

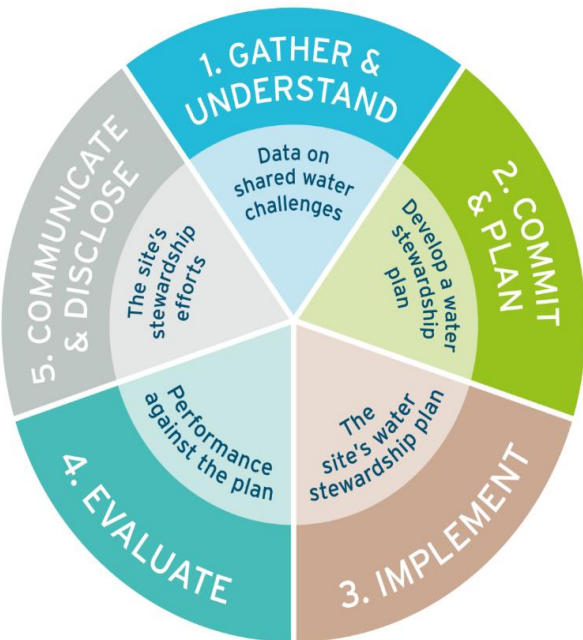


Vision

Water for A BETTER TOMORROW™

Mission

Implementation of the standards is intended to achieve the water stewardship outcomes for the operating site and its defined physical scope



GOOD WATER GOVERNANCE

Drive a robust water stewardship agenda through scaled up partnerships and collaboration of stakeholders



SUSTAINABLE WATER BALANCE

Strengthening and promoting the efficiency in water use at site and beyond



GOOD WATER QUALITY STATUS

Assurance of water quality and contribution towards catchment water pollution control programmes



IMPORTANT WATER-RELATED AREAS

Catchment areas and infrastructure maintenance and restoration for sustainable water resources



SAFE WATER, SANITATION AND HYGIENE FOR ALL (WASH)

Achieve safely managed water, sanitation and hygiene for workplace and communities

Standards

Outcomes

Goals

Our Commitment to Water Stewardship



Alliance for Water Stewardship (AWS) Policy Our Approach to Water Stewardship

At Ceylon Tobacco Company, we understand that effective water management plays an integral role towards human and community development as well as in ensuring a sustainable business. Accordingly, we strive to drive water management efficiencies across our operations and value chain while facilitating access to clean water across communities that lack this vital resource.

In 2021, we commenced our journey towards Water Stewardship. Our commitments include good water governance, sustainable water balance, good water quality status, healthy status of Important Water-Related Areas, and Water, Sanitation and Hygiene (WASH). To reinforce our efforts, we ambitiously embarked on the Alliance for Water Stewardship (AWS) certification.

In line with the above, our policy at Ceylon Tobacco Company will ensure a focused agenda towards driving the following commitments:

- Ensure responsible use and disposal of water across operations
- Continuously reduce the volume of water used annually for operations
- Commit resources to implement the AWS Standard across our manufacturing/processing sites
- Implement water stewardship programmes to achieve improvements as per the Water Stewardship plan and outcomes
- Assess the future availability of water in relevant catchment areas and eliminate or mitigate environmental and social risks linked to our use of water
- Facilitate access to water, sanitation, and hygiene for CTC employees and local communities
- Recognise national and international treaties related to the sustainability of water resources
- Engage with communities and relevant stakeholders in an open and transparent way, to increase awareness on water protection measures and foster relevant initiatives
- Seek collaborations with local/international organisations, CSOs, NGOs, to support agenda of water stewardship
- Exchange non-competitive water stewardship practices and promote the ongoing review and development of water standards and policies
- Disclose and report our activities and progress comprehensively and transparently

This Water Stewardship Policy is approved and endorsed by the MD/CEO and Operations Director of the company and is applicable to all CTC employees across its operating locations, irrespective of level and function.

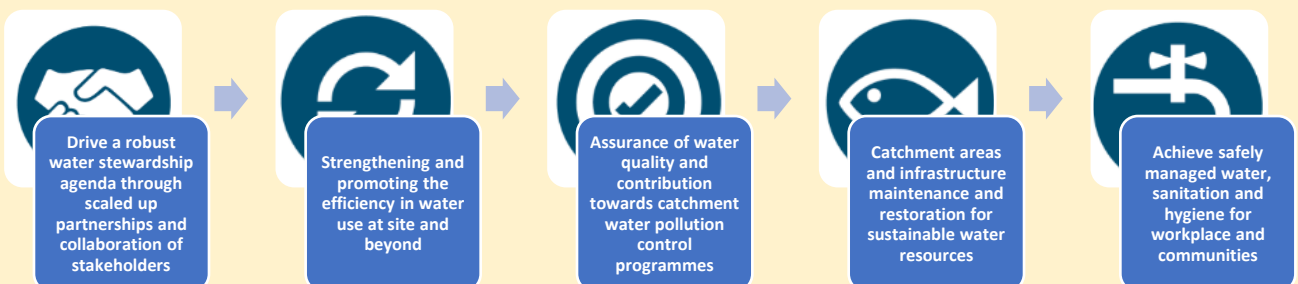


Water Risks and Challenges

The Green Leaf Threshing Plant of CTC PLC operates as a processing facility of cured leaf purchased from farmers and delivered to the factory site through the depots located in different geographies where the crops are grown. The processing operation is comparatively less water intensive in which the majority of water use is concentrated on cleaning and hygiene related activities.

The factory is located adjoining to the major diversion point (Polgolla Barrage), of Mahaweli River, which is identified as site's catchment for supply and discharge water. Considering the extensive extent of river catchment over 10,448 square kilometers, the site has concentrated its operating scope (the physical scope) to the Kandy administrative district.

The site has conducted extensive information gathering on water related risks and challenges faced by the site itself as well as its stakeholders. The information gathered as risks and challenges are carefully evaluated to prioritize the action plans to implement to reach the strategic goals are defined inline with water stewardship outcomes.



Strategic Goals



Water Risks and Challenges

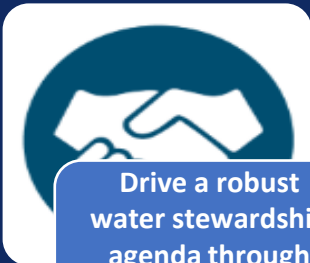
Good Water Governance

Lack of Governance structure, responsibility & accountability

Unstructured and unreliable enforcement of regulations

Lack of a structured educational programme for community

Lack of preparedness & collaboration for emergency response



Drive a robust water stewardship agenda through scaled up partnerships and collaboration of stakeholders

Stakeholders



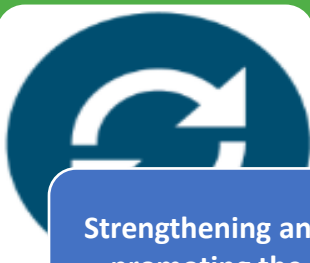
Sustainable Water Balance

Wastage of water due to losses caused by leakages and overuse

Lack of data availability and visibility of catchment inflows and outflows

Water scarcity caused due to prioritization of distribution

Water related extreme events – floods and drought



Strengthening and promoting the efficiency in water use at site and beyond

Stakeholders





Water Risks and Challenges

Good Water Quality Status



Assurance of water quality and contribution towards catchment water pollution control programmes

Lack of water quality of drinking water sources

Water quality deterioration due to human & industrial activities

Adverse health impacts caused due to poor drinking water quality

Lack community awareness on water quality and their contribution

Stakeholders



IWRA



Catchment areas and infrastructure maintenance and restoration for sustainable water resources

Poor status of important water related infrastructure

Capacity reduction of water bodies and connected IWRA

IWRA encroachment and deforestation due human activities

Lack of ownership and maintenance of IWRA

Stakeholders





Water Risks and Challenges

WASH

Lack of access and adequacy of water supply for drinking & washing

Lack of access to sanitation and hygiene facilities

Insufficient resources & funding to enable access to WASH

Lack of awareness among children, women and vulnerable communities

Achieve safely managed water, sanitation and hygiene for workplace and communities

Stakeholders



Stakeholder Map



Sri Lanka Mahaweli Authority



Government Agent (AGA Representative)



National Water & Drainage Board



Central Environment Authority



Kandy Municipal Council



Department of Agriculture



Local Communities including Vulnerable Community



Local Organizations – NGOs, CSOs, Religious Organizations



Water Stewardship Plan 2024/2025

**Good Water
Governance**

Issue: Lack of governance structure, responsibility & accountability

Actions:

1. Establish & sustain an onsite governance structure with responsibilities and accountabilities
2. Establish a water stewardship forum to support the implementation of water stewardship agenda

Targets/Timeline/Responsibility:

1. Annual review of structure & water stewardship strategy and plan - 2024 & 2025/ESSS Manager
2. Annual stakeholder engagement and water stewardship strategy, plan and action plan communication – 2024 & 2025/All

**Good Water
Governance**

Issue: Unstructured and unreliable enforcement of regulations

Actions:

1. Implement the internal regulatory assessment process & communicate if any noncompliance
2. Support regulatory enforcement actions in the catchment by the law enforcement bodies.

Targets/Timeline/Responsibility:

1. OTIF completion of annual review and assure 100% compliance & on time reporting of noncompliance - 2024 & 2025/Senior Legal Council
2. Involve and support for at least one event per year – 2024/2025/CTC, CEA, SLMA



Water Stewardship Plan 2024/2025

Good Water Governance

Issue: Lack of a structured educational programme for community

Actions:

1. Conduct internal campaigns on water related regulations and compliance
2. Support stakeholders to drive community awareness programmes

Targets/Timeline/Responsibility:

1. Completion of Annual policy cascade & regulatory compliance awareness- 2024 & 2025/Lex
2. Support minimum one community awareness programme joining with stakeholders– 2024 & 2025/CTC, CEA, SLMA

Good Water Governance

Issue: Lack of preparedness & collaboration for emergency response

Actions:

1. Annual testing & review and testing of water related internal emergency response plan.
2. Support & coordinate the annual review & testing of emergency response plan of Polgolla sub catchment.

Targets/Timeline/Responsibility:

1. Conduct minimum 01 review and testing of internal response plan per year- 2024 & 2025/SUS EXE
2. Conduct minimum 01 review and testing of Polgolla sub catchment emergency response plan – 2024/2025/CTC/NWSDB,SLMA,KMC



Water Stewardship Plan 2024/2025

Sustainable Water
Balance

Issue: Wastage of water due to losses caused by leakages and overuse

Actions:

1. Drive onsite water saving and waste reduction initiatives.
2. Support water waste reduction initiatives executed by the stakeholders.

Targets/Timeline/Responsibility:

1. Deliver water withdrawal reduction and recycling targets- 2024 & 2025/GLTP Manager
2. Involve and support minimum 01 water waste reduction initiatives implemented by stakeholders – 2024 & 2025/KMC, NWSDB

Sustainable Water
Balance

Issue: Lack of data availability and visibility of catchment inflows and outflows

Actions:

1. Re-define the catchment of CTC GLTP
2. Conduct catchment water balance study with the support of external SMEs.

Targets/Timeline/Responsibility:

1. Review and conclude the catchment definition- 2024/GLTP Manager
2. Complete the water balance assessment of the catchment – 2025/CTC, SLMA



Water Stewardship Plan 2024/2025

Sustainable Water
Balance

Issue: Water scarcity caused due to prioritization of distribution

Actions:

1. Support to implement water distribution options to vulnerable communities
2. Support the implementation of water supply projects for farming communities

Targets/Timeline/Responsibility:

1. Successful contribution to implement at least one project per year- 2024 & 2025/GLTP Manager, NWSDB, KMC
2. Implementation of minimum 01 Agri water supply project per year– 2024 & 2025/ LSAM, Farmer Org.

Sustainable Water
Balance

Issue: Water related extreme events – floods and drought

Actions:

1. Involve in sediment removal and capacity enhancement of catchment & connected water bodies
2. Support implementation of long-term projects aim to arrest the climate change impacts

Targets/Timeline/Responsibility:

1. Contribute to at least 01 activity conducted by SLMA - 2024 & 2025/GLTP Manager, SLMA
2. Assure the involvement to at least 01 long term project – 2024 & 2025/CTC, KMC,SLMA, AGA



Water Stewardship Plan 2024/2025

Good Water Quality
Status

Issue: Lack of water quality of drinking water sources

Actions:

1. Carry out internal water quality testing to assure the quality of water supply & discharge
2. Support the project implemented to assure the quality status of water supplied to communities

Targets/Timeline/Responsibility:

1. 100% adherence to water quality testing standards- 2024 & 2025/GLTP TE
2. Involve in at least one project per year– 2024 & 2025/ KMC,NWSDB, AGAs.

Good Water Quality
Status

Issue: Water quality deterioration due to human & industrial activities

Actions:

1. Improve the standards of site sewage discharge to avoid the impact to ground water quality
2. Support the stakeholder initiatives implemented focusing the control of water quality deteriorations due to human activities.

Targets/Timeline/Responsibility:

1. 100% compliance of site sewage water discharge - 2024 GLTP Manager, SLMA
2. Participate in at least 01 initiative per year – 2024 & 2025/CTC, KMC,SLMA, AGA, NWSDB



Water Stewardship Plan 2024/2025

Good Water Quality Status	<p>Issue: Adverse health impacts caused due to poor drinking water quality</p>
	<p>Actions:</p> <ol style="list-style-type: none"> 1. Support the health impact related awareness and surveys conducted by the stakeholders 2. Implement projects to supply good quality water for communities in the catchment
	<p>Targets/Timeline/Responsibility:</p> <ol style="list-style-type: none"> 1. Involvement in minimum 01 initiative per annum- 2024 & 2025/GLTP Manager, AGA 2. Installation of minimum 01 RO plant per year in the catchment area- 2024 & 2025/ CTC, Farmer Org.

Good Water Quality Status	<p>Issue: Lack community awareness on water quality and their contribution</p>
	<p>Actions:</p> <ol style="list-style-type: none"> 1. Conduct internal awareness campaigns on water quality 2. Support external awareness campaigns conducted by the stakeholders on water quality and adverse impact of water quality due to human activities
	<p>Targets/Timeline/Responsibility:</p> <ol style="list-style-type: none"> 1. Minimum 01 campaign per year – 2024 & 2025/ESSSM/SE (World Water Day) 2. Participate in minimum two campaigns per year– 2024 & 2025/CTC, KMC,NWSDB, AGA



Water Stewardship Plan 2024/2025

Important Water Related Areas

Issue: Poor status of important water related infrastructure

Actions:

1. Improve the status of internal water related infrastructure
2. Support the activities executed by the stakeholders to improve the status of IWRA/infrastructure

Targets/Timeline/Responsibility:

1. 100% adherence to internal water related infrastructure maintenance programme - 2024 & 2025/GLTP TE
2. Participate in minimum 01 project per year– 2024 & 2025/ CTC, SLMA, NWSDB, KMC

Important Water Related Areas

Issue: Capacity reduction of water bodies and connected IWRA

Actions:

1. Extend IWRA rehabilitation support to stakeholders
2. Extend IWRA (catchment & connected water bodies) capacity enhancement support to stakeholders

Targets/Timeline/Responsibility:

1. Participate in minimum 01 campaign per year – 2025/CTC,KMC
2. Participate in minimum two capacity enhancement project per year– 2024 & 2025/CTC, SLMA



Water Stewardship Plan 2024/2025

Important Water Related Areas

Issue: IWRA encroachment and deforestation due human activities

Actions:

1. Riverbank reforestation
2. Installation of natural or constructed barriers to prevent human encroachment to the riverbank

Targets/Timeline/Responsibility:

1. Participate in minimum 01 tree planting activity per year- 2024 & 2025/GLTP Manager, AGA,SLMA,CEA
2. Participate in at least one activity during a year – 2024 & 2025/ CTC, SLMA

Important Water Related Areas

Issue: Lack of ownership and maintenance of IWRA

Actions:

1. Support various other IWRA maintenance activities conducted by the stakeholders
2. Drive community owned IWRA maintenance programme along the riverbank of the Mahaweli River Catchment

Targets/Timeline/Responsibility:

1. Participate in such activities as and when invited – 2024 & 2025/GLTP Manager
2. Initiate the IWRA maintenance programme focusing a selected area of the catchment – 2025/CTC, SLMA



Water Stewardship Plan 2024/2025

Sanitation & Hygiene WASH – Water, Sanitation & Hygiene

Issue: Lack of access and adequacy of water supply for drinking & washing

Actions:

1. Assess and improve the onsite facilities to assure adequacy of safe drinking water supply at site.
2. Support the activities executed by the stakeholders to improve the access of vulnerable communities to safe drinking water

Targets/Timeline/Responsibility:

1. Continuous improvement of standards - 2024 & 2025/GLTP TE
2. Participate in minimum 01 project per year– 2024 & 2025/ CTC, AGA

Sanitation & Hygiene WASH – Water, Sanitation & Hygiene

Issue: Lack of access to sanitation and hygiene facilities

Actions:

1. Assess and improve status of onsite sanitation and hygiene facilities
2. Extend IWRA (catchment & connected water bodies) capacity enhancement support to stakeholders

Targets/Timeline/Responsibility:

1. Continuous improvement of standards - 2024 & 2025/GLTP TE
2. Participate in minimum 01 project per year– 2024 & 2025/ CTC, NGO,SCO



Water Stewardship Plan 2024/2025

Sanitation & Hygiene WASH – Water, Sanitation & Hygiene

Issue: Insufficient resources & funding to enable access to WASH

Actions:

1. Assure the allocation of adequate budgets to improve the WASH facilities at site
2. Support funding/fund raising events organized by the stakeholders to improve WASH for standards

Targets/Timeline/Responsibility:

1. Allocation of minimum budget requirement per year - 2024 & 2025/GLTP Manager
2. Participate or contribute to minimum 01 event per year– 2024 & 2025/ CTC, NGOs, CSOs

Sanitation & Hygiene WASH – Water, Sanitation & Hygiene

Issue: Lack of awareness among children, women and vulnerable communities

Actions:

1. Implementation of internal awareness programmes focusing on WASH education
2. Involve and support the external WASH related awareness programmes organized by stakeholders

Targets/Timeline/Responsibility:

1. Conduct minimum minimum 01 campaign per year – 2024 & 2025/ESSSM/SE
2. Participate in minimum 01 awareness programme per year– 2024 & 2025/CTC, AGA, NGOs, CSOs



Water Stewardship Plan 2024/2025

Measurement and Monitoring

Internal Measuring & Monitoring

1. Water withdrawal & recycling
 - Measurement of KPIs vs baseline
 - Monitor through internal meter readings and Enercon DMS.
2. Compliance to regulations
 - Compliance assessment & external check through certified bodies

External monitoring

1. WSP performance
 - Stakeholder surveys and feedbacks
 - Social impact as declared by stakeholders on project performance evaluations

Budgetary Allocation

Capital expenditure for internal infrastructure improvements

- Water metering – 2.6 million LKR
- Leak prevention – 1.4 million LKR
- ETP & recycle network upgrade – 2.3 million LKR

Allocation for external WS projects

- 2024 allocation: 4.4 million LKR
- 2025 budgeted: 4 million LKR
- Allocation among the targeted initiatives for achieving AWS outcomes is prioritized based on risk levels and weight of the expenditure.
- Additional allocations are planned through annual reviews of SCI availability.

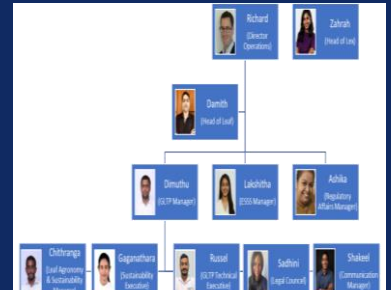


Water Stewardship Plan Implementation

Good Water Governance



Drive a robust water stewardship agenda through scaled up partnerships and collaboration of stakeholders



Internal & External AWS Team Structures



Location	Parameters	Frequency
SLP Sites	Physical and Environmental, & Environmental & Microbiological	Annually
ETP Sites	Physical, Chemical, Microbiological, Particulate matter	Quarterly
	Physical, Chemical, Microbiological	

Community Awareness & Compliance

Stakeholders



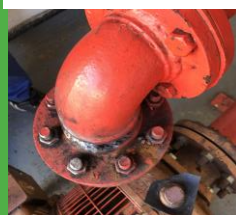
Sustainable Water Balance



Strengthening and promoting the efficiency in water use at site and beyond



Internal & External Water Leak Prevention and water recycling initiatives



Stakeholders





Water Stewardship Plan Implementation

Good Water
Quality Status



Ground water contamination prevention



Surface water contamination prevention



Assurance of water
quality and
contribution
towards catchment
water pollution
control programmes

Stakeholders



IWRA



Catchment areas and
infrastructure
maintenance and
restoration for
sustainable water
resources



IWRA Rehabilitation & prevention awareness



Stakeholders





Water Stewardship Plan Implementation

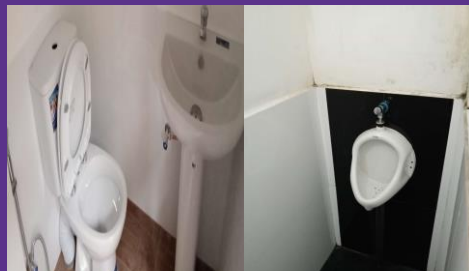
WASH



Assurance of access to clean water



Achieve safely managed water, sanitation and hygiene for workplace and communities



WASH provisions & community awareness

Stakeholders



Ongoing Projects



Booster pumps for prevention of water contamination during repairs



IWRA – Cannel capacity expansion support to prevent floods



Rehabilitation of abundant water wells to assure water availability for communities



WSH facility improvements for vulnerable prole living in elderly homes-



WASH facility improvements of a vulnerable family



Tube well construction to assure the water supply for communities



Community awareness conducted on pollution prevention



IWRA protection through rehabilitation of riverbanks