviews, in particular in conection with the mechanism. OBS 03/24
3: Implementation	
Stakeholder comment	**Preferred by Nature response**
4: Monitoring and Reporting	
Stakeholder comment	**Preferred by Nature response**
NA	

1.5 Actions taken by Organisation Prior to Report Finalisation

NA

2 AUDIT PROCESS

2.1 Standard Used

Standards Used (including version):	Ecosystem Restoration Standard – A Social and Environmental Standard for Field Verification of Restoration Initiatives version 3.1

2.2 Audit Team and accompanying persons

Name	Role and qualifications
Nicholas Fong Vui Chik (Lead Auditor)	Nicholas is the Lead Auditor for Ecosystem Restoration based in Sabah, Malaysia. He brings over fifteen years of experience in environmental consultancy services, with expertise in environmental impact, social impact, and site assessment studies, as well as auditing and monitoring of air, noise, and water quality assessments across Sabah. Since 2010, he has held various positions at WWF Malaysia, focusing on Land Use and Landscapes. Currently, Nicholas's work is centred around the Strategy and Innovation Division's Ecosystem Restoration Programme in Asia and Southeast Asia. His responsibilities encompass overseeing the technical aspects of Ecosystem Restoration verification assessments, including auditing, quality control, and client relations. He plays a pivotal role in conducting field audits against the Ecosystem Restoration Standard and in advancing the spatial analysis of restoration projects through Geographic Information Systems (GIS). Additionally, Nicholas contributes to the design and execution of restoration training programs, delivering education and resources to both Preferred by Nature staff and external stakeholders as needed. He is proficient in both English and Malay.
Eranda Lakmal (Local Expert)	Eranda Lakmal is a local expert and he is an experienced agriculture sector executive with a proven track record of success in managing & implementing organic, social & sustainable certification requirements in large-scale agriculture companies utilizing skills and expertise to contribute to the growth and success of the company. He has a Bachelors (Hons) in Agriculture. He is an agriculture executive with over 8 years of experience in Coconut, Herbs & Spices and other agricultural crops. Eranda served as an Internal Control System manager in a reputed Organic spices export company in Sri Lanka. Possess extensive knowledge in Rainforest Alliance, Fairtrade trader & SPO, Organic (EU, USDA-NOP, Naturland), FSCCoC, Carbon Footprint, Quality Assurance and Sustainable agriculture. Eranda focuses as auditor (including the on-site visits or remote planning and evaluation, and report writing for appointed clients of Preferred by Nature's agriculture related certification and verification), quality reviewer, and task managing

	of Preferred by Nature's agriculture related certification and verification including but not limited for Rainforest Alliance, Global G.A.P, Union for Ethical BioTrade (UEBT), FSC CoC, Sustainability Framework Programme (SFP) and Sustainable Rice Platform (SRP).
Mateo Cariño Fraisse (Reviewer)	Report Reviewer. The expert has over 20 years' experience in forestry, ecosystem services, stakeholder engagement, social issues, ecosystem restoration, training, and certification in Europe, Africa, and America, and Asia. Mateo speaks Spanish, French, English, and Portuguese, and is currently responsible for the PbN Ecosystem Restoration Programe.

2.3 Audit Overview

Note: The table below provides an overview of the audit scope and auditors. See standard checklist annex for specific details on people interviewed and audit findings per site audited.

Site(s)	Date(s)	Main activities	Auditor(s)
Halwathura Estate Office	15.02.2024	Opening Meeting and Interview with RM and stakeholders.	Nicholas Fong Eranda Lakmal
Halwathura Restoration Area (Low Country)	15.02.2024	Visit natural regeneration area. Check for evidence of natural regeneration e.g. mother trees and wildings	Nicholas Fong Eranda Lakmal
Gouravilla Estate Office	16.02.2024	Interview with workers and stakeholders	Nicholas Fong Eranda Lakmal
Peak Wilderness Sanctuary	16.02.2024	Field verification of the native reference site	Nicholas Fong Eranda Lakmal
Fairlawn Estate	16.02.2024	Field verification of the restoration area in Maskeliya Oya	Nicholas Fong Eranda Lakmal
Total number of person days used: 5 (including days spent in travel and report writing and review)			

2.4 Description of Overall Audit Process

2.4.1 List of sites selected for evaluation

Site	Rationale for Selection
Halwathura Natural Regeneration Area	Field verification with RM to verify if the ecosystem is recovering well on its own, without human intervention. Interview with local communities, religious leader, political leader representative, religious leader, school principal, women's group leader, school principal and workers.
Gouravilla Estate Office	Interview with local communities, Workers Union representative and workers.
Peak Wildness Sanctuary	Field verification with WNPS and RM to verify the reference ecosystem that is connected to the restoration within the Fairlawn Estate
Fairlawn Estate	Field verification with WNPS and RM to verify the riparian restoration with natural trees

2.4.2 List of management aspects reviewed by assessment team

Example

Type of site	Sites visited	Type of site	Sites visited
Road construction		Illegal settlement	
Soil drainage		Bridges/stream crossing	
Workshop		Chemical storage	
Tree nursery		Wetland	
Planned harvest site		Steep slope/erosion	
Ongoing harvest site		Riparian zone	1
Completed logging		Planting	
Soil scarification		Direct seeding	
Planting site	2	Weed control	
Felling by harvester		Natural regeneration	1
Felling by forest worker		Endangered species	
Skidding/Forwarding		Wildlife management	
Clearfelling/Clearcut		Nature Reserve	
Shelterwood management		Key Biotope	

Selective felling		Special management area	
Sanitation cutting		Historical site	
Pre-commercial thinning		Recreational site	
Commercial thinning		Buffer zone	
Logging camp		Local community	1
Native reference sites	1	Permanent Monitoring Plot	1

3 ORGANISATION DETAILS

3.1 Organisation specific background information

Ownership and land tenure description (legal and customary)
The Horana Plantations PLC (HP) operates on the land leased by the Government of Sri Lanka for a period of 53 years. The total area covered in the certificate is 155 hectares covering two geographical areas Central and Western provinces of Sri Lanka. Previously the land was owned by public corporations of government owned business, e.g., Sri Lanka States Plantation Corporation. In 1992, the management rights have been transferred to Horana Plantations PLC through a government gazette, including all movable property, books accounts and documents, contracts and agreement, liabilities, and all current assets.
Legislative and government regulatory context
Rules/ Law that applies to companies operating in Sri Lanka: Land Acquisition: Land Acquisition Act, 1950: Outlines legal framework for acquiring land for public purposes, including agriculture. State Lands Ordinance, 1949: Governs management and allocation of state-owned land, often used for agriculture. Land Reform Act, 1972: Aims for equitable land distribution and prevents excessive concentration impacting agricultural practices. Environment and Forest: National Environmental Policy, 2022: Sets framework for environmental protection and sustainable development in agriculture. National Environment Action Plan 2022-2030: Provides specific strategies for environmental protection and resource management in agriculture. Soil Conservation Act, 1951: Promotes sustainable land management practices to prevent soil erosion in agriculture. Forestry Ordinance No. 16 of 1988: Regulates forest resource use and management, impacting land use for agriculture and deforestation. National Forestry Policy (1995): (Partially updated in 2018) Guides sustainable forest management impacting agriculture. National Policy on Wild Life Conservation (2000): (Partially updated in 2016) Aims to conserve wildlife impacting agricultural practices. National Invasive Alien Species (IAS) Policy (2016): Regulates invasive species potentially impacting agriculture. Workers' Wages and Rights: Shop and Office Employees Act, 2003: Sets minimum wage standards for some agricultural workers (excluding family farms). Wages Boards Ordinance, 1941: Establishes boards to determine minimum wages for specific agricultural sectors.

Employees' Provident Fund Act, 1958: Provides social security benefits for some agricultural workers.

Fauna and Flora Protection:

Fauna and Flora Protection Ordinance, 1937 (as amended): Protects wildlife and regulates activities impacting agriculture.

Environmental Context

Horana Plantations (HP), like many plantation companies in Sri Lanka, operates within a complex environmental context that is shaped by various factors. Central to this context is the conservation of biodiversity. This involves initiatives to preserve and enhance the natural flora and fauna in and around the plantation areas, ensuring that agricultural practices harmonize with the local ecosystems. The company likely emphasizes sustainable agricultural practices, incorporating eco-friendly methods in tea, rubber, and other crop cultivation. These practices aim to minimize the environmental footprint, focusing on the health and sustainability of the land and resources used.

Water management is also a key aspect, with practices aimed at conservatively using and protecting water resources. This is crucial in maintaining the balance of local ecosystems and ensuring the long-term viability of the plantations. Soil conservation is another important factor, involving measures to prevent soil erosion and maintain soil health, thereby securing the foundation of successful agriculture. Additionally, addressing the carbon footprint and climate change is vital. Initiatives in this area might include efforts to reduce greenhouse gas emissions and adapt to the impacts of climate change. Lastly, community engagement in environmental stewardship is often a focus, involving local communities in conservation efforts and promoting environmental awareness. This holistic approach not only ensures the sustainability of the plantations but also contributes to the broader goal of environmental conservation.

Project REGROW is situated in two geographical areas: the Central Province and the Western Province of Sri Lanka. Accordingly, Horana Plantations PLC has initiated two sub-projects under the umbrella of Project REGROW – these are the Maskeliya Oya Basin Ecosystem Restoration Project and the Halwathura Estate Ecosystem Restoration Project. Particularly for Maskeliya Oya restoration project, it aimed to provide connectivity to the Peak Wilderness Sanctuary. The sanctuary boasts significant biological and ecological importance due to its largely intact forest, which spans an elevation range from 700m to 1500m.

Socioeconomic Context

Tea cultivation, a key aspect of Sri Lanka's history since the 19th century, has greatly shaped the nation's socio-economic landscape. Originally developed by British colonizers, tea plantations transformed both the environment and the economy, becoming a pivotal component of Sri Lanka's GDP and exports. The Central Highlands' tea plantations are significant employment sources, mainly employing descendants of Indian Tamils brought over by the British. These workers often reside in estate-provided housing and face challenges like limited access to education and healthcare. Despite some reforms, issues such as low wages, labor rights concerns, and poor living conditions are prevalent.
As one of Sri Lanka's primary exports, tea is crucial to its economy. However, the sector faces challenges like volatile global prices, climate change effects, and the need for sustainable cultivation practices. The tea industry's transformation has been deeply interwoven with Sri Lankan society and culture, with plantations becoming synonymous with

the country's identity. Recent shifts towards sustainable and ethical production are notable, focusing on Fair Trade and eco-friendly practices. These changes aim to address longstanding issues related to workers' rights and environmental sustainability, marking a significant evolution in the sector.
The estate community of HP plays a crucial role in the life cycle of the restoration project. Their involvement not only builds support and brings valuable traditional knowledge but also fosters a sense of ownership among them. However, there are challenges, as the community's priorities may differ due to their economic conditions. Living under the poverty line often leads to a preference for land development over restoration, as the former is perceived to offer more immediate income benefits.

3.2 General overview of the organisation and scope

The Horana Plantations PLC (HP) operates on the land leased by the Government of Sri Lanka for a period of 53 years. The total area managed by HP is approximately 6,519 hectares 14 estates), primarily in the Central and Western provinces of Sri Lanka. However, only 155 hectares (restoration area) are under the scope of this audit. The main agricultural crops include tea, rubber, oil palm, coconut apart from forestry activities. HP currently holds the following certifications:

- ISO 22000:2018 FSMS (Food Safety Management Systems) for six Tea processing Centers
- ISO 9001:2015 Quality Management Systems for two sole crepe Rubber processing Centers
- Forest Stewardship Council certification
- Fair Rubber certification
- Rainforest Alliance certification
- Ethical Tea Partnership certification
- Fair Trade certification
- ISO 14001: 2015 Environmental Management Systems
- ISO 45001: 2018 Occupational Health and Safety Management Systems
- Eco Labelling
- Mother and Child – Friendly Workplace
- Climate Neutral Certificate
- GHG Inventory verification
- Gold status in the climate neutral now initiative by the UNFCCC