CERTIFICATION REPORT

Alliance for Water Stewardship (AWS)

Audit Number: AO-001760

SITE DETAILS

Site: **BAT Sri Lanka - Green Leaf Threshing Plant, Kandy**
Address: Dutugamunu Mawatha, Mawilmada, 20000, Kandy, SRI LANKA
Contact Person: Dimuthu Tharanga
AWS Reference Number: AWS-000474
Site Structure: Single Site

CERTIFICATION DETAILS

Certification status: Certified Core
Date of certification decision: 2025-Dec-31
Validity of certificate: 2028-Dec-30

AUDIT DETAILS

Audited Service(s): AWS Standard v2.0 (2019)
Audit Type(s): Re-Certification Audit
Audit Start Date: 2025-Sep-29
Audit End Date: 2025-Oct-01
Lead Auditor: Akhlaq Hussain

Site Participants:
Mr. Dimuthu Tharanga, Engineering Site Services and Sustainability Manager (ESSS)
Mr. Chitharanga,, Sustainability Manager
Mr. Damith Baduraliyage, Head of Leaf
Mr. Rasika Abeyselcera, GLTP Manager
Mr. Chittranga Edirisooriya, Agronomy & Sustainability Manager
Mr. Avishlau Aluhakoon, EHS Filed Officer

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ADDITIONAL INFO

Summary of Audit Findings: During this recertification audit, 6 non-conformities and 4 observation were identified.

The client is requested to submit a root cause analysis and corrective actions for each of the non-conformities to WSAS within 7 days of receiving the audit report, by 13 November 2025.

The non-conformities must be resolved within 90 days of the completion of the audit. Due to the Christmas break, this due date is extended to 08 January 2026. To meet this deadline, evidence must be submitted to WSAS by 24 December 2025.

The audit team recommends recertification of BAT Sri Lanka - Green Leaf Threshing Plant, Kandy, at the Core level, pending closure of the non-conformities.

Scope of Assessment: The scope of services covers the re-certification audit for assessing conformity of BAT Sri Lanka - Green Leaf Threshing Plant, Kandy against the AWS International Water Stewardship Standard Version 2.

Green leaf threshing plant is located in the central province of the country about 120 km away from the capital city of Colombo. The GLTP Site in Kandy is located towards North of the Kandy City Centre and bordering the Mahaweli River which is the longest river in Sri Lanka. Facility structures include a plant building, office block, raw material and finished goods warehouses, bulk storage area, manufacturing units, guard room, waste yard, truck shed, and a rainwater pond. The site manufactures, stores, and ships consumer healthcare products.

The workforce totals 101 employees, comprising approximately 80% male and 20% female staff
The audit was conducted onsite on 29th ~30th Sep to 1st Oct. 2025.

The site visit included the assessment of Water supply network (on site); water treatment system (ETP), Drinking Water locations used by the staff & WASH, facilities, Tobacco & Chemical stores and Water-related infrastructure on the site as part of the audit:

FINDINGS

NUMBER OF FINDINGS PER LEVEL

Observation	4
Non-Conformity	6

FINDING DETAILS

Finding No:	TNR-020408
Checklist Item No:	1.2.1
Status:	Closed
Finding level:	Non-Conformity
Due date:	2026-Jan-08
Checklist item:	Stakeholders and their water-related challenges shall be identified. The process used for stakeholder identification shall be identified. This process shall: - Inclusively cover all relevant stakeholder groups including vulnerable, women, minority, and Indigenous people; - Consider the physical scope identified, including stakeholders, representative of the site's ultimate water source and ultimate receiving water body or bodies; - Provide evidence of stakeholder consultation on water-related interests and challenges; - Note that the ability and/or willingness of stakeholders to participate may vary across the relevant stakeholder groups; - Identify the degree of stakeholder engagement based on their level of interest and influence.
Findings:	The site has shared general information on water challenges and stakeholder engagement. Although all identified stakeholders were engaged between August 2024 and August 2025, there is no progress tracking (e.g., number and type of stakeholders, timelines, and outcomes). In addition, the listed water challenges do not clearly specify whether they relate to the immediate water body or the ultimate receiving water body, which is important under AWS Standard to demonstrate alignment between site-level actions and catchment-level outcomes.
Corrective action:	Mention in the water challenges whether they apply to the immediate water body or the ultimate receiving body. Create a tracker to schedule and monitor the progress in conducting the stakeholder meetings.
Evidence of implementation:	The files attached shows the stakeholder engagement schedule and the shared water challenges mentioning where the challenge relates to the intake or the final point of discharge

Finding No:	TNR-020409
Checklist Item No:	1.5.4
Status:	Closed
Finding level:	Non-Conformity
Due date:	2026-Jan-08
Checklist item:	Water quality, including physical, chemical, and biological status, of the catchment shall be identified, and where possible, quantified. Where there is a water-related challenge that would be a threat to good water quality status for people or environment, an indication of annual, and where appropriate, seasonal, high and low variances shall be identified.
Findings:	The site has provided research-based information on water quality; however, it does not include an assessment of how flooding and rainfall common in the area impact local communities and the environment.
Corrective action:	Analyze the trends in water quality variation during times of flood.
Evidence of implementation:	The file attached shows how the water quality at Mahaweli river varies seasonally based on 2 researches and based on recent testing data from NWSDB. While there is slight changes in the tubidity and color there is no other significant changes.

Finding No:	TNR-021544
Checklist Item No:	1.5.4
Status:	Open
Finding level:	Observation
Checklist item:	Water quality, including physical, chemical, and biological status, of the catchment shall be identified, and where possible, quantified. Where there is a water-related challenge that would be a threat to good water quality status for people or environment, an indication of annual, and where appropriate, seasonal, high and low variances shall be identified.
Findings:	The site would also benefit from establishing a baseline for ongoing water quality monitoring to support long-term evaluation and understanding of trends within the catchment.
Corrective action:	Select a period and set the water quality level during that period as the baseline. Then review the variation of quality against that period.

Finding No:	TNR-020422
Checklist Item No:	1.7.2
Status:	Closed
Finding level:	Non-Conformity
Due date:	2026-Jan-08
Checklist item:	Water-related opportunities shall be identified, including how the site may participate, assessment and prioritization of potential savings, and business opportunities.
Findings:	The site has identified and prioritized water-related opportunities; however, the submission lacks clear information on potential water savings and associated business opportunities. As a result, it does not fully meet the AWS requirement for a comprehensive evaluation of identified opportunities to guide decision-making and maximize water stewardship benefits.
Corrective action:	Mention the savings for the planned projects.
Evidence of implementation:	The file attached show the evaluation of the cost and revenue generated from the AWS projects. The revenue generation is only from the projects done internally specifically forcusing on sustainable water balance where we can reduce the water withdrawn.

Finding No:	TNR-020411
Checklist Item No:	2.1.1
Status:	Open
Finding level:	Observation
Checklist item:	A signed and publicly disclosed site statement OR organizational document shall be identified. The statement or document shall include the following commitments: - That the site will implement and disclose progress on water stewardship program(s) to achieve improvements in AWS water stewardship outcomes - That the site implementation will be aligned to and in support of existing catchment sustainability plans - That the site's stakeholders will be engaged in an open and transparent way - That the site will allocate resources to implement the Standard.
Findings:	The site has a well-defined AWS commitment that is signed and displayed onsite; however, it has not been translated into the local language. This may limit employees' understanding and awareness. Translating the commitment would improve accessibility and support broader engagement with AWS principles.
Corrective action:	Translate the AWS policy to Sinhala and display at a location at the site.

Finding No:	TNR-020412
Checklist Item No:	2.3.2
Status:	Closed
Finding level:	Non-Conformity
Due date:	2026-Jan-08
Checklist item:	A water stewardship plan shall be identified, including for each target: - How it will be measured and monitored - Actions to achieve and maintain (or exceed) it - Planned timeframes to achieve it - Financial budgets allocated for actions - Positions of persons responsible for actions and achieving targets - Where available, note the link between each target and the achievement of best practice to help address shared water challenges and the AWS outcomes.
Findings:	The site's AWS plan currently includes water quality measures that meet legal obligations, which is a baseline; however, it does not establish targets that go beyond these minimum requirements. Defining more stringent water quality targets would demonstrate proactive leadership, strengthen contributions to shared water benefits, and reduce risks to the catchment. Additionally, the site has not established targets for indirect water use into its AWS plan, where relevant.
Corrective action:	Set targets for waste water discharge that is more stringent than the legal requirements and include it in the AWS plan. Mention in the AWS plan the target for percentage reduction of indirect water.
Evidence of implementation:	We have updated and attached herewith the AWS masterplan reflecting the targets for water withdrawn reduction (8% reduction) and for water discharge quality (5% better than the legal requirement)

Finding No:	TNR-020414
Checklist Item No:	3.4.1
Status:	Closed
Finding level:	Non-Conformity
Due date:	2026-Jan-08
Checklist item:	Status of progress towards meeting water quality targets set in the water stewardship plan shall be identified.
Findings:	The site has not established water quality targets within its AWS plan that go beyond legal requirements. Setting more ambitious targets would demonstrate leadership in water stewardship, support continual improvement, and enhance contributions to shared water outcomes in the catchment.
Corrective action:	Set targets for waste water discharge that is more stringent than the legal requirements and include it in the AWS plan.
Evidence of implementation:	The AWS plan has been updated reflecting the more stringent waste water discharge targets for 5% better than the legal requirement

Finding No:	TNR-020415
Checklist Item No:	3.4.2
Status:	Open
Finding level:	Observation
Checklist item:	Where water quality is a shared water challenge, continual improvement to achieve best practice for the site's effluent shall be identified and where applicable, quantified.
Findings:	Current water quality in the catchment indicates chemical, physical, and biological contamination concerns, with parameters such as Nitrate, Iron, Turbidity, and E-Coli exceeding Central Environmental Authority (CEA) standards. The site's AWS plan does not define stricter water quality testing parameters for effective monitoring and reference.
Corrective action:	Set targets for waste water discharge that is more stringent than the legal requirements and include it in the AWS plan.

Finding No:	TNR-021546
Checklist Item No:	3.7.1
Status:	Open
Finding level:	Observation
Checklist item:	Evidence that indirect water use targets set in the water stewardship plan, as applicable, have been met shall be quantified.
Findings:	The facility has established targets with its indirect water-use stakeholders (suppliers and service providers); however, these targets have not been incorporated into the AWS plan.
Corrective action:	Mention in the AWS plan the target for percentage reduction of indirect water.

Finding No:	TNR-020418
Checklist Item No:	3.9.3
Status:	Closed
Finding level:	Non-Conformity
Due date:	2026-Jan-08
Checklist item:	Actions towards achieving best practice, related to targets in terms of water quality shall be implemented.
Findings:	The site has not integrated water quality limits into its AWS plan that goes beyond minimum regulatory requirements. Meeting minimum legal requirements is a baseline.
Corrective action:	Set targets for waste water discharge that is more stringent than the legal requirements and include it in the AWS plan.
Evidence of implementation:	The AWS plan has been updated incorporating clearly more stringent waste water discharge quality targets of 5% better than the legal requirement

Report Details

Report	Value
Report prepared by	Akhlaq Hussain
Report approved by	Gregorio Crespo
Report approved on (Date)	30/10/2025

Surveillance

Proposed date for next audit
2026-Sep-29

Comment The next proposed surveillance audit would be on 29/09/2026

Stakeholder Announcements

Date of publication	Location
10/09/2025	Company Website
31/07/2025	WSAS Website
31/07/2025	AWS Website

Comment The stakeholder announcement was published on the websites of Ceylon Tobacco Company, AWS, and WSAS eight weeks prior to the audit. This ensured sufficient notice and transparency for all relevant parties. https://www.ceylontobaccocompany.com/content/dam/endmarkets/lk/en/download/sustainability-and-responsibility/Public_Stakeholder_Announcement_-_CTC_GLTP_site.pdf

Catchment Information

Catchment Information

Green leaf threshing plant is located in the central province of the country about 120 km away from the capital city of Colombo. The GLTP Site in Kandy is located towards North of the Kandy City Centre and bordering the Mahaweli River which is the longest river in Sri Lanka. Site consist of three physically separate but adjacent boundaries.

- Boundaries of plant and office
- Boundaries of Morawetiya WH
- Boundaries of Pranagantota WH

Site water is sourced from Kandy Municipal Council, which takes water from Mahaweli River (Polgolla Upper Stream). Based on its water source site identified its catchment as Polgolla Catchment. As the water source is Mahaweli River, the relevant catchment is Mahaweli River Catchment as identified on the site's certificate.

Water Sources: The water consumption at site can be divided into two main categories as process water and cleaning & hygiene water.

Water Discharge: All the process related water discharged is treated in ETP and a portion of treated water discharged from ETP is recycled and reused at site for gardening activities and for flushing in washrooms. Other portion is discharged to ground water. The water used for cleaning and hygiene related activities were earlier directly discharged to underground pits. [This has now been discontinued, site is now collecting this water in underground tanks, which will be later handed over to government approved service provider for an approved disposal].

Stormwater is discharged out from the site through the separate drain system. The discharged storm water from site to the drain finally ends up in the catchment surface water of Mahaweli River through five discharge points.

Catchment Area

1.) Water shortages are very rare in the catchment area.

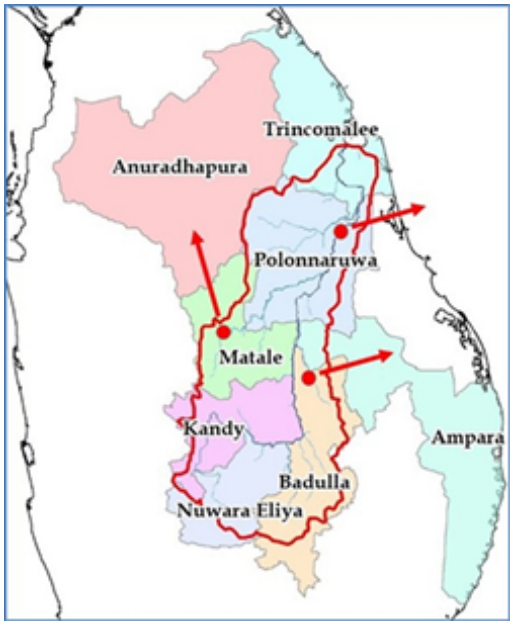
2.) The areas close to the river and the areas downstream is prone to flooding but the upstream areas and the areas close to the site are not.

3.) The areas close to the river are under reservations from the Mahaweli authority. There is also the Knuckles conservation forest in the upper basin, the flood plains national park which is a wetland sanctuary along the Mahaweli river.

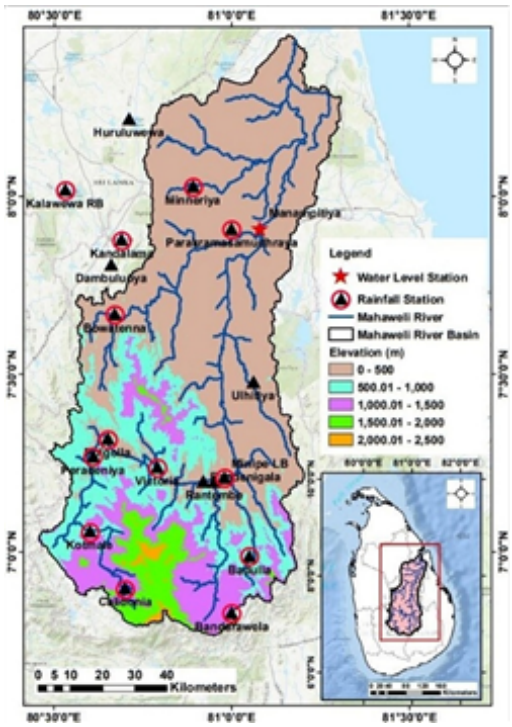
4.) Yes, there is the Polgolla barrage which diverts water from Mahaweli river to Kala Oya Basin for irrigation and hydro power and the ongoing North Central Provincial Canal Project to transfer water to the dry zones in Central, North Central and Northwestern Provinces.

5.) The upper catchment lies in the tropical wet zone and the lower catchment in the tropical dry zone.

6.) The catchment supports agriculture, hydropower, domestic and urban supply, industries and forest and eco systems. The main uses are for agriculture and hydropower.



Catchment-1.jpg



Catchment-2.jpg

Catchment.jpg

Client Description and Site Details

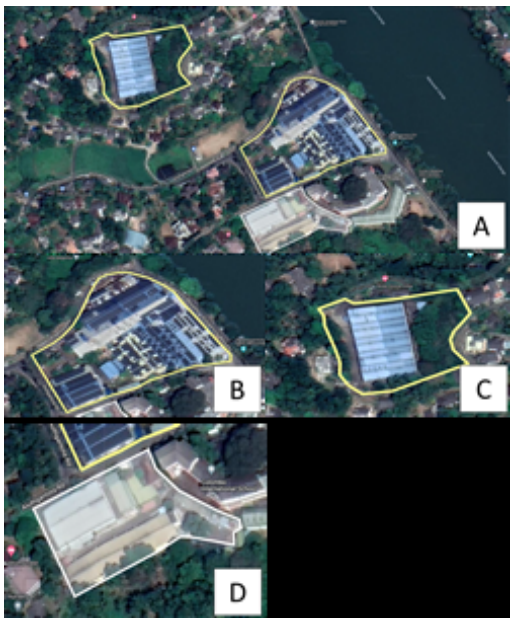
Client/Site Background

Green leaf threshing plant is located in the central province of the country about 120 km away from the capital city of Colombo. The GLTP Site in Kandy is located towards North of the Kandy City Centre and bordering the Mahaweli River which is the longest river in Sri Lanka. Site consists of three physically separate but adjacent boundaries.

- Boundaries of plant and office
- Boundaries of Morawetiya WH
- Boundaries of Pranagantota WH

Facility structures include a plant building, office block, raw material and finished goods warehouses, bulk storage area, manufacturing units, guard room, waste yard, truck shed, and a rainwater pond. The site manufactures, stores, and ships consumer healthcare products.

The workforce totals 101 employees, comprising approximately 80% male and 20% female staff



Site Boundary.png

	Summary of Shared Water Challenges

Summary of Shared Water Challenges

The site has proactively identified and engaged key stakeholders across the catchment to collaboratively assess and address shared water-related challenges. Through consultations with local communities, government authorities, and industry representatives, several pressing issues were identified. These include increasing climate-related risks such as flooding due to extreme weather and reservoir overflow, as well as drought and water scarcity affecting both domestic and agricultural needs. Stakeholders also expressed concern over surface and industrial water pollution caused by improper waste disposal and inadequate treatment of effluents.

Other challenges highlighted include sedimentation, riverbank encroachment, inadequate sewage and wastewater management systems, rising water demand and supply costs, and poor quality or limited access to safe drinking water and WASH facilities. Furthermore, weak governance, limited public awareness, fragmented coordination among authorities, and insufficient emergency response capabilities were raised as significant barriers to effective water resource management. These issues collectively contribute to public health risks, degraded ecosystems, and reduced water availability for livelihood and agricultural activities within the catchment.

0.0.1	Water Source & Discharge Locations	
0.01	*Have any water source or discharge locations been visited during the audit, if so, which and where? If none were visited, please provide justification.*	Yes
Comment	During Audit, auditor has visited Mehawali River, which is a main water source as well as Mehwali authority and NWSDB water treatment facility.	

1	STEP 1: GATHER AND UNDERSTAND

1.1 *Gather information to define the site's physical scope for water stewardship purposes, including: its operational boundaries; the water sources from which the site draws; the locations to which the site returns its discharges; and the catchment(s) that the site affect(s) and upon which it is reliant.*

1.1.1 *The physical scope of the site shall be mapped, considering the regulatory landscape and zone of stakeholder interests, including:*
- Site boundaries;
- Water-related infrastructure, including piping network, owned or managed by the site or its parent organization;
- Any water sources providing water to the site that are owned or managed by the site or its parent organization;
- Water service provider (if applicable) and its ultimate water source;
- Discharge points and waste water service provider (if applicable) and ultimate receiving water body or bodies;
- Catchment(s) that the site affect(s) and is reliant upon for water.

Yes

Comment

The water source is Mahaweli River, the relevant catchment is Mahaweli River Catchment, see attached physical scoping document.
Green leaf threshing plant is located in the central province of the country about 120 km away from the capital city of Colombo. The GLTP Site in Kandy is located towards North of the Kandy City Centre and bordering the Mahaweli River which is the longest river in Sri Lanka.
Site consist of three physically separate but adjacent boundaries;
- Boundaries of plant and office
- Boundaries of Morawetiya WH
- Boundaries of Pranagantota WH

Water Sources: The water consumption at site can be divided into two main categories as process water and cleaning & hygiene water.
Water Discharge: All the process related water discharged is treated in ETP and a portion of treated water discharged from ETP is recycled and reused at site for gardening activities and for flushing in washrooms. Other portion is discharged to ground water. The water used for cleaning and hygiene related activities are now being collected in the underground tanks, which will be later handed over to government approved service providers for an approved disposal.
STORM WATER DISCHARGE: Stormwater is discharged out from the site through the separate drain system. The discharged storm water from site to the drain finally ends up in the catchment surface water of Mahaweli River through five discharge points. See attached pictures for:
- Ultimate Receiving Body of Site's Storm Water Discharge
- Site water source mapping
- Site storm water discharge (network)
- Site boundaries.

The site layout mentioned the inlet flow, outlet flow, & septic tank, physical layout and storage tank.

1.2 *Understand relevant stakeholders, their water related challenges, and the site's ability to influence beyond its boundaries.*

1.2.1	*Stakeholders and their water-related challenges shall be identified. The process used for stakeholder identification shall be identified. This process shall:* *- Inclusively cover all relevant stakeholder groups including vulnerable, women, minority, and Indigenous people;* *- Consider the physical scope identified, including stakeholders, representative of the site's ultimate water source and ultimate receiving water body or bodies;* *- Provide evidence of stakeholder consultation on water-related interests and challenges;* *- Note that the ability and/or willingness of stakeholders to participate may vary across the relevant stakeholder groups;* *- Identify the degree of stakeholder engagement based on their level of interest and influence.*	✓ closed
Comment	The site has established and documented a process for stakeholder identification and prioritization, and has effectively identified relevant stakeholders. These include water governance and regulatory authorities, local community representatives, industrial entities, and educational institutions, among others. The active stakeholder list includes: • Sri Lanka Mahaweli Authority • Sri Lanka Water Supply & Drainage Board • Kandy Municipal Council • Central Environment Authority • Divisional Secretariat – Gangawata Koralaya • Divisional Secretariat – Akurana • Divisional Secretariat – Patha Dumbara • Environmental Police • Other members of the local community The shared water challenges identified within the catchment area are as follows: 1. Surface water pollution and contamination resulting from inadequate infrastructure and sewage discharge. 2. Industrial pollution due to the release of insufficiently treated effluent and other contaminants. 3. Poor waste management practices and irresponsible behavior such as garbage dumping, driven by limited awareness of pollution impacts. 4. Illegal encroachment along the riverbank, deforestation, and soil erosion leading to ecosystem degradation. 5. Accidental spills, including hazardous substances, from industrial activities in the catchment. 6. Groundwater contamination from various pollutants. 7. Rising industrial water demand, potentially reducing water availability for community livelihoods. 8. Increasing cost of water. 9. Inadequate water supply infrastructure. 10. Poor quality of supplied water. The site engaged all identified stakeholders between August 2024 and August 2025 and shared general water-related information; however, there is no systematic process to monitor or document these engagements or clearly distinguish whether the identified water challenges pertain to the immediate or ultimate receiving water body, as required under the AWS Standard. ***Finding No: TNR-020408***	
1.2.2	*Current and potential degree of influence between site and stakeholder shall be identified, within the catchment and considering the site's ultimate water source and ultimate receiving water body for wastewater.*	✓ Yes

Comment

The site has established a systematic process for identifying and prioritizing stakeholders based on their level of interest and influence. Engagement priorities are determined by assessing each stakeholder's capacity to influence outcomes and their degree of involvement in water-related matters. The documented procedure outlines how stakeholders are classified according to the type of engagement such as partner, consult, involve, or inform and their priority level (low, medium, or high). The stakeholder list also indicates the engagement status, distinguishing between those currently engaged and those planned for future engagement. The process does explicitly consider women, minority groups, or indigenous communities as well. Currently, the site maintains active engagement with key government and community stakeholders, including the Sri Lanka Mahaweli Authority, Sri Lanka Water Supply & Drainage Board, Kandy Municipal Council, Central Environment Authority, Divisional Secretariats of Gangawata Koralaya, Akurana, and Patha Dumbara, the Environmental Police, and members of the local community.

1.3 *Gather water-related data for the site, including: water balance; water quality, Important Water-Related Areas, water governance, WASH; water-related costs, revenues, and shared value creation.*

1.3.1 *Existing water-related incident response plans shall be identified.*

Yes

Comment

The site management has implemented comprehensive incident management procedures and developed a detailed Emergency Response Plan to specifically address undesired water-related incidents and emergencies. As part of this plan, potential water pollution sources have been carefully identified and mapped to enable effective monitoring and swift response. The attached Emergency Preparedness and Response Procedures outline a structured approach to managing various scenarios, including the identification and control of water pollution sources, preparedness for extreme weather conditions such as intense rainfall, and strategies for addressing drought conditions and water shortages.

1.) Spill Response Plan
2.) Waste and Wastewater discharge management procedure
3.) Effluent Treatment Plan Emergency Response plan
4.) Contamination Storm water entered into drain line
5.) Emergency response plan in case of contaminated incoming water and loss of water supply
6.) Emergency response plan in case of waterborne disease outbreak
7.) Emergency response plan in water related emergencies with the person in charge

The plan also incorporates measures to ensure compliance with water-related regulations, resolve violations, and implement corrective actions where required. Furthermore, it includes a robust spill response procedure and spill leakage plan to prevent water contamination, along with a Business Continuity Plan (BCP) to sustain operations during emergencies. Together, these measures demonstrate a proactive and well-structured approach to safeguarding water resources, ensuring regulatory compliance, and upholding environmental integrity.

1.3.2 *Site water balance, including inflows, losses, storage, and outflows shall be identified and mapped*

Yes

Comment

The site has conducted a comprehensive mapping of its entire water infrastructure and installed advanced instrumentation, including water flow meters, throughout its distribution network to accurately monitor and track consumption by specific areas. This system covers all key aspects of water management, including inflows, losses, and outflows, as well as rainwater and stormwater systems, utilities such as boilers, garden irrigation, facility services (offices, canteens, restrooms), and the production block. Through systematic data collection and analysis of these measurements, the site has developed a detailed, data-driven water balance for the year 2024 and for the first half of 2025, covering the period from January to July. Site has also mapped the rainwater harvesting.

1.3.3 *Site water balance, inflows, losses, storage, and outflows, including indication of annual variance in water usage rates, shall be quantified. Where there is a water-related challenge that would be a threat to good water balance for people or environment, an indication of annual high and low variances shall be quantified.*

Yes

Comment

The site has developed a comprehensive water balance that captures all major components of water management, including total inflows, storage, losses, and outflows, while also tracking annual variations in water usage through quantified data. In 2024, total water withdrawal amounted to 8937.7 cubic meters plus recycling and reuse 1365-meter cube, with 7822.3 cubic meters discharged as wastewater.
Some highlights are as follows.
Total raw water from KMC =8937.7 m3/year,
Drinking water from American water supplier= 63.1 m3/year
Total recycled and reuse water= 1365 m3/year
Water use in production= 62.6 m3/year
Water use in Admin Block (Canteen. Kitchen) = 1866 m3/year
Water use in the utility's boiler=697 m3/year
Washrooms = 7399 m3year
Fire hydrant= 60 m3/ year
Water use in gardening=48 m3/year
Total identified gap is 2.29%.

1.3.4 *Water quality of the site's water source(s), provided waters, effluent and receiving water bodies shall be quantified. Where there is a water-related challenge that would be a threat to good water quality status for people or environment, an indication of annual, and where appropriate, seasonal, high and low variances shall be quantified.*

Yes

Comment

The site has developed and implemented a comprehensive Water testing Schedule that covers source water, drinking water, and effluents. Physical, chemical, and biological parameters are regularly monitored to ensure full compliance with CEA-Water Quality Testing Standard Schedule for effluent water, SLS-Sri Lankan Standard for incoming water including drinking water, supported by a clearly defined monitoring schedule. Third-party testing is conducted annually for drinking water and effluent water for full parameter and bi-annual for wastewater discharge on all parameters The most recent third-party monitoring, conducted in September 2025, confirmed compliance with all local standards. Water quality testing data of ultimate receiving body site has gathered from KMC department of August 2025.

1.3.5 *Potential sources of pollution shall be identified and if applicable, mapped, including chemicals used or stored on site.*

Yes

Comment

The site has identified chemicals, lubricants, and fuels as key potential sources of environmental pollution and has implemented robust preventive measures to minimize contamination risks. These measures include the installation of secondary containment systems in all chemical and fuel storage areas, strategic placement of spill control kits, and regular employee training on spill prevention and emergency response procedures. All potential pollution sources are clearly mapped on the site layout to facilitate effective monitoring and rapid incident response. During the site visit, well-maintained secondary containment structures and readily accessible spill control arrangements were observed, confirming the effectiveness of these measures. As shown in water pollution sources onsite, low and medium zones include the Chemical and Solvent Room, designated for potential chemical and solvent releases, and the lubricants, designated for potential oil releases.

1.3.6 *On-site Important Water-Related Areas shall be identified and mapped, including a description of their status including Indigenous cultural values.*

Yes

Comment

The site has re-assessed the onsite IWRA's and analyzed there is no IWRA's as per AWS standard guidance.

1.3.7 *Annual water-related costs, revenues, and a description or quantification of the social, cultural, environmental, or economic water-related value generated by the site shall be identified and used to inform the evaluation of the plan in 4.1.2.*

Yes

Comment: The site has summarized the water related costs for the year 2024 and Jan to July 2025. This includes operation and maintenance of water networks including ETP and, Energy/ Electricity cost, Environmental monitoring, janitorial and cleaning supplies and AWS external projects cost. The site has not generated any water related revenue. The site has mentioned Environmental, Social/ culture, financial and compliance related values. In 2024 the cost of water was 7.8 million LKR without project and in 2025 to 4.7 million and the project's cost till date (2024 to date) 3,8 million internal and external 9.26 million LKR.

1.3.8 *Levels of access and adequacy of WASH at the site shall be identified.*

Yes

Comment: The site has established comprehensive measures to provide safe drinking water, sanitation, and hygiene (WASH) for all employees in accordance with legal requirements and industry best practices. A dedicated self-assessment tool is regularly used to monitor the condition and adequacy of facilities, ensuring continuous compliance. The workplace is equipped with separate male and female toilet facilities aligned with legal ratios, totaling 58 toilets (41 male, 17 female), 28 strategically placed handwashing stations, 45 lockers (30 male, 15 female), and 20 drinking water points with filtration systems to ensure safe and potable water access across the facility.

1.4 *Gather data on the site's indirect water use, including: its primary inputs; the water use embedded in the production of those primary inputs the status of the waters at the origin of the inputs (where they can be identified); and water used in out-sourced water-related services.*

1.4.1 *The embedded water use of primary inputs, including quantity, quality and level of water risk within the site's catchment, shall be identified.*

Yes

Comment: The site has assessed embedded water use within the catchment and identified its main suppliers, farmers and 1 packing material supplier in catchment and use water directly in their products and for potable purposes. Annual water consumption data has been collected from the supplier, whose primary operations are based in 60% are in catchment area and 40% outside the catchment, and 60% draw from a same watershed. Communication has been established with all key suppliers to align them with the AWS agenda. Among the primary suppliers are a farmer, reported consuming approximately 1.5 m3/year in 2024. Packing material supplier (outside the catchment) 25 m3/year of water in 2024 used exclusively for production purposes of the site.

1.4.2 *The embedded water use of outsourced services shall be identified, and where those services originate within the site's catchment, quantified.*

Yes

Comment: The site has assessed embedded water use within the catchment, including through its two outsourced service providers, laundry and transport services, which use water solely for potable and washing purposes. These service providers do not use water in the production of goods or services. Annual water consumption data from both vendors, operating within the same watershed as the site, has been collected. Regular meetings are conducted with the vendors to review water-related practices and align them with the site's sustainability objectives. Based on the shared data, Vendor 1 (laundry services) consumed approximately 287 m^3 of water in 2024, while Vendor 2 (Transport services) used around 92.4 m^3 during the same period.
Tobacco collection centers waste 4818.50 m3 per year (belong to site own activities as centers belong to site)

1.5 *Gather water-related data for the catchment, including water governance, water balance, water quality, Important Water-Related Areas, infrastructure, and WASH*

1.5.1 *Water governance initiatives shall be identified, including catchment plan(s), water-related public policies, major publicly-led initiatives under way, and relevant goals to help inform site of possible opportunities for water stewardship collective action.*

Yes

Comment: The site has identified the key ministries and major institutions responsible for water resource management in Sri Lanka, along with relevant public policies that guide water governance. These include the National Policy, Strategies and Institutional Framework for Water Resources Development, Conservation and Management (2019, updated 2023/25), the National Drinking Water Policy, USAID's Safe, Disaster-Resilient Drinking Water initiative for flood and drought-prone areas, the Water Supply and Sanitation Improvement Project (WaSSIP), and the World Bank's Additional Financing Program to improve water and sanitation services in Sri Lanka.

1.5.2 *Applicable water-related legal and regulatory requirements shall be identified, including legally-defined and/or stakeholder-verified customary water rights.*

Yes

Comment: Site has a defined procedure for Identification of Legal Requirements including those related to water.
The responsibilities of Sustainability manager and Senior Legal Counsel along with ESSS Manager have been defined to identify any instances of non-compliance with legislation, regulations, HSE MS policies, procedures and standards and propose mitigatory and rectification steps to be taken.
The Sustainability manager, Senior Legal Counsel and ESSS Manager ensure that periodic reviews of the database are studied to identify any new applicable requirements. Site mentioned that Water rights include formal rights embodied in official titles, permits, entitlements, and seasonal irrigation schedules, while fewer formal rights are based on customary patterns and rights implicit in social norms and practices.

1.5.3 *The catchment water-balance, and where applicable, scarcity, shall be quantified, including indication of annual, and where appropriate, seasonal, variance.*

Yes

Comment: The site has gathered water related catchment data from Mahaweli department authority and uses different sources to get data related evaporation and ground water infiltration. The water demand numbers are from the KMC & Mahaweli development authority. The study indicates that water extraction in the catchment doesn't exceed natural recharge. Data from the study, combined with available literature, show that the catchment comprises fertile agricultural land irrigated by the Mahaweli river, household and residential use and industrial use. Water consumption for agricultural purposes comprises the major component. Based on the document "Catchment Water Balance variance" the site analyzed both static and dynamic water levels over the months, with supporting reports documenting seasonal variations. In 2024, the assessment revealed that annual water abstraction of 5800 million m³/ year and natural recharge of 28,000 million m³ by means of rainfall, resulting non declining surface water levels. Monthly variance analysis, using precipitation data from the Mahaweli Department Authority & Meteorological department, indicated that annual rain falls pretty much same in 2024 compared to previous years. While CTC operations have minimal impact on the surface water, the catchment overall not experienced a surface water deficit.

1.5.4 *Water quality, including physical, chemical, and biological status, of the catchment shall be identified, and where possible, quantified. Where there is a water-related challenge that would be a threat to good water quality status for people or environment, an indication of annual, and where appropriate, seasonal, high and low variances shall be identified.*

closed

Comment

The water quality is generally good at upstream and deteriorates when going downstream, surface and shallow waters downstream are impacted by industrial effluents. Surface water quality varies, good to marginal from upstream to middle stream and marginal to bad when going downstream. The water quality parameters that are mainly impacted at the downstream areas are Nitrate, Iron E-Coli, and turbidity level. The site conducted a comprehensive water quality assessment across the catchment, compiling test results, reports on water-related challenges, and other relevant references. These findings have been incorporated into the Water Stewardship Action Plan to guide continuous improvement efforts.
Site has mentioned about the following studies conducted by different institutes to analyses the surface water quality of Mahaweli River Basin:
R, 2019, Assessment of Groundwater Quality in CKDu A_ected Areas of Sri Lanka: Implications for Drinking Water Treatment).
-The Water Quality Index (WQI) [20] is used in this study to account for the synergy of individual water quality parameters.
-Determination of water quality status of Pologolla water shed using CCME water quality index
The site has presented research-based water quality information; however, it lacks assessment of the impacts of flooding and rainfall on local communities and the environment and has not established a baseline for ongoing water quality monitoring.

Finding No: TNR-020409
Finding No: TNR-021544

1.5.5 *Important Water-Related Areas shall be identified, and where appropriate, mapped,and their status assessed including any threats to people or the natural environment, using scientific information and through stakeholder engagement.*

Yes

Comment

All Important Water-Related Areas (IWRAs) within the catchment have been identified and mapped through consultations with stakeholders and the local community. Site representatives experts in water resources, assisted the site by conducting field visits and interviewing local residents. A total of 11 IWRAs have been identified, including one on-site, as follows: 1. Mahaweli River Economic related to Social and Community 2. Polgolla Barrage and Reservoir related to Economic, Social and Community 3. Ukuwela Power Station related to Economic, Social and Community 4. Polgolla Ukuwela Tunnel Way related to Economic, Social and Community 5. Warathenna - Hakkinda Environmental Protection Area related to Environment and Social 6. Kandy Meda Ela (Middle Canal) related to Environment and Social 7. Pinga Oya related to Environment and Social 8. Kandy Lake (Nuwara Wewa) related to Environment, Social and Cultural 9. Mahamaya Silt Trap related to Environment and Social 10. Greater Kandy Water Treatment Plant (GKWTP) related to Economic, Social and Community 11. Dunumadalawa Forest Reserve related to Environment and Social 12. Marshy Lands in Polgolla Area - Closer to Mahaweli River related to Environmentally Importance 13. Abandoned wells & boreholes in Paranagantota related to Community Importance 14. Water Ponds in Paranagantota and Nawayalatenna related to Environment and Community 15. Natural Springs in Hanthana Area related to Environment and Community The site has documented each IWRA's description, current status, and potential risks. These areas were identified through consultations with government departments, NGOs, and the local community, considering both environmental and culturally relevant sites. The site actively incorporates IWRAs into its stakeholder engagement efforts, highlighting the importance of their protection. These activities align with the CTC-Kandy site, addressing shared water risks, challenges, and opportunities, and reinforcing the site's commitment to sustainable water management and preservation of critical water resources within the catchment.

1.5.6 *Existing and planned water-related infrastructure shall be identified, including condition and potential exposure to extreme events.*

Yes

Comment

Site has identified the following water-related infrastructure in the catchment:
1. Polgolla Water Treatment Plant -A water treatment plant run by NSWDD
2. Polgolla Barrage -The preserved area of the riverbank
3. Water distribution network-The old pipe system laid across the areas
4. Drain System-Stormwater drains running across the area and sites.
5. Ukuwela Tunnel-Water discharge tunnel from Polgolla reservoir
6. Katugastota Water Treatment Plant-Water treatment plant run by NWSDB. The largest water supplier for Kandy city
7. Gatambe – KMC Water Treatment Plant-Water treatment plant run by KMC. Water supplier to CTC GLTP located area
8. Victoria Dam -An arch dam located upstream of Mahaweli river
9. Kotmale Dam-Second largest hydroelectric dam located at Kotmale Sri Lanka
10. Randenigala & Rantembe Projects-Two major components of the Mahaweli Development Programme in Sri Lanka, involving the construction of two dams, Randenigala and Rantambe, to create reservoirs on the Mahaweli Ganga for hydroelectric power generation and water management
11. Dunumadalawa-Forest Reserve, also known as Wakarawatte or Walker's Estate, is a semi-isolated, mid-country wet zone forest located on the edge of the Hanthana Mountain Range in Kandy, Sri Lanka. It spans approximately 480 hectares and serves as a vital watershed for Kandy's main reservoir.
12. Mahamahaya Slit Trap Sediment control structure located upstream of the Mahamaya stream in Kandy, Sri Lanka, as part of the Strategic Cities Development Project (SCDP). Its primary purpose is to reduce siltation in Kandy Lake
13. Kandy Lake-An artificial lake located in the heart of Kandy, Sri Lanka. is a central feature of Kandy's cultural and spiritual landscape. It plays a vital role in urban ecology, offering aesthetic value, supporting biodiversity, and moderating the local climate.
14. Moragahakanda- Kalu Ganga Project (Phase 2)-This is a project to connect Kalu Ganga with Mahaweli river through a tunnel system and help support irrigation.
15. North Central Province Canal Project -This is a project to construct a canal from Kurunegala area towards Anuradhapura and Trincomalee
16. Digital Mahaweli (GIS & Monitoring)-This is project to help realtime monitor data with regards to the Mahaweli catchment by gathering data from satellites and drones and map it out using GIS to allow future readiness and accurate demand and supply planning.

The site has thoroughly identified both existing and planned water-related infrastructure within the catchment, as documented in the reference "Catchment Water Infrastructure." This includes detailed information on water supply systems, sanitation networks, district development packages, and foreign-funded projects. The site has also collected data on trends and potential extreme events, such as ,water resources face risks from drought, heavy rainfall, infrastructure failures, contamination, and urbanization. Drought reduces supply, affecting households, power, and irrigation, while heavy rainfall raises flood and sedimentation risks. Network blockages can hinder distribution, though maintenance teams are in place. Structural failures may disrupt agriculture and energy, but protection and skilled staff mitigate impacts. Pollution and urban runoff threaten water quality, with safeguards such as alternate pipe systems, lab testing, and silt traps helping control risks. Excess intake can cause overflow, which may be managed through town drainage systems.

Government initiatives to address these risks, including technical training for irrigation staff on flood and stormwater management, have been recognized and integrated into the site's comprehensive Water Stewardship Strategy. Additionally, the site conducted awareness sessions with Mahaweli authority to share insights on water infrastructure and promote collaborative management of catchment resources.

1.5.7 *The adequacy of available WASH services within the catchment shall be identified.*

Yes

Comment

The site has evaluated WASH (Water, Sanitation, and Hygiene) availability in the Mahaweli River catchment using district division data from the Department of Census and Statistics(2024), UNICEF (2019), and national surveys (2020). Divisional Secretariat division districts that are in the catchment area show high access to water sources majority of water is obtained from pipe born water (68%) and wells (21%). With regards to sanitation 99.9% have access to toilet facilities. The site has obtained data from a study by the department of census in 2020, a study by UNICEF from 2016 and from Mahaweli development authority handbook from 2022. The site has also undertaken projects to improve the level of WASH at the catchment such as renovation of washroom facilities at an elder home and construction of washroom facility for a low-income family.

1.6 *Understand current and future shared water challenges in the catchment, by linking the water challenges identified by stakeholders with the site's water challenges.*

1.6.1 *Shared water challenges shall be identified and prioritized from the information gathered.*

Yes

Comment

The site has identified and engaged key stakeholders related to water within the catchment to understand and address shared water-related challenges. Through consultations, local communities, governance bodies and other stakeholders highlighted the following major concerns:
Extreme weather conditions cause reservoir saturation and runoff volume causes flooding over lowlands along the catchment
2 Drought and water scarcity
3 Surface water pollution: Solid & liquid waste disposal to river and connecting water bodies
4 Industrial pollution: Discharge of poorly treated water and other pollutants
5 Sedimentation and sediment export
6 Lack of people awareness, poor human behavior and lack of adherence to governance
7 Unlawful encroachment of riverbank/IWRA
8 Accidental Spills including hazardous material from the industries in the catchment
9 Increasing the water demand for industrial purpose
10 Increasing cost of water supply
11 Lack of access to pipe water and continuous supply
12 Poor quality of drinking water
13 Lack of to access to WASH facilities
14 Sewage discharge management limitations due to limited connectivity and lack of centralized systems
15 Deterioration of catchment infrastructure & exposure to extreme events
16 Lack of connectivity and silo operating model of government water related authorities
17 Poor Management of the IWRAs
18 Lack of capability and arrangements to respond to catchment water related emergencies
19 Water born health issues (kidney diseases)
20 Poor Conditions of the Public WASH facilities
21 Scarcity of water for agricultural lands and farming communities

1.6.2 *Initiatives to address shared water challenges shall be identified.*

Yes

Comment	The Site has implemented a comprehensive Water Stewardship Plan to address shared water challenges within the local catchment. The plan includes a range of initiatives focused on conservation, community engagement, and sustainable water management, such as stakeholder visits to raise awareness on water balance and reduction strategies Several key initiatives have been completed to strengthen water management and community resilience in the catchment. Emergency response planning was established in 2022, followed by measures to address water scarcity such as providing tanks, conserving springs, and constructing wells in Dippitiya and Ganapathiwaththaha (2023–2025). Infrastructure projects included the construction of a barrage, renovation of the floating barrier at Polgolla, removal of silt from Balatota Ela, and installation of monitoring systems for raw water intake. Community-focused actions involved distributing composting bins and plastic collection points, providing water filters, improving sanitation facilities for low-income families, and elderly homes, and supporting RO plants for clean drinking water. Awareness and stakeholder engagement were emphasized through annual meetings, campaigns and women's hygiene programs, World Water Day events, and the placement of awareness boards. Environmental measures such as pond construction for water retention, waste collection, and cleaning campaigns near the Mahaweli River further enhance ecosystem protection. Additionally, legal compliance has been maintained through annual EPA renewals, and the expansion of the ETP facility improved water recycling and reduced withdrawal.

1.7 *Understand the site's water risks and opportunities: Assess and prioritize the water risks and opportunities affecting the site based upon the status of the site, existing risk management plans and/or the issues and future risk trends identified in 1.6.*

1.7.1 *Water risks faced by the site shall be identified, and prioritized, including likelihood and severity of impact within a given timeframe, potential costs and business impact.*

✓ Yes

Comment	Site has identified water related risks and prioritized them on basis of risk, likelihood, consequence and priority matrix and have also considered the time frame in which the risks will be applicable. The following risks are defined as a high, medium and low priority. Water-related risks in the catchment arise across multiple stages of the water cycle. At the extraction stage, challenges include intake contamination, declining regeneration and retention capacity, and vulnerability to extreme weather events such as floods and droughts. In treatment, contaminated water supply is a major concern, while rising water costs also pose economic risks. Excessive site-level water use can trigger complaints, and incoming water may suffer from contamination, low pressure, or spillage. Storage systems face quality deterioration from algae or bacterial growth, contamination, poor hygiene, and water wastage. Distribution risks include leakages, spillage, and clog formation in unclean pipelines. Treatment systems may fail to meet standards due to ETP malfunctioning or leakages. Discharge issues include poorly treated effluent, contaminated stormwater, and sewage releases that threaten surface and groundwater. Drinking water risks involve both contamination and loss of supply. Broader concerns include public health emergencies from waterborne diseases, challenges in onsite water transport, and failure to meet regulatory or WASH compliance requirements.

1.7.2 *Water-related opportunities shall be identified, including how the site may participate, assessment and prioritization of potential savings, and business opportunities.*

✓ closed

Comment

The company has several opportunities to strengthen water stewardship and community trust through collaborative initiatives. Contamination risks can be mitigated by pollution control and public awareness programs, while effective spill prevention and emergency response planning with stakeholders can lower clean-up costs and enhance reputation. Joint efforts in reforestation, catchment protection, and pond restoration can improve groundwater recharge, ecosystem health, and long-term water availability. Sediment control, desilting, and stormwater management projects can reduce flood risks and secure reliable water flow. Diversifying water sources through rainwater harvesting, groundwater recharge, and alternative supply agreements, along with water-use efficiency and waste reduction programs, can ensure uninterrupted supply and reduce dependency. Strengthened ETP maintenance, stormwater reuse, and treated water use for non-potable purposes can minimize environmental liabilities and reduce costs. Collaborations with stakeholders for sewage removal, health authority partnerships for public emergency response, and CSR-funded WASH projects can further protect community health and foster goodwill. Additional initiatives such as tree planting along riverbanks, improved sanitation facilities for vulnerable families, and waste collection measures can prevent erosion, reduce pollution, and support cleaner, healthier catchment communities. The site has identified and prioritized water-related opportunities; however, the submission does not provide sufficient detail on potential water savings or related business benefits, and therefore does not fully meet the AWS requirement for a comprehensive evaluation to support informed decision-making and maximize water stewardship outcomes.

Finding No: TNR-020422

1.8 *Understand best practice towards achieving AWS outcomes: Determining sectoral best practices having a local/catchment, regional, or national relevance.*

1.8.1 *Relevant catchment best practice for water governance shall be identified.*

Yes

Comment

The site has identified and documented catchment-level best practices in water governance. These practices ideally cover improvements in water supply and sanitation infrastructure, including:
Site has identified the following best practices for water governance:
At the site level, AWS governance is driven by a dedicated steering body under the Sustainability Manager, ensuring implementation across the organization and with stakeholders. The site maintains strong compliance through annual maintenance, water quality testing, and EPL licensing, while following BAT guidelines via a Water Roadmap, risk assessments, and defined glide paths targeting a 35% water withdrawal reduction and 30% recycling increase by 2026. Emergency response plans are in place for water-related incidents, and progress is publicly disclosed through reports and the company website. The water stewardship plan is reviewed annually and strengthened through stakeholder feedback, with a combined governance structure established to align site, legal, and corporate teams.
At the catchment level, a multi-stakeholder forum was established in 2022 to promote AWS, identify shared challenges, and coordinate integrated programmes. Through partnerships with the Mahaweli Authority, NWSDB, Provincial Councils, and other bodies, joint projects have been launched to raise community awareness, improve emergency preparedness, and drive catchment-wide water safety planning. Additional measures include legal enforcement for regulatory violations, disaster mitigation systems, and periodic consumer satisfaction surveys by NWSDB. Awareness has also been strengthened through banners, poster campaigns, and university internships, while regular AWS stakeholder meetings ensure feedback, collaboration, and continuous improvement in addressing shared water challenges.

1.8.2 *Relevant sector and/or catchment best practice for water balance (either through water efficiency or less total water use) shall be identified.*

Yes

Comment

The site has identified several best practices within the catchment aimed at improving the water balance.
At the site level, several initiatives have been implemented to improve water efficiency and reduce dependency on external sources. A leak detection and corrective action program helps minimize water losses, while the expansion of metering to level 2 enables monitoring of equipment- and department-wise usage, making it easier to identify inefficiencies.
Water-efficient fixtures such as aerators, dual flush systems, and sensor taps have been installed across washrooms and canteens to reduce wastage. The site has also connected its operations to the effluent treatment plant (ETP) to recycle water, directly supporting reductions in withdrawal. Daily monitoring of water consumption is carried out through the ENERCON Daily Management System (DMS) and discussed in DDS meetings, ensuring performance is tracked against KPIs and anomalies are addressed promptly. In addition, annual employee training sessions on governance, water conservation, hygiene, and stewardship strengthen awareness and align the workforce with BAT ESG goals, embedding sustainable practices across the site.
At the catchment level, multiple programs have been launched to improve water efficiency, strengthen community resilience, and safeguard water resources. Awareness and training programs, along with technical assistance, have been provided to promote efficient water use, while NWSDB has supported infrastructure improvements such as efficient fittings in schools and pipe repairs to prevent leakages. Reservoir water levels are centrally monitored by the Mahaweli Authority through an online system, enabling coordinated water releases and timely community alerts. In addition, pump-wise flow meters have been installed at dispatch points to regulate discharges and improve data accuracy. Community-focused initiatives include handbill campaigns in Kandy, farmer training on water efficiency, and the rehabilitation of a spring in Dippitiya with a new storage tank to improve local water access. Further, the KMC water supply catchment has been rehabilitated through bund construction and pond establishment, helping to strengthen climate resilience by reducing flood and drought impacts.

1.8.3 *Relevant sector and/or catchment best practice for water quality shall be identified, including rationale for data source.*

Yes

Comment

The site has identified several best practices for improving water quality within the catchment area. These include:
At the site level, water quality management has been strengthened through increased monitoring frequency, with effluent water tested quarterly instead of the minimum legal requirement of once a year, and Legionella testing upgraded from biannual to quarterly in line with BAT standards. Pollution prevention is supported by sand traps at all drain discharge points, reducing contamination risks, while soakage pits have also been upgraded. Certified bodies such as SGS and the Central Environment Authority conduct water testing to ensure compliance with both local and international standards. Emergency response and readiness plans are in place to address potential water quality issues, and employee training forms part of the annual calendar to raise awareness on governance, hygiene, conservation, and pollution prevention. These measures collectively reduce risks, strengthen compliance, and embed best practices for water stewardship across the site.
At the catchment level, wide-ranging initiatives have been implemented to improve water quality, strengthen resilience, and engage communities in sustainable practices. Sedimentation clearance and capacity enhancement projects support water retention, while emergency response readiness and pollution prevention awareness are promoted through banners and community campaigns. NWSDB plays a central role with frequent water quality testing across households, reservoirs, and distribution points, supported by an in-house laboratory and monthly household checks at the end of the network. Waste management initiatives include constructing a waste yard, providing compost bins, installing plastic collection bins, and organizing plastic collection drives to reduce pollution entering waterways. Community campaigns such as Shramadana clean-ups and fencing around Pinga Oya further protect sensitive water areas. Access to safe drinking water has been strengthened through donations of RO plants in Monaragala and Thalakiriyagala, the provision of water filters, and testing of local wells. Additional measures include the renovation of floating barriers at Polgolla and the supply of dewatering pumps to manage excess water and improve climate resilience. Collectively, these actions contribute to pollution prevention, safe water access, and stronger catchment management.

1.8.4 *Relevant catchment best practice for site maintenance of Important Water-Related Areas shall be identified.* Yes

Comment

Best practices for maintaining Important Water-Related Areas (IWRAs) have been highlighted through several key initiatives,
At the catchment level, a wide range of initiatives have been introduced to strengthen water stewardship, improve resilience, and safeguard community resources. An effluent management system was established for Kandy city, supported by preventive maintenance programs for IWRAs and shared responsibilities assigned to local schools and communities to ensure ongoing protection. Pollution control is strengthened through barges, barriers, and traps, while vulnerable reservation areas are safeguarded through afforestation and the installation of awareness boards and waste collectors along riverbanks. Strict regulatory enforcement, hotlines, and controlled sand mining approvals by the Mahaweli Authority further protect IWRAs while supporting sustainable livelihoods.
Community-level projects include the rehabilitation of the Ganapathiwatta well to restore safe drinking water access, and the promotion of aquatic flower cultivation (Nelum, Manel) on abandoned farmland to provide natural flood barriers and new income streams. Flood management initiatives such as clearing silt from the Balawaththota stream, ERP training, and the provision of dewatering solutions enhance readiness and resilience. Environmental stewardship is reinforced through Shramadana clean-up campaigns at the Mahaweli river reservation and Polgolla jogging track, installation of garbage bins, and fencing of sensitive areas like Pinga Oya. Tree-planting initiatives, particularly Kumbuk (Terminalia arjuna), contribute to riverbank restoration, biodiversity conservation, and long-term catchment health.

1.8.5 *Relevant sector and/or catchment best practice for site provision of equitable and adequate WASH services shall be identified.* Yes

Comment

The site has implemented several best practices to ensure the provision of WASH (Water, Sanitation, and Hygiene) services,
At the site level, CTC has invested in ensuring safe and adequate WASH facilities that go beyond the country's legal requirements. Toilets, showers, and rest areas are provided for all employees, contractors, and visitors, while additional washrooms have been constructed at Morawetiya to further enhance access. Quality drinking water is made available across the premises through dispensers placed in offices, the canteen, and factory areas, ensuring easy access for all, including seasonal workers. Female-friendly facilities have been strengthened with sanitary pad disposal mechanisms in all women's washrooms. In addition, annual awareness and training programmes on WASH-related topics including governance, water quality, hygiene, conservation, and stewardship are integrated into the site's training calendar, aligning with BAT ESG goals and promoting safe water, sanitation, and hygiene practices across the workforce.
At the catchment level, multiple initiatives have been implemented to improve water distribution, access, and WASH services, particularly for vulnerable communities. Infrastructure development by KMC has expanded the capacity of the GKWTP distribution network, which spans approximately 293 km and adheres to the SLS 614:1983 drinking water quality standards through a comprehensive treatment process. To manage demand during shortages, NWSDB prioritizes vulnerable communities, especially those in higher elevations by adjusting network flows and supplying water to them on a scheduled basis.
Community-focused WASH programmes include awareness campaigns targeting women, children, and minorities, the distribution of safe drinking water equipment, provision of WASH facilities for low-income households, and survey-based monitoring of facilities documented in "Sampath Pathikada." Additional support includes temporary water storage tanks, reduced water tariffs for low-income groups, and renovation of washrooms and pipelines at elderly homes and welfare centers. Donations for RO plants in Monaragala and Thalakiriyagala have improved access to safe drinking water, reducing dependence on polluted or saline sources and enhancing community health and livelihoods. Collectively, these interventions strengthen water security, hygiene, and equitable access across the catchment.

2	STEP 2: COMMIT & PLAN - Commit to be a responsible water steward and develop a Water Stewardship Plan	
2.1	*Commit to water stewardship by having the senior-most manager in charge of water at the site, or if necessary, a suitable individual within the organization head office, sign and publicly disclose a commitment to water stewardship, the implementation of the AWS Standard and achieving its five outcomes, and the allocation of required resources.*	
2.1.1	*A signed and publicly disclosed site statement OR organizational document shall be identified. The statement or document shall include the following commitments:* *- That the site will implement and disclose progress on water stewardship program(s) to achieve improvements in AWS water stewardship outcomes* *- That the site implementation will be aligned to and in support of existing catchment sustainability plans* *- That the site's stakeholders will be engaged in an open and transparent way* *- That the site will allocate resources to implement the Standard.*	Obs.
Comment	See attached policy & picture taken during the audit. Policy is displayed at a prominent location in the factory. The same is available and disclosed on the weblink: https://www.ceylontobaccocompany.com/content/dam/endmarkets/lk/en/download/sustainability-and-responsibility/CTC-AWS-Policy-Statement.pdf This Water Stewardship Policy is approved and endorsed by the MD/CEO and Operations Director of the company. The policy contains all 4 commitments required by the standard.	
2.2	*Develop and document a process to achieve and maintain legal and regulatory compliance.*	
2.2.1	*The system to maintain compliance obligations for water and wastewater management shall be identified, including:* *- Identification of responsible persons/positions within facility organizational structure* *- Process for submissions to regulatory agencies.*	Yes
Comment	The site has implemented a structured system to identify and maintain compliance with all legal obligations. All applicable legal requirements are documented in the site's Legal Register, which also details the procedures for submitting required reports and documentation to regulatory authorities, including the Central Environmental Authority and labour department. Defined roles and responsibilities are in place to ensure ongoing legal compliance, supported by a documented organizational hierarchy for all positions involved in water stewardship. Site has a defined process to track legal compliance in which they: - Connect with registered agencies to identify and map overall regulatory requirements - Review the compliance against the stipulated requirements - Identify the compliance gaps - Disclose and take actions to close the gaps - Monitor for changes to regulations and newly inducted regulations	
2.3	*Create a water stewardship strategy and plan including addressing risks (to and from the site), shared catchment water challenges, and opportunities.*	
2.3.1	*A water stewardship strategy shall be identified that defines the overarching mission, vision, and goals of the organization towards good water stewardship in line with this AWS Standard.*	Yes

Comment

The Site's Water Strategy is designed to ensure resilient and water-secure catchment both today and in the future. This is achieved through strict regulatory compliance, the adoption of recognized best practices, and active collaboration with key stakeholders. By following this approach, the Site seeks to protect the community, cultural, environmental, and economic values tied to water resources.
To implement this strategy, the Site engages stakeholders proactively and takes a leadership role in initiating and supporting water stewardship projects that address critical water-related challenges within the catchment. The attached document outlines the Site's strategic plan for water stewardship, which defines the overarching mission, vision, and goals:
Vision: Water for a Better Tomorrow
Mission: Advance a robust water stewardship agenda through strengthened partnerships and stakeholder collaboration
Goals:

- Strengthen water governance at the Site and support catchment-level governance initiatives
- Promote efficient water use at the Site and across the catchment
- Ensure water quality and contribute to catchment pollution control programmes
- Maintain and restore catchment areas and infrastructure for sustainable water resources
- Provide safely managed water, sanitation, and hygiene for workplaces and communities
- Foster systemic behavioral change and voluntary actions to promote water stewardship through capability building

2.3.2 *A water stewardship plan shall be identified, including for each target:*
- How it will be measured and monitored
- Actions to achieve and maintain (or exceed) it
- Planned timeframes to achieve it
- Financial budgets allocated for actions
- Positions of persons responsible for actions and achieving targets
- Where available, note the link between each target and the achievement of best practice to help address shared water challenges and the AWS outcomes.

closed

Comment

The site has developed annual Water Stewardship Plans (2024 -2025) that define clear actions, targets, budgets, responsibilities, and alignment with shared AWS outcomes. These plans address core areas, including water governance, sustainable water balance, water quality, IWRA's and WASH, and encompass both site-level initiatives and broader catchment-wide efforts. Each project is documented with a well-defined scope, objectives, SMART targets, timelines, responsibilities, and budgets, supported by metrics and monitoring mechanisms such as progress reports, data tracking, meetings, and stakeholder consultations. All initiatives are explicitly linked to desired outcomes, value creation, and shared water benefits, with actions mapped against identified water challenges and AWS outcomes. This structured planning and execution framework ensures accountability, transparent performance monitoring, and continuous improvement in water stewardship.
Under the AWS Standard, effective water stewardship requires not only regulatory compliance but also the establishment of ambitious targets that demonstrate continual improvement. While the site's AWS plan includes measures that meet legal requirements, it does not set water quality targets that go beyond these minimum standards. Establishing more stringent targets would demonstrate proactive leadership, enhance shared water benefits, and mitigate risks to the catchment. Furthermore, the site has not included targets for indirect water use in its AWS plan. Implementing such targets is critical to monitoring and managing water consumption by upstream suppliers and service providers, ensuring a more comprehensive and inclusive approach aligned with AWS principles.

Finding No: TNR-020412

2.4 *Demonstrate the site's responsiveness and resilience to respond to water risks*

2.4.1 *A plan to mitigate or adapt to identified water risks developed in co-ordination with relevant public-sector and infrastructure agencies shall be identified.*

Yes

Comment	The Site's water sources, and associated risks have been independently identified, without sole reliance on public sector or infrastructure agencies. However, to enhance water governance and mitigate infrastructure-related risks, Site management is actively engaged with the KMC, NWSDB and Mahaweli Development Authority. This collaboration supports improved transparency, shared responsibility, and sustainable management of water infrastructure within the catchment.

3	STEP 3: IMPLEMENT - Implement the site's stewardship plan and improve impacts

3.1 *Implement plan to participate positively in catchment governance.*

3.1.1 *Evidence that the site has supported good catchment governance shall be identified.*

Yes

Comment

The site is actively engaged in several initiatives to support catchment governance. These efforts include;
The site management is proactively strengthening water governance across the catchment through strategic actions aligned with recognized best practices, including field visits, stakeholder engagement, and integration with CTC Water Stewardship Action Plan. Initiatives include the development of governance and stakeholder engagement calendars, a formal Water Stewardship Policy, and a governance structure supported by regular coordination with Mahaweli Development Authority, KMC and NWSBD, local industries, Divisional Secretariate office, Social Activist, and community representatives through Grama Sewaka. The site has implemented distribution of handbill (pamphlets) to create awareness related to water conservation and posted an awareness posters on Mahaweli river fence "not to put waste" to prevent water pollution. Site has also CSR initiatives like providing an awareness to local community women related to WASH. Site has installed two water filtration plants in the catchment with the collaboration of farmers societies which provides safe drinking water to 550 families. The Site also aligns its strategy with regional authorities, including Mahaweli development authority, and monitors key initiatives like the Mahaweli water security program and integrated water shed and water resource management program. Central Environmental authority has also created awareness in the local community related to plastic waste, water conservation and biodiversity.

3.1.2 *Measures identified to respect the water rights of others including Indigenous peoples, that are not part of 3.2 shall be implemented.*

Yes

Comment

The site has implemented several initiatives to safeguard the water rights of surrounding communities, demonstrating a strong commitment to equitable access, public health, and sustainable water management. Key actions include the installation of 2 RO plants to provide treated water for the communities within Kandy site catchment area shown in page 78 of CTC annual report (the name of the project is Suwa Jeewana) and are managing the required funding for maintenance (the maintenance is done through the Sri Lankan Army). The site has also taken initiatives to reduce its own water withdrawn by 28.5% vs 2023 and 20.8% vs 2024. To promote WASH related infrastructure, site has completed two projects, like upgrading washroom facility and pipeline of elderly homes. Constructed 1 washroom in the local community for low-income household. Site has provided re-habilitation Springwell in the catchment to people to use that water for cleaning purposes. The site has done cleaning and re-construction of well in the catchment.
These initiatives are fully aligned with the Alliance for Water Stewardship (AWS) principles and CTC internal sustainability guidelines, reflecting a strong commitment to respecting the human right to water and sanitation while driving community well-being and water stewardship.

3.2 *Implement system to comply with water-related legal and regulatory requirements and respect water rights.*

3.2.1 *A process to verify full legal and regulatory compliance shall be implemented.*

Yes

Comment

Water-related legal compliance is closely monitored at the site, with the CEA-Central Environmental Authority requiring annual assessments of effluent quality parameters as per the CEA effluent discharge standard. In addition to effluent water, drinking water quality is regularly tested to ensure adherence to all regulatory standards, with all results to date meeting the required limits. The site has obtained all necessary operational approvals and licenses (Environmental protection license) and maintains a documented Legal Register that details applicable legal requirements, water stewardship governance document details the team roles, and responsibilities. The Sustainability Manager and senior legal counsel are specifically accountable for identifying water-related legal obligations and monitoring compliance. No instances of non-compliance have been reported in recent years. Compliance evaluation is also a standing agenda item in LMDS-Leaf Management Directional Setting Meeting monthly basis and is supported by a dedicated compliance evaluation process to ensure ongoing adherence to legal and regulatory requirements.

3.2.2 *Where water rights are part of legal and regulatory requirements, measures identified to respect the water rights of others including Indigenous peoples, shall be implemented.*

Yes

Comment

The site clarified that there are no legally defined water rights pertaining to other parties, including indigenous communities, within its operational area. The site fully recognizes its responsibility to provide safe drinking water and adequate sanitation facilities, including toilets, for all workers and remains fully compliant with these requirements.

3.3 *Implement plan to achieve site water balance targets.*

3.3.1 *Status of progress towards meeting water balance targets set in the water stewardship plan shall be identified.*

Yes

Comment

The site is actively enhancing water efficiency and reducing overall consumption, showing significant progress in its water balance over the past 4 years. Under its Water Stewardship Plan, 53 actions were identified, of which 30 are fully completed, 17 in progress and 6 yet to be started achieving an overall completion rate of 56.6%. For 2025, a water reduction target of 8525 m³ has been set, supported by 2 major and 4 minor projects (identified since 2024), with 5 already completed, resulting in 1823 m³ water savings as of 2025 vs 2024. Completed initiatives include repairing of underground water pipeline, repairing underground water line for fire hydrants, installation of aerated taps, ETP capacity expansion, ETP plumbing network expansion.
The site monitors water consumption through KPIs such as water withdrawn, water recycling percentage and water intensity (m3 of water per ton). These KPIs are discussed monthly during the LMDS- Leaf Management Directional Setting review meeting, reported to the mother company and showcased in the company's annual report.
Annual performance highlights include 20.2 % water withdrawn reduction vs 2024 and 12.58% water recycling.
Site has set targets for 30% Water Recycling & 25% Water Reduction Targets for Kandy site by 2025 (vs 2021 baseline). Water withdrawn reduction of 39.2% and 12.15% of water recycling has been achieved.

3.3.2 *Where water scarcity is a shared water challenge, annual targets to improve the site's water use efficiency, or if practical and applicable, reduce volumetric total use shall be implemented.*

Yes

Comment	Sri Lanka in general and Kandy in particular do not fall in the water scarce regions. They may be water stressed in medium too long term, but not water scarce. Water scarcity is not a shared water challenge in the catchment. Site however, have continual progress for water reduction. The site is located in a water available area with a less stressed on catchment, site has set an annual target to reduce water consumption 6.01m³ per million productions of cigarette. Raw water usage has been actively minimized through initiatives such the water savings from the projects conducted since 2024 account for 2026 m3. Completed initiatives include repairing of underground water pipeline, repairing underground water line for fire hydrants, installation of aerated taps, ETP capacity expansion, ETP plumbing network expansion. Over the years, the site has quantified water consumption, annual performance highlights include 20.2 % water withdrawn reduction vs 2024 and 12.58% water recycling. Site has set targets of 30% Water Recycling & 25% Water Reduction Targets for Kandy site by 2025 (vs 2021 baseline). Water withdrawn reduction of 39.2% and 12.15% of water recycling has been achieved.

3.3.3 *Legally-binding documentation, if applicable, for the re-allocation of water to social, cultural or environmental needs shall be identified.* — Yes

Comment	There is no legal binding in country to relocate the water. The site does not re-allocate water to other parties or areas. Rather, as per NATA Act - site is not allowed to involve in any social sponsorship / activities.

3.4 *Implement plan to achieve site water quality targets*

3.4.1 *Status of progress towards meeting water quality targets set in the water stewardship plan shall be identified.* — closed

Comment	As part of the site Water Stewardship Action Plan, the site has implemented a series of actions to maintain and monitor water quality for both raw water sources and effluents. Progress is tracked through a structured monitoring system reviewed during governance meetings, with monthly third-party assessments conducted for raw water and effluents, all consistently meeting regulatory standards. Water quality data is reported in Quality Council meetings, while wastewater quality reports are submitted bi-annually to CEA-Central Environmental Authority. Long-term initiatives include monitoring treated wastewater for reuse and discharge, as well as assessing incoming water used in manufacturing, with data collected from designated sampling points, including discharge areas used for gardening. Of the 11 water quality actions identified, 7 are completed and 4 are in progress. The site's water stewardship plan supports continuous improvement by addressing water-related challenges, risks, and opportunities. Engagement with Mahaweli development authority and divisional secretariate offices has strengthened catchment-level water quality efforts. Additionally, the site has extended support to the surrounding community through drinking water quality testing, installation of filtered water systems, upgrades to water well and washing facilities, and enhancement of WASH facilities, reflecting a robust commitment to both internal and catchment-wide water quality management. However, the site has not defined water quality targets within the AWS plan that go beyond the minimum legal requirements. ***Finding No: TNR-020414***

3.4.2 *Where water quality is a shared water challenge, continual improvement to achieve best practice for the site's effluent shall be identified and where applicable, quantified.* — No

Comment	The site's AWS plan does not specify stricter water quality testing parameters for effective monitoring and benchmarking. Current catchment data indicates chemical, physical, and biological contamination, with parameters such as Nitrate, Iron, Turbidity, and E-Coli exceeding Central Environmental Authority (CEA) standards. This highlights a gap in proactive water stewardship and underscores the need for targeted actions to monitor improvements against the baseline in accordance with AWS principles. ***Finding No: TNR-020415***

3.5 *Implement plan to maintain or improve the site's and/or catchment's Important Water-Related Areas.*

3.5.1 *Practices set in the water stewardship plan to maintain and/or enhance the site's Important Water-Related Areas shall be implemented.*

Yes

Comment

The site has mentioned key initiatives under the Water Stewardship Plan to preserve and enhance critical Important Water-Related Areas (IWRAs) within the surrounding catchment, no IWRA onsite. Progress is regularly reviewed through governance meetings, supported by a dedicated water stewardship framework, and communication materials promoting IWRA's protection have been displayed onsite to raise awareness. The site ensures regular maintenance, cleaning, and monitoring of IWRA-designated areas, with 15 strategic locations mapped within a 10400 km radius. Within the physical scope of 10 KM of radius, 15 IWRA mapped.
Immediate actions include rehabilitation of water well Ganapathiwaththa to improve water quality and access to safe drinking water. Supported a project where abondoned farming areas were made to watershed where aquatic flowers plants such as Nelum, Manel are grown. These watersheds will act as IWRAs and also natural flood bariers. This project will also help the communities to get an income. Facilitated a project to collect the silt deposited and block the water flow of the river streams. The blocked river streams result in floods for the riverside communities and this project helped to mitigate that risk. A Shramadana campaign was conducted to clean the Mahaweli river reservation was conducted by CTC to prevent waste from ending up in the river. Planting Kumbuk (Terminalia arjuna) Trees in the Catchment, 10 tree planation done which directly supports ecosystem restoration, biodiversity conservation, and land health along the Mahaweli riverbank.

3.6 *Implement plan to provide access to safe drinking water, effective sanitation, and protective hygiene (WASH) for all workers at all premises under the site's control.*

3.6.1 *Evidence of the site's provision of adequate access to safe drinking water, effective sanitation, and protective hygiene (WASH) for all workers onsite shall be identified and where applicable, quantified.*

Yes

Comment

The site has implemented robust measures to ensure access to safe drinking water, sanitation, and hygiene (WASH) for all employees, in line with legal requirements and best practice standards. A dedicated self-assessment tool is routinely used to evaluate the adequacy and condition of workplace WASH facilities, covering water supply, sanitation, and hygiene provisions.
Key features include:

- Separate toilet facilities for male and female employees, with quantities assessed and aligned with applicable legal standards.
- 58 toilets across the facility (41 for males and 17 for females), ensuring equitable access and privacy.
- 28 handwashing stations strategically located throughout the premises.
- 45 locker , including 30 for males and 15 for females.
- Safe drinking water available at 20 designated points, supplemented with filtered water to guarantee potability.

3.6.2 *Evidence that the site is not impinging on the human right to safe water and sanitation of communities through their operations, and that traditional access rights for indigenous and local communities are being respected, and that remedial actions are in place where this is not the case, and that these are effective.*

Yes

Comment

No incidents or evidence of human rights violations related to water and sanitation were identified during the audit or stakeholder consultations. Recognizing broader catchment challenges, including poor drinking water quality, governess, IWRA (Soil Arison), and provision of WASH facilities, the site has proactively undertaken community-focused initiatives to uphold the human right to safe and clean drinking water.
As part of this commitment provision of washroom facility, two RO plants provided to community, renovate well for water use in cleaning purposes, rehabilitation of spring well to provide access to local community. Site has been reducing its freshwater consumption. Compared to baseline year 2021, site has been able to achieve water reduction by 23.2% in 2024.

3.7 *Implement plan to maintain or improve indirect water use within the catchment:*

3.7.1 *Evidence that indirect water use targets set in the water stewardship plan, as applicable, have been met shall be quantified.*

Obs.

Comment

The site has engaged with its key suppliers, primarily farmers, and secondary transport and laundry service providers, to gather information on their water consumption. Site has also mapped packaging providers as indirect water use however it is not in catchment. Although the data collection was collected via email from Packwell Lanka Private Limited (Packaging supplier) and directly get the data of farmers, transport and laundry service provider, the site has retained documented evidence of the actions undertaken by these suppliers.
Supplier Water Usage and Reduction Targets:

1. Farmers (Greem Leaf Raw Materials Providers)
   - Annual Water Consumption (YTD): 1.57 million m³ of farmers for the Site productions.
   - Water Reduction Targets: 0.5 % by 2025
2. Packaging Suppliers
   - Annual Water Consumption (YTD): 25m³/ year of Packwell for the Site productions.
   - Water Reduction Targets: 23 m³/year by 2025
3. Transport Service Providers
   - Annual Water Consumption: 92.4 m³ in 2024
   - Water Reduction Targets: 78.1 m3 by 2025
4. Laundry Service Providers
   - Annual Water Consumption: 290 m³ in 2024 for CTC cloths
   - Water Reduction Targets: 280 m3 reduction by 2025

These efforts demonstrate the site's commitment to addressing indirect water use across its supply chain.
The facility has established targets for its indirect water-use stakeholders (suppliers and service providers); however, these targets have not yet been integrated into the AWS plan.

3.7.2 *Evidence of engagement with suppliers and service providers, as well as, when applicable, actions they have taken in the catchment as a result of the site's engagement related to indirect water use, shall be identified.*

Yes

Comment

The site has actively engaged its suppliers and service providers in water conservation initiatives. As part of this effort, the site is collecting water consumption data from these stakeholders to better understand and manage indirect water use.
In addition to supply chain engagement, the site has implemented several projects aimed at improving water efficiency and contributing to water conservation within the catchment area.
Key initiatives include:
1. Installed drip irrigation at leaf fields to reduce water consumption, mulching project to reduce evaporation of water during suppling. Use of drones for pesticides spray to reduce reduction of chemical and water. (Target for farmers)
2. Reuse water in gardening and toilets. (for Packwell)
3. Frequency of car wash, reduced twice per week as compared with 3 times in a week. (Transport service provider)
4. Reduced frequency of washing 3 times per week to twice in a week. Manage water level of washing machines as per the load capacity of the cloths and also replace the washing machines with more efficient water consumptions. Created some awareness sessions and requested them to replace more water efficient machines. (Laundry service provider)
These actions reflect the site's commitment to holistic water stewardship, encompassing both internal operations and its broader impact on the catchment. The facility has set targets with its indirect water-use stakeholders (suppliers and service providers); however, these targets have not yet been incorporated into the AWS plan as required by the AWS Standard.
Although the site monitors indirect water consumption against these targets, this information is not reflected within the AWS plan. Integrating these targets is essential to ensure full alignment with AWS requirements and to demonstrate a comprehensive approach to water stewardship.

3.8 *Implement plan to engage with and notify the owners of any shared water-related infrastructure of any concerns the site may have.*

3.8.1 *Evidence of engagement, and the key messages relayed with confirmation of receipt, shall be identified.*

Yes

Comment

The site's water sources, and associated risks have been identified as public sector or infrastructure agencies. The site management remains actively engaged with Mahaweli development authority, Kandy municipal council (KMC) and National Water Supply and Drainage Board (NWSDB) to support improved water infrastructure governance.
The site has had multiple engagements with MDA, KMC and NWSDB, the water supplier and the owner of the water relayed infrastructure. Mahaweli development authority already has a project Mahaweli water security investment program with the collaboration of Asian Development Bank, Mahaweli integrated watershed and water resource management.
The site has projects such as tree planting, and water conservation awareness programs with NWSDB and Mahaweli development authority, completed cleaning activity in the IWRA's areas, Clearing silt of Balawathothota stream to remove blockage.

3.9 *Implement actions to achieve best practice towards AWS outcomes: continually improve towards achieving sectoral best practice having a local/catchment, regional, or national relevance.*

3.9.1 *Actions towards achieving best practice, related to water governance, as applicable, shall be implemented.*

Yes

Comment	The site has identified and documented catchment-level best practices in water governance. These practices ideally cover improvements in water supply and sanitation infrastructure, including: Site has identified the following best practices for water governance: • By having an AWS Policy and an Environment Policy, the company demonstrates strong commitment to good water governance, ensuring that water resources are managed responsibly, transparently, and in alignment with stakeholder expectations. These policies establish clear accountability, guide compliance with regulations, and promote sustainable practices across operations. • The Site has identified the risks related to water and assessed their risk based on likelihood and severity. • The site has identified the requirement for emergency Response Procedures for water related emergencies. • Site tracks the amount of water withdrawn, water used for production, water recycling and water intensity every month to check whether the targets are achieved. • The Environmental Protection License (EPL) is a regulatory/legal tool under the provisions of the National Environment Act No. 47 of 1980 as amended by Acts No. 56 of 1988 and No 53 of 2000. The site has received the EPL for 2024 from the Central Environmental Authority. • Water-related initiatives, targets achieved, and implementations are publicly disclosed on the company website and some of them are disclosed in the company annual report. • Set dedicated water stewardship plan to address the shared water challenges, water related risks and opportunities after consultation with identified stakeholders. Reviewed the plan and publicly disclose in in the company website. • External activities related to good governance, • Water stewardship awareness improvement-Conducted a campaign to improve awareness on all aspects of water stewardship through banners and board displays around the Mahaweli river area. • Hand bill campaign in Kandy-The needed handbills were printed and provided for a handbill campaign according to a verbal request from NWS & DB to educate the community. • Internship to Peradeniya University - The internship will provide students with practical exposure to water stewardship through activities such as catchment analysis, water accounting, policy review, community engagement, and reporting aligned with AWS outcomes. Interns will develop an enhanced understanding of good water governance principles, gain hands-on knowledge in sustainable water management practices, and experience the application of ESG and AWS frameworks in a real-world setting.
3.9.2	*Actions towards achieving best practice, related to targets in terms of water balance shall be implemented.* ✓ Yes

Comment	The site has identified several best practices within the catchment aimed at improving the water balance. Site has identified the following Best Practices for site water balance: The site has identified several best practices within the catchment aimed at improving the water balance. At the site level, several initiatives have been implemented to improve water efficiency and reduce dependency on external sources. A leak detection and corrective action program helps minimize water losses, while the expansion of metering to level 2 enables monitoring of equipment- and department-wise usage, making it easier to identify inefficiencies. Water-efficient fixtures such as aerators, dual flush systems, and sensor taps have been installed across washrooms and canteens to reduce wastage. The site has also connected its operations to the effluent treatment plant (ETP) to recycle water, directly supporting reductions in withdrawal. Daily monitoring of water consumption is carried out through the ENERCON Daily Management System (DMS) and discussed in DDS meetings, ensuring performance is tracked against KPIs and anomalies are addressed promptly. In addition, annual employee training sessions on governance, water conservation, hygiene, and stewardship strengthen awareness and align the workforce with BAT ESG goals, embedding sustainable practices across the site. At the catchment level, multiple programs have been launched to improve water efficiency, strengthen community resilience, and safeguard water resources. Awareness and training programs, along with technical assistance, have been provided to promote efficient water use, while NWSDB has supported infrastructure improvements such as efficient fittings in schools and pipe repairs to prevent leakages. Reservoir water levels are centrally monitored by the Mahaweli Authority through an online system, enabling coordinated water releases and timely community alerts. In addition, pump-wise flow meters have been installed at dispatch points to regulate discharges and improve data accuracy. Community-focused initiatives include handbill campaigns in Kandy, farmer training on water efficiency, and the rehabilitation of a spring in Dippitiya with a new storage tank to improve local water access. Further, the KMC water supply catchment has been rehabilitated through bund construction and pond establishment, helping to strengthen climate resilience by reducing flood and drought impacts.
3.9.3	*Actions towards achieving best practice, related to targets in terms of water quality shall be implemented.* ✓ closed

Comment

The site has identified several best practices for improving water quality within the catchment area. These include:
At the site level, water quality management has been strengthened through increased monitoring frequency, with effluent water tested quarterly instead of the minimum legal requirement of once a year, and Legionella testing upgraded from biannual to quarterly in line with BAT standards. Pollution prevention is supported by sand traps at all drain discharge points, reducing contamination risks, while soakage pits have also been upgraded. Certified bodies such as SGS and the Central Environment Authority conduct water testing to ensure compliance with both local and international standards. Emergency response and readiness plans are in place to address potential water quality issues, and employee training forms part of the annual calendar to raise awareness on governance, hygiene, conservation, and pollution prevention. These measures collectively reduce risks, strengthen compliance, and embed best practices for water stewardship across the site.
At the catchment level, wide-ranging initiatives have been implemented to improve water quality, strengthen resilience, and engage communities in sustainable practices. Sedimentation clearance and capacity enhancement projects support water retention, while emergency response readiness and pollution prevention awareness are promoted through banners and community campaigns. NWSDB plays a central role with frequent water quality testing across households, reservoirs, and distribution points, supported by an in-house laboratory and monthly household checks at the end of the network. Waste management initiatives include constructing a waste yard, providing compost bins, installing plastic collection bins, and organizing plastic collection drives to reduce pollution entering waterways. Community campaigns such as Shramadana clean-ups and fencing around Pinga Oya further protect sensitive water areas. Access to safe drinking water has been strengthened through donations of RO plants in Monaragala and Thalakiriyagala, the provision of water filters, and testing of local wells. Additional measures include the renovation of floating barriers at Polgolla and the supply of dewatering pumps to manage excess water and improve climate resilience. Collectively, these actions contribute to pollution prevention, safe water access, and stronger catchment management. The site has not incorporated water quality limits into its AWS plan that go beyond the minimum regulatory requirements. While it currently maintains compliance, adopting more stringent limits would demonstrate proactive leadership in water stewardship, support the AWS principle of continual improvement, and enhance the site's contribution to shared water quality outcomes within the catchment.

Finding No: TNR-020418

3.9.4 *Actions towards achieving best practice, related to targets in terms of the site's maintenance of Important Water-Related Areas shall be implemented.*

Yes

Comment

Best practices for maintaining Important Water-Related Areas (IWRAs) have been highlighted through several key initiatives,
At the catchment level, a wide range of initiatives have been introduced to strengthen water stewardship, improve resilience, and safeguard community resources. An effluent management system was established for Kandy city, supported by preventive maintenance programmes for IWRAs and shared responsibilities assigned to local communities to ensure ongoing protection. Pollution control is strengthened through barges, barriers, and traps, while vulnerable reservation areas are safeguarded through afforestation and the installation of awareness boards and waste collectors along riverbanks. Strict regulatory enforcement, hotlines, and controlled sand mining approvals by the Mahaweli Authority further protect IWRAs while supporting sustainable livelihoods.
Community-level projects include the rehabilitation of the Ganapathiwatta well to restore safe drinking water access, and the promotion of aquatic flower cultivation (Nelum, Manel) on abandoned farmland to provide natural flood barriers and new income streams. Flood management initiatives such as clearing silt from the Balawaththota stream, ERP training, and the provision of dewatering solutions enhance readiness and resilience. Environmental stewardship is reinforced through Shramadana clean-up campaigns at the Mahaweli river reservation and Polgolla jogging track, installation of garbage bins, and fencing of sensitive areas like Pinga Oya. Tree-planting initiatives, particularly Kumbuk (Terminalia arjuna), contribute to riverbank restoration, biodiversity conservation, and long-term catchment health.

3.9.5	*Actions towards achieving best practice related to targets in terms of WASH shall be implemented.*	Yes

Comment

The site has implemented several best practices to ensure the provision of WASH (Water, Sanitation, and Hygiene) services,
At the site level, CTC has invested in ensuring safe and adequate WASH facilities that go beyond the country's legal requirements. Toilets, showers, and rest areas are provided for all employees, contractors, and visitors, while additional washrooms have been constructed at Morawetiya to further enhance access. Quality drinking water is made available across the premises through dispensers placed in offices, the canteen, and factory areas, ensuring easy access for all, including seasonal workers. Female-friendly facilities have been strengthened with sanitary pad disposal mechanisms in all women's washrooms. In addition, annual awareness and training programmes on WASH-related topics including governance, water quality, hygiene, conservation, and stewardship are integrated into the site's training calendar, aligning with BAT ESG goals and promoting safe water, sanitation, and hygiene practices across the workforce.
At the catchment level, multiple initiatives have been implemented to improve water distribution, access, and WASH services, particularly for vulnerable communities. Infrastructure development by KMC has expanded the capacity of the GKWTP distribution network, which spans approximately 293 km and adheres to the SLS 614:1983 drinking water quality standards through a comprehensive treatment process. To manage demand during shortages, NWSDB prioritizes vulnerable communities, especially those in higher elevations by adjusting network flows and supplying water to them on a scheduled basis.
Community-focused WASH programs include awareness campaigns targeting women, children, and minorities, the distribution of safe drinking water equipment, provision of WASH facilities for low-income households, and survey-based monitoring of facilities documented in "Sampath Pathikada." Additional support includes temporary water storage tanks, reduced water tariffs for low-income groups, and renovation of washrooms and pipelines at elderly homes and welfare centers. Donations for RO plants in Monaragala and Thalakiriyagala have improved access to safe drinking water, reducing dependence on polluted or saline sources and enhancing community health and livelihoods. Collectively, these interventions strengthen water security, hygiene, and equitable access across the catchment.

4	STEP 4: EVALUATE - Evaluate the site's performance.	
4.1	*Evaluate the site's performance in light of its actions and targets from its water stewardship plan and demonstrate its contribution to achieving water stewardship outcomes.*	
4.1.1	*Performance against targets in the site's water stewardship plan and the contribution to achieving water stewardship outcomes shall be evaluated.*	✓ Yes
Comment	The site actively monitors its performance against the Alliance for Water Stewardship (AWS) Plan through monthly on-site evaluations and reviews during the Leadership Team Governance meeting on bi-annual basis. Progress is documented in AWS reports and reviewed at Engineering and Sustainability department meetings. Between September 2024 and August 2025, the site undertook 43 water-related projects, of which 29 are completed and 5 are in progress and 9 yet to be started. Completed initiatives include expanding plumbing network of recycling/ reuse water, installation of aerated taps, tree planation project, 6 washrooms upgrades, pipe leakage repaired, upgrading of underground pipe network, upgrading of soakage pit to enclosed in ETP and washrooms, awareness project related to WASH, water conservation and protection in community, provision of wastebins, rehabilitation of waterwalls, catchment IWRA's cleaning campaign, reverse stream cleanup, provision of WASH facility to elderly and low income homes, installation of 2 RO plants, water quality testing of wells, rehabilitation of spring water and conversion of abended forming land to watersheds. Site Initial water stewardship plan is available with site. Site set a frequency of updating the water stewardship plan on annual basis to check the and evaluate the performance against the target set in the water stewardship plan.	
4.1.2	*Value creation resulting from the water stewardship plan shall be evaluated.*	✓ Yes
Comment	The site has documented value creation through financial savings associated with each project outlined in the Water Stewardship Plan. The site has improved natural capital and ecosystem services, improved long-term water security or reduced water risks, improved WASH facilities in the local community, provided 2 RO plants in the community and done several awareness campaigns with the local government agencies. To date, the implementation of various water-saving initiatives has resulted in cumulative savings of approximately USD 411 per year (equivalent to LKR 0.12 million).	
4.1.3	*The shared value benefits in the catchment shall be identified and where applicable, quantified.*	✓ Yes

Comment	The site has evaluated shared value benefits arising from the actions outlined in its Water Stewardship Plan. These benefits encompass environmental, social, cultural, and economic value creation both on-site and within the catchment. Through active engagement with relevant stakeholders, the site has addressed shared water-related challenges and demonstrated compliance with the AWS indicator. Quantified shared value benefits achieved through key initiatives include: 1. Dippitiya Rehabbilitation of Spring for water access-Value 106,000 LKR-Social Benefits-Enhance the WASH facility for the peoplein Dippitiya area 2. Donation for establishing a RO plant in Monaragala--Value 3,000,000 LKR-The project Improved the overall water quality community by reducing dependence on polluted or saline water sources. Minimizes health risks from contaminated water. Directly contributes to safe drinking water access for farmers and their families. Enhances community well-being and supports rural livelihoods with safe, reliable water. The benefits were received to over 200 families in Pibidunugama area. 3. Donation for establishing a RO plant in Thalakiriyagala-Value 3,000,000 LKR-Social and Cutural Benefits : It improves local water quality by reducing dependence on contaminated or saline sources and lowers health risks associated with unsafe water, thereby contributing to safer food production and overall well-being.The benefits were received to over 350 families in Meewalapathaha area. 4. Waste yard for Akurana divsional secretariat office and buy a compost bin-Value 50,000 LKR-Environmental Benefit:support recycling and restrict waste from being washed away due to rain. Social benifits : Helped the DS to maintain a clean environment 5. Rehabilitation of water well Ganapathiwaththa-Value 300,000 LKR-Social & Reputational Benefits: Enhance the WASH facility in the Ganapathiwatta area 6. Provided 9 plastic collection bins near water sources -value 135,000 LKR-Environmental & Social Benefits : Support recycling and restrict waste from being washed away due to rain. 7. Facilitate education program for Akurana area -Value 100,000 LKR-Social and Cultural Benefits : Provided awareness to local community. 8. Aquatic plants for economic value 102,500 LKR-Social and Cultural benefits: Supported a project to use abondoned paddy fields to grow flowers plants such as Nelum, Manel by villagers. These watersheds will act as IWRAs and also natural flood bariers. This project will also help the communities to get an income. 9. Upgrade washroom facility & Pipeline of elderly home-Value 720,000 LKR-Social and Cultural Benefits: Access to clean, safe, and accessible washrooms reduces risks of infections and improves overall wellbeing. 10. AWS Stakeholder Meeting-Value 230,000 LKR-Social benefits-Having a platform for all the stakeholders to share their shared water challengs and best practices to avoid them. 11. Flood management - clearing silt of Balawaththota Stream-Value 1,000,000 LKR-Environmental and Social Benefits: The silt removal project improved the environment by restoring natural river flow and enhanced social wellbeing by reducing flood risks and protecting riverside communities. 12. Toilet facility for low-income household close to Mahaweli river-value 450,000 -Social and cultural benefits : The construction of a toilet and washing facility improved social wellbeing by ensuring health, hygiene, and dignity for the low-income household, while culturally reinforcing the value of equitable access to basic sanitation 13. Water stewardship awareness improvement-Value 20,000-Environmental and benefits: The water pollution will be reduced by giving the awareness to the society. 14. Shramadana campaign to clean the jogging track at Polgolla & providing garbage bins-Value 50,000-Environmental and social benefits: Reduction of waste entering to the Mahaweli river and reduce the spread of diseases like Dengue.
4.2	*Evaluate the impacts of water-related emergency incidents (including extreme events), if any occurred, and determine the effectiveness of corrective and preventative measures.*
4.2.1	*A written annual review and (where appropriate) root-cause analysis of the year's emergency incident(s) shall be prepared and the site's response to the incident(s) shall be evaluated and proposed preventative and corrective actions and mitigations against future incidents shall be identified.*

Yes

Comment

The site has implemented comprehensive procedures and documentation to manage a wide range of emergencies, including chemical spills, fire outbreaks, manufacturing disruptions, and water related issues such as wastewater discharge management, effluent treatment plant emergencies, contaminated storm waters entering drain lines, loss of water supply and contamination of incoming water, water born disease outbreak and water related leakage. These procedures outline steps for identifying non-conformities, conducting root cause analyses, assessing risks, implementing corrective and preventive actions, assigning responsibilities, setting deadlines, estimating costs, and tracking progress monthly. The Emergency Response Plans further ensure preparedness and effective response to any situation. The site has maintained excellent safety records with zero loss time injuries during the past 4years, (there have been minor injuries of a total of 03 during the year 2025).
There have not been any water related emergency incidents on site but the site does track the reported minor environmental related incidents (including water) such as water leaks through their "near odour plant, stem packing, canteen, boiler room, drivers rest room and medical entrance" which is part of the technical services department responsible for correcting utility and facility related issues and they have a dedicated number so any employee can report an incident if they observe it.

4.3 *Evaluate stakeholders' consultation feedback regarding the site's water stewardship performance, including the effectiveness of the site's engagement process.*

4.3.1 *Consultation efforts with stakeholders on the site's water stewardship performance shall be identified.*

Yes

Comment

The site actively engages stakeholders on the Alliance for Water Stewardship (AWS) agenda, highlighting its initiatives and performance. The latest stakeholder meeting was held on August 14, 2025, with all 7 main stakeholders, during which the site's water stewardship performance was presented. While the site ensures communication of AWS performance, it has a formal process to collect and document written feedback from stakeholders in the form of feedback form.

4.4 *Evaluate and update the site's water stewardship plan, incorporating the information obtained from the evaluation process in the context of continual improvement.*

4.4.1 *The site's water stewardship plan shall be modified and adapted to incorporate any relevant information and lessons learned from the evaluations in this step and these changes shall be identified.*

Yes

Comment

The site has updated its Water Stewardship Plan to incorporate key insights and lessons learned from ongoing evaluations, reinforcing a commitment to continuous improvement throughout the AWS journey.
The most recent revision, completed in 18th August 2025, made changes in the tree planation project, like apart from just plantation and a cage also provided for safety. These updates were informed by stakeholder discussions, the closure of related actions, and progress assessments.

Some of the revised actions include focusing on projects to provide infrastructure for waste collection (waste bins) rather than adding plastic waste people also used to add the other wastages, therefore site has reduced the opening of the bins to just be used for plastic waste. These revisions have stemmed based on stakeholder feedback received after carrying out previous projects during 2024.

Stakeholders, advised to involved schools children's directly to your influence however due to legal requirements site cannot interact socially with 21 years old or below personnel due to cigarette products.

5	STEP 5: COMMUNICATE & DISCLOSE - Communicate about water stewardship and disclose the site's stewardship efforts

5.1 *Disclose water-related internal governance of the site's management, including the positions of those accountable for legal compliance with water-related local laws and regulations.*

5.1.1 *The site's water-related internal governance, including positions of those accountable for compliance with water-related laws and regulations shall be disclosed.*

Yes

Comment: The Sustainability Manager is responsible for ensuring compliance with water-related legal requirements, while ultimate accountability lies with the Director of Operations and head of legal and Cora and CoseC. Based on site comments, the AWS Legal Compliance hierarchy and the site's AWS Team structure were communicated to stakeholders during consultation and disclosure meetings and available on company website as; https://www.ceylontobaccocompany.com/sustainability-and-responsibility/our-strategic-approach-to-sustainability/our-commitment-to-water-stewardship

5.2 *Communicate the water stewardship plan with relevant stakeholders.*

5.2.1 *The water stewardship plan, including how the water stewardship plan contributes to AWS Standard outcomes, shall be communicated to relevant stakeholders.*

Yes

Comment: The site maintains active engagement with stakeholders regarding its AWS plans and performance. Dedicated stakeholder consultation sessions were held to discuss site progress, shared water challenges, and corresponding risk mitigation and opportunity measures aligned with site action plan.

AWS-related plans and performance updates were also communicated to stakeholders through email correspondence, letters, in-person discussions and virtual online meetings.

Further details, including Water Stewardship Plan, implementations, the company Water stewardship governance structure along with the roles and responsibilities are publicly disclosed in the company website. https://www.ceylontobaccocompany.com/sustainability-and-responsibility/our-strategic-approach-to-sustainability/our-commitment-to-water-stewardship

The Site also discloses company's water-related performances such as water recycling, water intensity and water withdrawn in the company's annual report but as company with the numbers representing the company's supply chain.

5.3 *Disclose annual site water stewardship summary, including: the relevant information about the site's annual water stewardship performance and results against the site's targets.*

5.3.1 *A summary of the site's water stewardship performance, including quantified performance against targets, shall be disclosed annually at a minimum.*

Yes

Comment	Quantified Performance Against Water Stewardship Targets The quantified performance against the site's Water Stewardship Plan is as the site has achieved measurable progress against its Water Stewardship Plan targets, including: - installation of a new efficient RO plant, reuse of RO reject water, installation of efficient plumbing fitting, installation of sensor taps, periodic leak detection exercises, expansion of treated water network throughout the site, key features are as, Improvement in water withdrawal 11% compared to 2024 Achieved AWS certification Site has also disclosed ESG data in their annual report including water in their website, https://cdn.cse.lk/cmt/upload_report_file/460_1745319496525.pdf	
5.4	*Disclose efforts to collectively address shared water challenges, including: associated efforts to address the challenges;engagement with stakeholders; and co-ordination with public-sector agencies.*	
5.4.1	*The site's shared water-related challenges and efforts made to address these challenges shall be disclosed.*	Yes
Comment	The site has communicated its shared water challenges to stakeholders primarily through formal engagement sessions. Additionally, these shared water challenges are publicly disclosed on the company website at: https://www.ceylontobaccocompany.com/content/dam/endmarkets/lk/en/download/sustainability-and-responsibility/AWS_Master_Plan_Kandy_-_24-25.pdf	
5.4.2	*Efforts made by the site to engage stakeholders and coordinate and support public-sector agencies shall be identified.*	Yes
Comment	The site's AWS Strategic Plan, presented under the theme "Water for a Better Tomorrow," clearly outlines its long-term commitment and actions toward water stewardship. In addition, the site has demonstrated evidence of two-way communication with government departments, primarily through stakeholder requests for partnership or funding support, indicating active engagement and collaboration beyond one-way information sharing. https://www.ceylontobaccocompany.com/content/dam/endmarkets/lk/en/download/sustainability-and-responsibility/AWS-Strategic-Plan.pdf In addition, the site has presented several communications with government departments, primarily consisting of stakeholder requests for CTC to partner or provide funding support, demonstrating evidence of two-way engagement.	
5.5	*Communicate transparency in water-related compliance: make any site water-related compliance violations available upon request as well as any corrective actions the site has taken to prevent future occurrences.*	
5.5.1	*Any site water-related compliance violations and associated corrections shall be disclosed.*	Yes
Comment	There were no water-related compliance violations during the reporting period; therefore, no disclosures or communications were required.	
5.5.2	*Necessary corrective actions taken by the site to prevent future occurrences shall be disclosed if applicable.*	Yes
Comment	There were no water-related compliance violations during the reporting period; therefore, no disclosures or communications were required.	
5.5.3	*Any site water-related violation that may pose significant risk and threat to human or ecosystem health shall be immediately communicated to relevant public agencies and disclosed.*	Yes
Comment	There were no water-related compliance violations during the reporting period; therefore, no disclosures or communications were required.	

	Previous Findings	
	All non-conformities raised in the previous audit have been satisfactorily closed.	Yes
Comment	All non-conformities from previous audit closed, however, some new findings has been observed in the relevant clauses.	