

**Forest Management and Stump-to-Forest Gate Chain-of-Custody  
Certification Evaluation Report for the:**

**LALAN PLANTATION LTD.**

**Conducted under auspices of the SCS Forest Conservation Program  
SCS is an FSC Accredited Certification Body**

**CERTIFICATION REGISTRATION NUMBER  
SCS-FM/COC- 00126P**

**Submitted to:**

**Lalan Plantation Management Unit**

**Lead Author: Dr. S.K.Yap**

**Date of Field Audit: 6-8 October 2009**

**Date of Report:**  
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## **Organization of the Report**

This report of the results of our evaluation is divided into two sections. Section A provides the public summary and background information that is required by the Forest Stewardship Council. This section is made available to the general public and is intended to provide an overview of the evaluation process, the management programs and policies applied to the forest, and the results of the evaluation. Section A will be posted on the SCS website ([www.scscertified.com](http://www.scscertified.com)) no less than 30 days after issue of the certificate. Section B contains more detailed results and information for the use of the Lalan Plantation Ltd..

## FOREWORD

Scientific Certification Systems, a certification body accredited by the Forest Stewardship Council (FSC), was retained by Lalan Plantation Ltd. to conduct a certification evaluation of its plantation forest estate. Under the FSC/SCS certification system, forest management operations meeting international standards of forest stewardship can be certified as “well managed”, thereby enabling use of the FSC endorsement and logo in the marketplace.

In 6-8 October 2009, an interdisciplinary team of natural resource specialists was empanelled by SCS to conduct the evaluation. The team collected and analyzed written materials, conducted interviews and completed a 3 day field and office audit of the subject property as part of the certification evaluation. Upon completion of the fact-finding phase of the evaluation, the team determined conformance to the 56 FSC Criteria in order to determine whether award of certification was warranted.

This report is issued in support of a recommendation to award FSC-endorsed certification to Lalan Plantation Ltd. for the management of its rubber plantation. As detailed below, certain pre-conditions (also known as Major Corrective Action Requests) that were stipulated by the audit team upon completion of the field audit were addressed by Lalan Plantations Ltd and cleared by SCS prior to finalization of this report. In the event that a certificate is awarded, Scientific Certification Systems will post this public summary of the report on its web site ([www.scscertified.com](http://www.scscertified.com)).

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## SECTION A- PUBLIC SUMMARY AND BACKGROUND INFORMATION

### 1.0 GENERAL INFORMATION

#### 1.1 FSC Data Request

Applicant entity	
Contact person	Mr. Sunil de Alwis General Manager Operation
Address	198/B Gnanendra Mawatha, Nawala, Sri Lanka
Telephone	94 11 2806 053/4
Fax	94 11 2806 053/4
E-mail	<a href="mailto:sunil@lalanrubber.com">sunil@lalanrubber.com</a>
Certificate Type	single FMU
SLIMF <i>if applicable</i>	Not applicable
Group Members <i>if applicable</i>	Not applicable
Number of FMU's <i>if applicable</i>	One
Number of FMUs in scope that are	
less than 100 ha in area	#
100 - 1000 ha in area	#
1000 - 10 000 ha in area	7,761.25 ha
more than 10 000 ha in area	#
Location of certified forest area	
Latitude	N 6° 52' 41.4005"
Longitude	E 79° 53' 26.3677"
Forest zone	Rubber plantation with patches of residual forest
Total forest area in scope of certificate which is included in FMUs that:	7,761.25 ha
are less than 100 ha in area	NA
are between 100 ha and 1000 ha in area	NA
meet the eligibility criteria as <i>low intensity</i> SLIMF FMUs	NA
Total forest area in scope of certificate which is:	
privately managed <sup>1</sup>	7,761.25 ha
state managed	0
Community managed <sup>2</sup>	0
Number of forest workers (including contractors) working in forest within scope of certificate	3,759 (consisting of executives 15, staff 215, permanent 3065, casual 464)
Area of forest protected from commercial harvesting of timber and managed primarily for conservation objectives	724.44 ha
Area of forest protected from commercial harvesting of timber and managed primarily for the production of NTFPs or services	Rubber (latex) 5,373.78 ha; tea (leaves) 84.07 ha and coconut (nuts) 388.62 ha.
Area of forest classified as 'high conservation value forest'	724.44 ha
List of high conservation values present <sup>3</sup>	HCVF 3 and 4
Total area of production forest which timber may be	Rubber 5,373.78 ha

<sup>1</sup> The category of 'private management' includes state owned forests that are leased to private companies for management, e.g. through a concession system.

<sup>2</sup> A community managed forest management unit is one in which the management and use of the forest and tree resources is controlled by local communities.

<sup>3</sup> High conservation values should be classified following the numbering system given in the ProForest High Conservation Value Forest Toolkit (2003) available at [www.ProForest.net](http://www.ProForest.net)

harvested)	
Area of production forest classified as 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF)	Rubber 5,373.78 ha; tea 84.07 ha; coconut 388.62 ha; and forestry trees 169.46 ha
Area of production forest regenerated primarily by replanting <sup>4</sup>	Rubber 5,373.78 ha; tea 84.07 ha; coconut 388.62 ha.
Area of production forest regenerated primarily by natural regeneration	Forestry trees 169.46 ha
List of main commercial timber and non-timber species included in scope of certificate (botanical name and common trade name)	<i>Hevea brazelinensis</i> (Natural rubber trees); <i>Cocos nucifera</i> (Coconut) <i>Camellia sinensis</i> (Tea plant)
Approximate annual allowable cut (AAC) of commercial timber	Latex harvesting does not involve any tree harvesting; the rubber trees are harvested after 25 years which is the economic life span of the species. Replanting is then initiated.
Approximate annual commercial production of non-timber forest products included in the scope of the certificate, by product type	Rubber production for 2008/09 at 5,116,338 kg, Tea 632,022 kg and coconut 2,089,230 kg
List of product categories included in scope of joint FM/COC certificate and therefore available for sale as FSC-certified products (include basic description of product - e.g. round wood, pulp wood, sawn timber, kiln-dried sawn timber, chips, resin, non-timber forest products, etc.)	Latex from the rubber plantation Rubber wood, tea, coconut nuts and wood are supplied to local markets

## 1.2 Management Context

The rubber plantation industry in Sri Lanka has been established over 100 years. Through a nationalization program in 1975 these rubber plantations were managed by the Government Cooperative until 1992. Following a World Bank Report these plantations were then re-privatized to 33 plantation companies. Lalan Plantations Ltd has been awarded a long term sub-lease of 53 years ending in 2045 from Bogawantalawa Plantations Ltd. to manage plantation in 4 regions (Mahaoya, Pitiaande, Sapumalkande and Udabage) consisting of 13 estates.

The company has set up 17 written policies towards compliance to the specifications of the Principles and Criteria of FSC. The operation is subject to a series of national regulations. The principal regulations of greatest relevance to plantation managers in the 4 regions are associated with the following statutes:

### ***Pertinent Regulations at the National Level:***

The Forest Ordinance Amended 1966  
Fauna and Flora Protection Ordinance (1938)  
Wildlife Protection Society Act 1968  
The National Environmental Act 1980

<sup>4</sup> The area is the *total* area being regenerated primarily by planting, *not* the area which is replanted annually. NB this area may be different to the area defined as a 'plantation' for the purpose of calculating the Annual Accreditation Fee (AAF) or for other purposes.

National Heritage Wilderness Areas Act No. 3 1988  
Felling of Trees (Control) (Amendment) Act No. 1 of 2000  
Plant Protection Ordinance 1924  
Plant Protection Act 1999  
National Water Supply and Drainage Board Act 1992  
Irrigation Ordinance 1968  
Soil Conservation Act 1996  
Crown Lands Ordinance 1956  
Land Reform Law No. 1 1972  
Land Development Ordinance No. 19 of 1935 and 1946.  
State Lands (Recovery of Possession) Act No. 56 of 1961  
State lands (Recovery of Procession) Act 1981, 1997

***International Conventions***

Convention on Wetlands of International Importance Especially as Waterfowl Habitat  
(RAMSAR Convention) 1971  
International Tropical Timber Agreement 1994  
United Nations Framework Conventional on Climate Change 1992  
Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)  
International Labour Organization (ILO) Conventions

***Pertinent Regulations at State and Local Level:***

The Forest Ordinance Amended 1966  
Fauna and Flora Protection Ordinance (1938)  
Wildlife Protection Society Act 1968  
The National Environmental Act 1980  
Felling of Trees (Control) (Amendment) Act No. 1 of 2000  
Plant Protection Ordinance 1924  
Plant Protection Act 1999  
National Water Supply and Drainage Board Act 1992  
Irrigation Ordinance 1968  
Soil Conservation Act 1996  
Crown Lands Ordinance 1956

No state and local regulations, or violations thereof, were uncovered during stakeholder consultation of the evaluation process.

***Regulatory Context for State and Local Regulations:***

There are regulations at the state and local levels that apply to Lalan Plantations Ltd as shown above. No state and local regulations, or violations thereof, were uncovered during stakeholder consultation of the evaluation process.

### **1.2.1 Environmental Context**

The area under Lalan Plantations Ltd management consists of 7,761.25 ha with 5,908.84 ha cultivated with tree crops. These consist of 5,373.78 ha of rubber, 96.7 ha of tea bushes, 388.62 ha of coconut palms, 169.46 ha of forest trees and 7.23 ha of other agricultural crops. There are also 722.44 ha of protected forest areas within the plantation and 807.48 ha with labour lines, roads, bridges, and rocky sites where planting is not possible. There are numerous streams flowing through the estates inspected during the assessment. Sample plots have been established within each parcel of residual forest, but no threatened or endangered species were discovered.

### **1.2.2 Socioeconomic Context**

Lalan Plantations Ltd has been awarded a long term sub-lease of 53 years ending in 2045 from Bogawantalawa Plantations Ltd. to manage plantation in 4 regions (Mahaoya, Pitiaande, Sapumalkande and Udabage) consisting of 13 estates.

The Lalan Plantations Ltd is the main employer of the local communities with over 3,700 employees throughout the four regions. Each estate is surrounded by local communities who either work with the group or their own cultivated lands. Through a government support program, Lalan willingly released approved land in Udapolla Estate, Udapolla Division, Mahaoya Estate, Glassel Division and Sapumalkande Estate, Cluness Upper Division under the PHDT/NHDA Housing Projects for local communities. The company provided additional support in the form of roads, water and electricity to these houses.

There are no indigenous people that live in or near the plantations of the company.

## **1.3 Forest Management Enterprise**

### **1.3.1 Land Use**

The area under Lalan Plantations Ltd had been planted with rubber trees for around 100 years. The area under Lalan Plantations Ltd management consists of 7,761.25 ha with 5,908.84 ha cultivated with rubber, coconut and tea. An area of 807.48 ha have been used for infrastructures like housing for labourers, workshops, offices, roads and bridges. The neighbouring lands belong to the local communities and used mainly for agricultural purposes. The latex produced is sold to its parent company for the manufacture of rubber gloves which are mainly for export. The tea is sold to local tea blender while the coconuts are sold as timber and nuts mainly for local markets.

Latex is the main product from the plantation followed by tea and coconut. During the replanting phase, the felled rubber trees are collected by contractors who sell them as fuel wood.

One of the estates Reucastle Estate within the Sapumalkande Group is located 62 km from the Uda Walawe National Park and 17 km from Sri Pada Peak Wilderness Sanctuary. There is also a forest reserve 15 km from that estate.

### **1.3.2 Land Outside Scope of Certification**

The rubber plantations within the four groups are all included in the present scope of the certificate.

## **1.4 Management Plan**

### **1.4.1 Management Objectives**

The main objective of the company as presented during the opening meeting is to be the most efficient latex producer through improved planting of selected clones and tapping system. It is also diversifying into other crops in areas that may not be suitable for the rubber trees. These approaches are carried out with consideration of biological diversity conservation and social stability. These objectives shall be included in the management plan that is to be presented in Lalan's responses to Major and minor CARs.

Lalan has specific objectives for environmental, social, and production values listed throughout the management plan. It has detailed the following general objectives of forest management in its management plan (December 2009):

- (1) The main objective of this management plan is to ensure an efficient latex production through improved planting of selected clones and tapping system as per FSC Standards while harvesting timber and fuelwood on an annual sustained yield basis.
- (2) It is also diversifying into other crops in areas that may not be suitable for the rubber trees. These approaches are carried out with consideration of biological diversity conservation and social stability.
- (3) To meet the people's basic needs for fuelwood, fodder, timber and other forest product and to contribute to food production through an effective interaction between forestry and farming practices.
- (4) To protect the land against degradation by soil erosion, floods, landslides and other effects of ecological imbalance.
- (5) To implement and stabilize existing erosion, improve water quality, increase soil productivity and others.
- (6) To increased wood production from plantation forest meets domestic and export demand for raw materials, thereby reducing reliance on natural forest extraction.

- (7) To utilise all arable land that is not used for the growing of rubber by diversifying to the most appropriate commercial crops to enhance land productivity.
- (8) To obtain periodic revenue from timber production on sustained yield basis, while providing habitat for fauna and flora.
- (9) To contribute to the growth of the local and national economics by developing forest management and forest based industries and creating opportunities for income generation and employment.

### 1.4.2 Forest Composition

The area under Lalan Plantations Ltd management consists of 7,761.25 ha with 5,908.84 ha cultivated with tree crops. These consist of 5,373.78 ha of rubber, 96.7 ha of tea bushes, 388.62 ha of coconut palms, 169.46 ha of forest trees and 7.23 ha of other agricultural crops. There are also 722.44 ha of protected forest areas within the plantation and 807.48 ha with labour lines, roads, bridges, and rocky sites where planting is not possible.

The residual forest was reported to be of the original vegetation cover. Inspection at two sites indicated that human activities had occurred with most of the big trees removed.

### 1.4.3 Silvicultural Systems

As has been the long-term norm for this region, Lalan Plantations Ltd. has been planting rubber trees from recommended clones of the Rubber Research Institute of Sri Lanka for latex and scrap production. Tapping is normally initiated at age 4 and the economic life span of the trees is around 24 years. After the peak production period the trees are felled and sold to local factories as fuel wood. At present 56% of the rubber planted area consist of mature trees, with 26% immature trees and 20% are in the replanting process. Tree felling and replanting preparation is conducted in small blocks and minimum earth works were observed. Replanting is done with seedlings supplied from a central nursery. These seedlings are produced by grafting onto germinated seedlings from seeds. The bud-grafting technique is employed using buds harvested from cuttings collected from a clonal orchard established in a central nursery.

For the tea plantation around 84% consist of mature tea bushes with the remaining covered by immature plants. Almost all the coconut planted area consists of fruit producing palms. A small area of 169 ha, particularly along roads in the rubber plantation, has been planted with forest species, specifically Teak and non-native Mahogany, most of which are young trees. There is no harvesting from the residual natural forests, all of which are marked for protection.

### 1.4.4 Management Systems

The FMU is subdivided into 4 groups, each with estates and divisions as shown below:

Groups	Estates	Divisions	Area (ha)	
Mahaoya	Mahaoya	Mahaoya	706.58	
		Ernan		
		Glassel		
	Densworth	Densworth	331.85	
	Woodend	Woodend	Yogama	967.57
			Udayogama	
Woodend				

		Rangahena	
		Talapitiya	
Pitiakande	Pitiakande	Pitiakande	433.62
		Bridstow	
		Pilessa	
	Muwankande	Muwankande	592.50
		Moretenna	
	Nottinghill	Nottinghill	383.4
		Bayswater	
		Dee-ella	
	Keppitigala	Galagana	317.63
		Maribe	
Keppitigala			
Sapumalkande	Sapumalkande	Walpola	801.99
		Sap Upper	
		Clunes Lower	
		Clunes Upper	
		Galahitikanda	
	Illuktenna	Illuktenna RB	381.87
		Illuktenna Tea	
	Reucastle	Digala Upper	858.94
		Digala Lower	
		Deloluwa	
Reucastle			
Nahalma			
Udabage	Udabage	Upper	796.79
		Middle	
		Lower	
		Riverside	
	Eila	Malhanas	468.50
		Avington	
		Eila	
	Udapola	Udabage	720.00
		Yatapolis	
		Manikkande	
Mawatenne			

The organizational system of the company consists of a Chairman followed by a Director responsible for the Lalan Rubber Agricultural Division. Within the Division there are 4 General Managers who are responsible for each Group. The Managers are responsible for the management of each estate normally in cooperation with an assistant manager.

There is a Human Resource Unit responsible for the employees and their training needs.

#### 1.4.5 Monitoring System

The FMU has a detailed record of the areas established with mature, young and newly planted crops of rubber, tea and coconut. It also maintains records of production for each crop and the productivity of individual division and estate at monthly intervals. These data are maintained in the offices of estates and the head office in Colombo. However, Lalan's monitoring program is incomplete; not all the information necessary to judge progress towards management objectives has been collected and recorded (e.g., Effects of operations as identified under Criteria 6.1, Changes in features identified under Criteria 6.2, Annual monitoring of high conservation values identified under Criteria 9.1, and Invasive exotic species). Furthermore, there is no publicly available summary of the monitoring.

#### **1.4.6 Estimate of Maximum Sustainable Yield**

For 2009/2010 season the projected production for the 4 plantation groups:

Rubber 5,094,895 kg

Tea 564,718 kg

Coconut 2,089,230 nuts

These figures are based on the actual production in 2008/09 season and on the area that has been cleared for replanting.

#### **1.4.7 Estimated, Current and Projected Production**

- a. The Budget Record made available during the assessment shows that the company produced 5,116,338 kg of rubber latex, 632,022 kg of tea and 2,089,230 coconut fruits in the 2008/2009 season. The report also estimated the yield for 2009/2010 to be 5,094,895 kg of rubber, 564,718 kg of tea and 2,134,596 coconut fruits.
- b. The estimate of rubber production is based on the area of mature and immature rubber trees, number of tappable trees and the area that are undergoing felling for replanting. For tea and coconut production the projected production are predicted on the amount of mature trees available.
- c. These production figures were from the Budget Record of the company which would be produced annually.

## **2.0 GUIDELINES/STANDARDS EMPLOYED**

The SCS Draft FCP Interim Standard for Plantation Forest Management Certification in Sri Lanka 2009 was developed by modifying the SCS' Generic Interim Standard to reflect management of plantation forests in the Lalan Plantations Ltd. and then incorporating relevant components of the Sri Lanka Draft Regional/National Standard. More than one month prior to the start of the field evaluation, the Draft Interim Standard was sent out for comment to all stakeholders. The resulting standard is available upon request from SCS ([www.scsertified.com](http://www.scsertified.com)).

## **3.0 THE CERTIFICATION ASSESSMENT PROCESS**

### **3.1 Assessment Dates**

The assessment was conducted from October 6 to 8, 2009 with 3 days on ground inspection and office documentation review.

Pre-assessment evaluation:

No pre-assessment evaluation was conducted.

**Certification Audit:**

### **3.2 Assessment Team**

**Dr. S.K.Yap, Team Leader:**

CVs of auditors

**Dr. S.K.Yap, ([sonkheong@hotmail.com](mailto:sonkheong@hotmail.com)):**

Dr. Yap S. K. is currently an independent consultant on forestry, arboriculture and environment. He has a B.Sc. Hons. Second Class Upper (Botany) Ph. D. (Forest Biology) under the University of Aberdeen (Scotland) and University of Malaya Fellowship in Tropical Rain Forest Project. His working career started as a research officer in the Forest Research Institute Malaysia (FRIM) after his postgraduate research in the reproductive biology of forest trees. Prior leaving the institute he was the senior research officer and Program Leader for the Urban Forestry for the Enhancement of the Environment responsible for the development of research activities in urban forestry. Constantly on call for providing technical advise on tree planting and maintenance to governmental agencies, semi-governmental bodies and private developers. Working closely with local authorities, the Department of Housing and Local Government, Department of Town and Country Planning and City Hall Kuala Lumpur.

He left the government service and was in the corporate sector involving in landscape development projects of the nation before establishing a consultancy on forestry and environment. He is an independent auditor appointed by SIRIM QAS to conduct Forest Management Certification under the cooperation between SIRIM and Forest Stewardship Council (FSC) accredited certifier - Scientific Certification System (SCS) of USA and Malaysian Timber Certification Council. He had conducted 82 forest management and RSPO audits under SCS/SIRIM-FSC and Malaysian Timber Certification Council. He was the Lead Auditor for 58 of the above assessment exercises. He is also an EMS ISO 14001 and RSPO auditor with SIRIM. He was the forest/flora ecology consultant for EIA study for landfill, thermal incinerator, forest conversion to plantation and aluminium smelter projects in the country. In 2005 he conducted 7 workshops and another one in March 2009 on EIA for the Malaysian Nature Society, Forest Certification for the Department of Forestry and another on macro EIA for the Forestry Department of Perak in 2006.

He has international experience as a FAO consultant for seed technology for the Indian Council of Forestry 1993. He was also a member of the International Union of Forestry Research (IUFRO) Working Party on Seed Problems, Member of the Acid Precipitation Committee of Japan International Forestry Promotion Organization. 1993 to 1995 and Project Leader ASEAN-Australian Tree Improvement Project in 1986 to 1987. He was actively involved with the ASEAN-Canadian Forest Tree Seed Project from 1985 to 1995 as co-chairman of the working group.

Outside his official duties Dr. Yap was the Hon. Secretary of the Malaysian Nature Society (MNS) 1992 to August 1996 and Council Member of the MNS 1989 to August 2000. He was also a member of the Technical Committee on National Park (Johor) Corporation. 1993 to 1995 and Alternate Member of the Board of Directors of the National Park Corporation (Johor) 1993 to 1995. On environmental related issues he actively participated as an Alternate Member of the National Environmental Quality Council, Ministry of Science, Technology and Environment from 1994 till 1996. He was also a member of the ad hoc Committee on EIA Review, Department of Environment. He was the Expedition Leader for The MNS Belum Expedition 1993-1994. In 2004 he conducted three workshops on EIA Review for the Malaysian Environmental NGOs under the sponsorship of DANIDA

**Mr. Sachin Raj: Team member**

**Mr. Thilak Munasighe :** Translator

### 3.3 Assessment Process

#### 3.3.1 Itinerary

Date	Time	Venue/Plantation	Activity
6 Oct 09	10.00 am	Lalan Rubber Plantation Ltd. (LRPL) Head Office	Opening Meeting
	11.00 am	Lalan Rubber Agricultural Division (LRAD) office	Documentation review
	1.30 pm	Leave for Mahaoya Group	Site inspection, consultation with workers and local communities. Documentation review.
	7.00 pm	Travel to Udapola Group	
7 Oct 09	7.30 am	Supunmalkande Group	Inspection of Central Rubber nursery
	9.00 am	Travel to Pitiakande Group Office	Site inspection and COC process of latex collection.
	3.50 pm	Leave for Colombo	
8 Oct 09	8.00 am	LRAD Office	Preparation of closing report
	2.30 pm	LRPL Head Office	Closing Meeting
	8.00 pm		Leave for Colombo airport

### **3.3.2 Evaluation of Management System**

Review of all documents was conducted in the Lalan Rubber Main Office in Colombo. This included a presentation by the Director of LRAD on the operation of the plantation. Policies documents and copies of relevant national laws and regulations were also presented. The next stage of field inspection was done in two of the four plantation groups. The site inspection involved inspection of field operations where rubber tapping was in progress, areas with planted immature rubber trees, coconuts and tea plots. Particular attention was paid to the process of control of latex collection and the mechanism of COC control at the central collection point of each group. Inspection of the protected residual forested sites was also conducted. Consultations with staff and representatives of the local communities were also conducted in the groups inspected. Documentation reviewed included maps of each estate, records of areas planted and types of crops and production figures of each crop.

### **3.3.3 Selection of FMU's to evaluate**

The forest management operation undergoing certification consists of a single Forest Management Unit.

### **3.3.4 Sites Visited**

1. Head office of Lalan Rubber Agricultural Division at Colombo for documentation review and meeting of senior management team.
2. Inspection of Mahaoya Group estates for site inspection, chemical stores, harvesting sites and stakeholders consultation. Inspection of protected residual forest site.
3. Inspection of central nursery at Sapumalkande Group
4. Inspection of Pitiakande Group replanting sites, mature and immature rubber estates, coconut plantation, latex collection point, central latex dispatching point and stakeholder consultation. Inspection of protected residual forested site.

### **3.3.5 Stakeholder Consultation**

Pursuant to SCS protocols, consultations with key stakeholders were an integral component of the evaluation process. Consultation took place prior to, concurrent with, and following the field evaluation. The following were distinct purposes to the consultations:

To solicit input from key stakeholders as to the applicability of the SCS interim draft standard, as modified to reflect forest management in the plantation management of Sri Lanka.

To solicit input from affected parties as to the strengths and weaknesses of Sample Company's management, relative to the standard, and the nature of the interaction between the company and the surrounding communities.

To solicit input on whether the forest management operation has consulted with stakeholders regarding identifying any high conservation value forests.

Principal stakeholder groups of relevance to this evaluation were identified based upon published records and arrangement made during the assessment. An announcement on the full evaluation was placed in the local language newspaper of Sri Lanka on 10 October 2009. In summation, the following types of groups and individuals were determined to be principal stakeholders:

- Lalan Agricultural Pty Company employees, including headquarters and field staff
  - Mr. D.M. Ranjitt – security guard for the estate and also Union Leader
  - Mr. M.W. Gunathilaka - Field Officer Mahaoya Division
  - Mr. K. Yoganathan – Field Officer Densworth Division
  - Ms. N.K. Aiiith Puspakamara – Clerk of Mahaoya Estate
  - Mr. W.D. Wimalasena – Estate Medical Assistant of Mahaoya Estate
  - Mr. D.P. Wijeratne – Store keeper Mahaoya Group Dehlowite
  - Mrs. D.K.C. Gelhana – Chief Clerk Mahaoya Group Dehlowite
  - Mrs. D.D. Rubawaths – Clerk of Mahaoya Group Dehlowite
  - Mrs. B.D. Neble – Account Clerk Mahaoya Group Office
  - Ms L. Kanthimathi – Senior Clerk Mahaoya Group Office Dehlowita
  - Mrs C. Karmathilak – Clerk Mahaoya Group Office
  - Mr. G.G. N. Runasinghe – Junior Clerk Mahaoya Office
  
- Contractors:
  - Mr. Daryanathha –building contractor
  - Mr. Sunid – contractor for collection of rubber wood felled during replanting
  - Mr. Bondera – contractor for felling and uprooting old rubber trees
  
- Adjacent property owners
  - Priest from the adjacent temple at Mahaoya Estate
  
- Members of the Sri Lanka FSC Working Group/National Initiative
- FSC International
- Local and regionally-based environmental organizations and conservationists through e mails:
  - Department of Forestry and Environment Science, University of Sri Jaywardenepura, Sri Lanka
  - IUCN, Sinhataja Biosphere Reserve
  - Country Representative IUCN Sri Lanka
  - International Water Resources Institute, Colombo, Sri Lanka.
  - March for Conservation Sri Lanka
  - Competitive Initiative for Ecotourism
  
- Local and regionally-based social interest organizations through e mails:
  - Business and Biodiversity Program, IUCN
  - FAO

- Asian Development Bank
- Forest industry groups and organizations through e mails:
  - Common Fund for Commodities Netherlands
  - US Forest Service Programs
  - Mission Director US AID-Sri Lanka
  - United Nations Economic Commission for Europe, Timber Section
- Local, State and Federal regulatory agency personnel through e mails:
  - Conservator General of Forests, Sri Lanka
  - Rubber Research Institute, Agalawatte, Sri Lanka

The evaluation team contacted individuals and organizations within each of these stakeholder groups. In total, 38 groups and individuals commented on the evaluation, either via letters, phone calls, or in-person interviews (see section 3.3.5.1 for a summary of their comments). A total of 23 groups and individuals were sent, via email or regular mail, a public notice describing the upcoming evaluation and were offered opportunities to solicit comments (Appendix 2). Names of groups and individuals that commented and were willing to allow names be listed in the report, as well as those who were contacted but did not respond, are listed in Appendix 2.

### 3.3.5.1 Summary of Stakeholder Concerns and Perspectives and Responses from the Team Where Applicable

*A summary of the comments on the standard (where applicable) and major perspectives and concerns expressed by the stakeholders that were consulted during the course of this evaluation include:*

#### **Environmental groups**

<b>Comment/Concern</b>	<b>Response</b>
• No comments	NA

#### **Community Groups & Local Residents, Including Indigenous Peoples (5 local residents)**

<b>Comment/Concern</b>	<b>Response</b>
• Happy for the job opportunities offered by the company	Duly noted.
• Keen to see the reopening of the rubber processing plant at Mahaoya Estate	Duly noted.
• The company provided support to local temples and schools	Duly noted.

#### **Governmental Organizations**

<b>Comment/Concern</b>	<b>Response</b>
• No comments	NA

### Employees and Contractors: (14 persons interviewed)

Comment/Concern	Response
<ul style="list-style-type: none"><li>Able to work well with the company</li></ul>	Duly noted.

### Comments on Draft Interim Standard

Comments	Response
<ul style="list-style-type: none"><li>No comments</li></ul>	NA

### 3.4 Total Time Spent on audit

The assessment was completed by 2 auditors over 3 days of documentation review and field inspection in 2 of the plantation groups. One day was spent on planning for the audit. A total of 7 auditor days was spent on the audit.

### 3.5 Process of Determining Conformance

FSC accredited forest stewardship standards consist of a three-level hierarchy, principle, then the criteria that make up that principle, then the indicators that make up each criteria. Consistent with SCS Forest Conservation Program evaluation protocols, the team collectively determines whether or not the subject forest management operation is in conformance with every applicable indicator of the relevant forest stewardship standard. Each non-conformance must be evaluated to determine whether it constitutes a major or minor non-conformance at the level of the associated criterion or sub-criterion. Not all indicators are equally important, and there is no simple numerical formula to determine whether an operation is in non-conformance. The team must use their collective judgement to assess each criterion and determine if it is in conformance. If the forest management operation is determined to be in non-conformance at the criterion level, then at least one of the indicators must be in major non-conformance.

Corrective action requests (CAR's) are issued for every instance of non-conformance. Major non-conformances trigger major CAR's and minor non-conformances trigger minor CAR's

#### *Interpretations of Major CAR's (Preconditions), Minor CARs and Recommendations*

*Major CARs/Preconditions:* Major non-conformances, either alone or in combination with non-conformances of other indicators, result (or are likely to result) in a fundamental failure to achieve the objectives of the relevant FSC Criterion given the uniqueness and fragility of each forest resource. These are corrective actions that must be resolved or closed out prior to award of the certificate. If major CAR's arise after an operation is certified, the timeframe for correcting these non-conformances is typically shorter than for minor CAR's. Certification is contingent on the certified operations response to the CAR within the stipulated time frame.

*Minor CARs:* These are corrective action requests in response to minor non-conformances, which are typically limited in scale or can be characterized as an unusual lapse in the system. Corrective actions must be closed out within a specified time period of award of the certificate.

*Recommendations:* These are suggestions that the audit team concludes would help the company move even further towards exemplary status. Action on the recommendations is voluntary and does not affect the maintenance of the certificate. Recommendations can be changed to CARs if performance with respect to the criterion triggering the recommendation falls into non-conformance.

## **4.0 RESULTS OF THE EVALUATION**

Table 4.1 below, contains the evaluation team's findings as to the strengths and weaknesses of the subject forest management operation relative to the FSC Principles of forest stewardship. The table also presents the corrective action request (car) numbers related to each principle.

**Table 4.1 Notable strengths and weaknesses of the forest management enterprise relative to the P&C**

Principle/Subject Area	Strengths Relative to the Standard	Weaknesses Relative to the Standard	CAR/REC #s
<b>P1: FSC Commitment and Legal Compliance</b>	<ul style="list-style-type: none"> <li>▪ Plantation managers are aware of international binding agreements</li> <li>▪ Good security system in prevention of encroachments</li> </ul>	<ul style="list-style-type: none"> <li>▪ A written policy on publicly available information is available but the web page for public dissemination of information is not available yet. Thus there is no publicly available statement on the need for protecting the plantation or the management commitment to FSC Principles and Criteria.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Minor CAR 2009.1</b></li> <li>▪ <b>Minor CAR 2009.2</b></li> </ul>
<b>P2: Tenure &amp; Use Rights &amp; Responsibilities</b>	<ul style="list-style-type: none"> <li>▪ Documented long-term lease of the land</li> </ul>	<ul style="list-style-type: none"> <li>▪ No documented approaches to resolve tenure and use rights of local communities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Minor CAR 2009.3</li> </ul>
<b>P3: Indigenous Peoples' Rights</b>	<ul style="list-style-type: none"> <li>▪ The company willingly released approved land for local communities as part of the government housing scheme. In addition the company provided support of roads, water and electricity to these houses.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The policy of respecting rights of local communities is to be incorporated in the management plan</li> </ul>	<ul style="list-style-type: none"> <li>▪ Recommendation 2009.1</li> </ul>
<b>P4: Community Relations &amp; Workers' Rights</b>	<ul style="list-style-type: none"> <li>▪ The management has provided adequate facilities for the workers covering accommodation, insurance, working conditions, time off, and medical facilities.</li> <li>▪ The workers are allowed freely to join any trade unions and to negotiate any terms through the joint agreement meetings.</li> </ul>	<ul style="list-style-type: none"> <li>▪ There is no written guidelines on safety procedures and use of equipment</li> <li>▪ Contractors' staff are not accorded the same safety requirements</li> <li>▪ No social impact assessment conducted</li> <li>▪ No maintenance of systematic records of accidents</li> </ul>	<ul style="list-style-type: none"> <li>▪ Minor CAR 2009.4</li> <li>▪ Minor CAR 2009.5</li> <li>▪ Major CAR 2009.1</li> </ul>

<b>P5: Benefits from the Forest</b>	<ul style="list-style-type: none"> <li>▪ Adequate resources are provided for environmental and social costs.with allocation provided in the proposed 2009/10 Budget covering maintenance of staff quarters, repairs of bridges and roads, drainage and soil conservation and staff welfare..</li> <li>▪ All the latex produced is used for local glove manufacturing industry</li> <li>▪ The production of latex is efficiently produced with minimal wastage</li> </ul>	<ul style="list-style-type: none"> <li>▪ No SOP written for the protection of water catchment sites within the FMU.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Minor CAR 2009.7</li> </ul>
<b>P6: Environmental Impact</b>	<ul style="list-style-type: none"> <li>▪ There is minimal use of chemicals in the plantation</li> <li>▪ There is no use of biological control agents.</li> <li>▪ Residual forested sites are demarcated for protection.</li> </ul>	<ul style="list-style-type: none"> <li>▪ An EIA report has not been written for the FMU.</li> <li>▪ Ground inventories of the natural resources especially rare, threatened and endangered species had not been initiated.</li> <li>▪ Permanent Sample Plots (PSP) have been established but are not sufficient in size or number to document these species.</li> <li>▪ A contingency plan for possible spillage of fuel and chemicals not written</li> <li>▪ The management plan does not incorporate principles of landscape and ecosystem planning.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Major CAR 2009.2</li> <li>▪ Major CAR 2009.3</li> <li>▪ Minor CAR 2009.8</li> <li>▪ Minor CAR 2009.9</li> <li>▪ Minor CAR 2009.10</li> <li>▪ Recommendation 2009.2</li> <li>▪ Recommendation 2009.3</li> <li>▪ Recommendation 2009.4</li> </ul>

<b>P7: Management Plan</b>	<ul style="list-style-type: none"> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Long term goals and objectives not clearly defined</li> <li>▪ The Forest Management Plan and the estate operation plan presented during the assessment do not provide the complete set of information specified in the criterion (C 7.1).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Major CAR 2009.4</li> <li>▪ Major CAR 2009.5</li> </ul>
<b>P8: Monitoring &amp; Assessment</b>	<ul style="list-style-type: none"> <li>▪ Policies on latex and wood tracking are available.</li> <li>▪ Proper documentation on latex collected from each worker, block and collection centers is maintained.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No public summary of the monitoring results available</li> <li>▪ Impacts of the plantation activities on flora and fauna and local communities not conducted.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Major CAR 2009.6</li> <li>▪ Minor CAR 2009.11</li> </ul>
<b>P9: Maintenance of High Conservation Value Forest</b>	<ul style="list-style-type: none"> <li>▪ Sensitive sites of importance to local communities have been identified and protected.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The attributes of HCVF have not been established through consultation with relevant stakeholders.</li> <li>▪ Investigation of the HCVF attributes has not been conducted according to accepted inventory techniques.</li> <li>▪ Specific measures for the implementation and maintenance of HCVF not written in the management plan.</li> <li>▪ Monitoring process shall be initiated.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Major CAR 2009.7</li> <li>▪ Major CAR 2009.8</li> <li>▪ Major CAR 2009.9</li> </ul>

<b>P10 Plantation</b>	<ul style="list-style-type: none"> <li>▪ The design of the plantation has incorporated the protection of residual forested sites.</li> <li>▪ Sensitive sites to local communities are identified and protected.</li> <li>▪ Management practices are implemented in accordance to that prescribed by research agencies of the country.</li> <li>▪ Efficient control of pests and diseases through proper hygiene in the plantation.</li> </ul>	<ul style="list-style-type: none"> <li>▪ There are no written defined objectives of the plantation in the management plan.</li> <li>▪ Although various policy statements have been written on protection of wildlife, sensitive sites and protected forest there are no biodiversity objectives, policies and guidelines in the management plan.</li> <li>▪ An absence of monitoring of social impacts of the plantation activities was observed.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Minor CAR 2009.13</li> <li>▪ Minor CAR 2009.14</li> <li>▪ Minor CAR 2009.15</li> <li>▪ Recommendation 2009.5</li> </ul>
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## 4.2 Preconditions

Preconditions are major corrective action requests that are placed on a forest management operation after the initial evaluation and before the operation is certified. Certification cannot be awarded if open preconditions exist.

The following pre-conditions (Major CARs) were placed on Lalan Plantations Ltd. during their initial evaluation. They have all been closed to the satisfaction of the audit team.

<b>Non-conformance:</b> No social impact study has been conducted to determine the potential impacts of the operation on surrounding communities and people affected by Lalan Plantations Ltd's operation.	
<b>Major CAR 2009.1</b>	The management of the plantation shall conduct a social impact study on the local communities around its estates and other people affected by their operation.
<b>Deadline</b>	Prior to Award of Certification
<b>Reference</b>	Criterion 4.4
<b>Lalan Rubbers Response</b>	<p>Lalan Rubbers provided a Forest Management plan dated December 2009, which has a section that includes the findings of a social impact assessment. According to the summary in the Forest management plan, two questionnaires were developed and then distributed to four groups of the company and to adjacent villages. 33 workers and 15 villagers were interviewed. After the findings of the survey, potential impacts and risks were summarized. The main findings were:</p> <ol style="list-style-type: none"> <li>1) Employees living on the plantation use water from streams for bathing, washing and sometimes for drinking. Prevention of pollution of these streams as wells is important to maintain the quality of the safe drinking water</li> <li>2) 41% of the participants state they do not have proper safety equipment</li> <li>3) There has been evidence of burning polythene on some plantations.</li> <li>4) 22% of those surveyed reported a reduction in jungle cover</li> <li>5) 4% of those surveyed reported hunting on the plantations.</li> <li>6) The company has been paying its employees wages properly and correctly</li> <li>7) Some employees are still not proper sanitary practices</li> </ol> <p>The Forest management plan also has a sections on social objectives and guidelines, which outlines their social policy.</p>

<b>Auditor comment</b>	Lalan Rubbers have modified their Management activities and policies are modified, as appropriate, in response to the results of social impact assessment. Also, the company has provided minutes to a stakeholder meeting that was held. This shows evidence of engaging in regular communications with neighbors, forest workers, and other stakeholders within the local communities. Their management plan and stakeholder meetings also demonstrate that management policies and activities are sensitive to stakeholder concerns and expectations, and they endeavor to keep neighbors and members of the community informed as to planned activities on the defined forest area.
<b>Status of CAR</b>	As of May 14, 2010, <b>this CAR is closed.</b>

<b>Non-conformance:</b> An assessment of the environmental impacts has not been completed for Lalan Plantations Ltd's operation.	
<b>Major CAR 2009.2</b>	Lalan Plantations Ltd shall conduct an assessment of the potential environmental impacts that includes landscape level consideration, as well as the impacts of on-site facilities. Lalan Plantations Ltd shall incorporate the findings of the assessment into the management system.
<b>Deadline</b>	Prior to Award of Certification
<b>Reference</b>	Criterion 6.1
<b>Lalan Rubbers Response and SCS comment May 14, 2010</b>	<p><b>Response:</b> An Environmental Impact survey report was provided by the client. This report was conducted by the Ministry of Land Development, settlements and Ranaviru Welfare and the University of Peradeniya, Department of Geology. The report includes landscape level considerations of 9 sites. For each site, the report provided a summary of the physical environment (topography, slope), Soil (types of soil, susceptibility of erosion), Hydrology (surface drainage pattern, ground water stability), and land use. The report includes a list of conclusions and recommendations for protecting water quality and minimizing soil loss.</p> <p><b>Comment:</b> How have the recommendations of the study been incorporated into the management system? Is Lalan going follow all of the recommendations of the independent study?</p> <p>In the areas identified for erosion risk, how will management be modified in these areas to reduce soil loss and compaction? Simply stating that management will be modified to reduce effects to soil is insufficient; what specific actions or measures will be taken (see recommendation 7.1.5 from the study)?</p> <p>How is the EIS used in making project-level decisions? How does</p>

	the EIS address on-site facilities (e.g., processing areas, buildings, roads, etc)? Are there any special considerations that need to be made on each estate based on the results of the EIS?
<b>Lalan Rubbers Response and SCS comment July 8, 2010</b>	<p><b>Response:</b> Lalan has provided copies of letters sent to the group general manager stating what corrective actions he/she needs to take to fix specific drainage and erosion problems on group member properties.</p> <p>We have incorporated the recommendations of the EIA report into our management system through including the recommendations of the report in to the FMP and stating procedure to minimize environmental impact (FMP – 4.3.8). We follow all the recommendations of EIS to avoid landslide threat, soil erosion and soil compaction giving necessary priorities. Necessary consideration will be paid to minimize the negative impacts whenever projects, such as uprooting and replanting, are carried out in the sites indicated in the EIS.</p> <p><b>Comment:</b> Lalan’s actions are sufficient to warrant closure of this CAR. It has demonstrated that it has incorporated the results of the EIA into its management system. SCS will ask to see evidence of implementation during the first annual audit.</p>
<b>Status of CAR</b>	As of July 8, 2010, <b>this CAR is closed.</b>

<b>Non-conformance:</b> Ground inventories of the natural resources, especially rare, threatened and endangered (RTE) species, have not been initiated. Permanent Sample Plots (PSP) established are not sufficient in size to document RTE species. Consultation with relevant government agencies has also not been conducted.	
<b>Major CAR 2009.3</b>	Lalan Plantations Ltd shall conduct ground inventories of the natural resources within the plantation, implementing the use of larger permanent sample plots and consultation with relevant government agencies charged with the enforcement of laws and statutes related to RTE species.
<b>Deadline</b>	Prior to Award of Certification
<b>Reference</b>	Criterion 6.2
<b>Lalan Rubbers Response and SCS comment May 14, 2010</b>	<p><b>Response:</b> A ground inventory has been completed by specialists from the University of Peradeniya, Sri Lanka, Faculty of Agriculture, Department of Crop science. The size of the PSP has been increased from 20’ X 20’ to 20m X 20m. Minutes of a stakeholder minutes has also been provided. The meeting with the stakeholders was held April 2, 2010. The meeting was a basic introduction to flora identification, red listed, rare, threatened, and endangered species. Various workers, village officials, and managers and consultants attended this meeting.</p>

	<p><b>Comment:</b> Lalan Rubbers has not given evidence of forging working relationships with pertinent officials from local, state and federal agencies specifically charged with enforcing endangered species statutes. Were these officials invited to the meeting? If so, does Lalan have documented evidence of who was invited? The list of those present at the meeting does not include any government officials. Lalan must submit evidence of consultation with relevant government officials charged with the enforcement of laws and statutes related to RTE species or demonstrate evidence of attempts to contact these officials.</p> <p>There was also no evidence provided to show that field employees were trained in the recognition of endangered species and their habitats.</p> <p>There is a lack of rationale for the amount (13) and size (20m X 20m) of the Permanent Sample Plots established in the ground inventory survey, which Lalan recognized in its report. A rationale needs to be provided based on statistically sound methods. A rationale should also be given as to how the location of the PSP was chosen (i.e., was it determined using stratified random methods or another statistically appropriate method?). Also, many of these plots were established in remnants of natural forest, what steps have been taken to detect and provide safeguards for RTE species on areas production forests?</p>
<p><b>Lalan Rubbers Response and SCS comment July 8, 2010</b></p>	<p><b>Response:</b> The officials of state agencies were invited for the meeting and also they participated in the meeting. In the list we have indicated the government officials as “Grama Niladharis”.</p> <p>We have informed the field staff at the same meeting on RTE species through pictorial presentations. Further we will make available pictures of the RTE species in the Group offices for further references. The list of signatures of the participants also attached with the reply.</p> <p>Comparatively a lesser number of species can be found in the productive forests as the variety of habitats are comparatively less than protective forests and the disturbances to the species’ habitats due to the activities carried out by the estate. Our initial study to detect the RTE species was restricted to the protective forest since all the species live on the estate, including the species that live in the productive forest, can be found in those areas. We have already conducted a training program to provide the knowledge of rare, threatened and endangered species found in the study. If someone detected a species which was not found in the study, that information</p>

	<p>will be conveyed to the Group office through the office staff. Such information is recorded in their field note book. The information will be compared with the list of RTE species found in the region which is available in the Group offices. The estate Management will assign a field officer or other person to investigate more about the new species. After confirming the gathered information of the species through photographs or other reliable evidence, the new species will be included in to the list of RTE species which are found on the estates. Such information and the means of protecting the new species will be provided to the estate workers through the field staff or other mean (e.g. a notice on Notice Board).</p> <p>We have based our inventory system on methods developed by Allen (1993): A permanent plot method for monitoring changes in indigenous forests. Landcare Research: Christchurch.</p> <p>In the process of sampling we have adopted stratified sampling method for demarcation of the permanent sample plots in the natural forests. We could observe the changes of ecosystems in different topographies of the forests. The topography of the estates belongs to the company varies between 100m to 300m therefore we selected three strata for marking the PSPs which are in the topographical ranges between 100m -200m, 200m – 300m and 300m &lt;. In the process of marking PSPs we tried to cover these three ranges.</p> <p>Further, we considered the location of the different estates. Our objective was covering all the area belonging to our estates through demarcation of PSPs. Therefore, we decided to mark PSPs on every estate. The location of the PSP could be on any place in the forest area of an estate. That is how we maintained the randomness of demarcating of PSPs.</p> <p>Initially, the team hired from university of Peradeniya visited the PSPs and recorded all the species found in the PSP area. From the location of the PSP they collected information through a line transect in to the forest and identified more species. This step facilitated in representing a comparatively larger area of forests as we do not have forests of large extents.</p> <p>The PSP shape was square shape and the dimensions of the plot were taken as 20m x 20m since it is one of the most commonly used and accepted PSP size (Allen, 1993).</p> <p>We have represented about 0.2% of the total forest area through the PSPs. This representation is fairly sufficient comparatively to the area representating (<i>sic</i>) the different studies which have been quoted</p>
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	<p>in the Table 1 of the research paper “A permanent plot method for monitoring changes in indigenous forests” (A field manual by R. B. Allen, 1993).</p> <p><b>Comment:</b> Lalan submitted evidence of invitation of government officials and participation of staff in the stakeholder consultation meeting on RTE species. Lalan has also provided more evidence on its PSPs and has provided the rationale required. Lalan’s steps to detect RTE species outside of remnant natural areas are acceptable.</p>
<b>Status of CAR</b>	As of July 8, 2010, <b>this CAR is closed.</b>

<b>Non-conformance:</b> A management plan and documents supporting the specified issues of the Criterion has not been prepared.	
<b>Major CAR 2009.4</b>	Lalan Plantations Ltd shall prepare a management plan and provide supporting documents to cover all the attributes specified (a to i) in Criterion 7.1.
<b>Deadline</b>	Prior to Award of Certification
<b>Reference</b>	Criterion 7.1
<b>Lalan Rubbers Response and SCS comment May 14, 2010</b>	<p><b>Response:</b> A copy of the new forest management plan, dated December, 2009 has been provided.</p> <p><b>Comment:</b> Although the forest management plan is comprehensive, it is lacking in a attributes listed in criterion 7.1:</p> <ol style="list-style-type: none"> <li>1) Profile of adjacent lands – this appears to be a profile of group member estates, rather than a profile of neighboring properties and/or communities.</li> <li>2) Rationale for rate of annual harvest and species selection (see also C5.6) – Upon reading sections 3.1.1 and 6.2 of the management plan, it is clear that Lalan uses guidelines from RRI and the Forest Department, but has not included the rationale for the annual harvest rate (i.e., sustained yield). The rationale and the actual annual allowable harvest need to be provided or appropriately cited in the management plan. Also, what are the size limits of clear-cuts?</li> <li>3) How are the results of biological assessments to be used in the implementation of environmental safeguards on the FMU?</li> </ol>
<b>Lalan Rubbers Response and SCS comment July 8, 2010</b>	<p><b>Response:</b></p> <ol style="list-style-type: none"> <li>1) There are 13 estates are managed under the 4 Groups. Estate comprised with number of divisions. Divisions of Estates are adjacent. Sometime divisions of one estate may be far away to each other. The neighboring lands with houses belong to the local communities and are used mainly for agricultural purposes (between 1 acre – 50 acres). These communities</li> </ol>

	<p>also have the facilities of schools, temples etc. We have provided a profile of adjacent lands for each estate in the group.</p> <p>2) The average annual size of clear-cuts for rubber plantations is 86.14 ha over 5 years with a 134.5 ha size limit and for timber plantations is 5.48 ha. The average annual allowable cut (AAC) for rubber is 27,657 m<sup>3</sup> for harvest period 2009-2013. Mean Annual Increment (MAI) is 10.72m<sup>3</sup> / ha / annum over 4036 ha. Timber harvesting (non-rubber) will commence in 2013. MAI is 13m<sup>3</sup> / ha /annum over 109.57 ha. AAC is 1424m<sup>3</sup>. For NTFP collection of latex, 3003 ha of 5373.78 ha is in harvest currently. Annual replanting cover 4.5% of total area (replanting cycle is 30 years for rubber). Our methods and rationale for species selection of from RRISL and the Forest Department. Data is from 107 PSPs located randomly throughout the FMU. Growth measurements are taken annually and volumes are calculated for the FME.</p> <p>3) We have provided measures to be taken to use the results of biological assessments, including providing the species on the IUCN red list to group members, encouragement of natural regeneration in understocked lands, control of hunting and other illicit activities, and pre-harvest and post-harvest forms.</p> <p><b>Comment:</b></p> <p>1) Lalan has provided a sufficient profile of adjacent lands.</p> <p>2) AAC for rubber is well below MAI. Lalan has provided rationale for latex collection. The AAC calculated for non-rubber timber harvesting shows all MAI growth being harvested at once (13m<sup>3</sup>/ ha/ annum harvested at an AAC of 1424 m<sup>3</sup> would be all growth harvested in one year). This is permissible under C5.6, but Lalan should note that average annual harvests cannot exceed the calculated AAC. As Lalan plans to harvest no more than 5.48 ha of 109.57 ha of timber per year over a 20 year rotation once harvesting begins in 2013/2014, this AAC may or may not provide flexibility due to individual harvest block variations in growth depending on current standing timber volume. SCS may ask for further information regarding this AAC in the future.</p> <p>The actual size of clear-cuts on rubber plantations varies from year to year (smallest is 8.66 ha and largest is 167.58 ha). The 167.58 ha planned to be clear-cut year 5 is above the annual size limit established in the management plan (134.5 ha). Also, are the total hectares to be harvested contiguous or the</p>
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	<p>total among various harvest blocks? The contiguousness of clear-cut harvest blocks may play a role in assessing landscape-level impacts (e.g., adjacency of annual harvest blocks and time period between adjacent harvests). SCS may examine this issue during future audits.</p> <p>3) The actions to be implemented are appropriate.</p> <p>The issue regarding the total area of clear-cuts must be resolved. The total amount of hectares to be clear-cut in year 5 exceeds the allowable amount established in the management plan.</p>
<p><b>Lalan Rubbers Response and SCS comment July 27, 2010</b></p>	<p><b>Response:</b> With immediate effect we take necessary steps to reduce our annual size of clear cut of non rubber timber from 5.48ha to 4.11 ha which is 25% reduction. This will be informed to all the parties involved and changes will be made to the FMP while updating the midterm plan. (Refer page no 12 of FMP).</p> <p>Rubber harvesting and replanting are being done as per the RRI guidelines and annual harvesting extents too determined accordingly. We confirm that there are no immediate contiguousness's of clear - cut harvest blocks in our rubber replanting.</p> <p><b>Comment:</b> What is the maximum allowable size of an individual clear-cut (e.g., single harvest block) in rubber? How has Lalan addressed the issue that 167.58 ha clear-cut is larger than the clear-cut size established in the management plan (134.5 ha)?</p>
<p><b>Lalan Rubbers Response and SCS comment August 2, 2010</b></p>	<p><b>Response:</b> Maximum allowable size (extent) of an individual clear cut is 24.25 ha. In the above table [SCS note: not included in public summary] we have given the differences between AACs and the clear cut extents programmed to harvest during the first five years as per the FMP. We agree with SCS's statement that the programmed clear cut extent of 167.58 ha of rubber area in the year 2013 has exceeded the annual allowable cut. We will reduce the total area to be harvested in year 2013 to 134.5 ha and this change will be informed to the parties concerned for strict compliance. The FMP will be updated with such information.</p> <p><b>Comment:</b> Lalan has provided enough information to warrant closure of this CAR.</p>
<p><b>Status of CAR</b></p>	<p>As of August 3, 2010, this <b>CAR is closed..</b></p>
<p><b>Non-conformance:</b> A public summary of the primary elements of the management plan had not been prepared.</p>	
<p><b>Major CAR 2009.5</b></p>	<p>Lalan Plantations Ltd shall prepare a public summary covering the primary elements of the management plan make it readily available</p>

	to interested stakeholders.
<b>Deadline</b>	Prior to Award of Certification
<b>Reference</b>	Criterion 7.4
<b>Lalan Rubbers Response and SCS comment May 14, 2010</b>	<p><b>Response:</b> A public summary has been posted on the company website, <a href="http://www.lalangroup.com">www.lalangroup.com</a>.</p> <p><b>Comment:</b> The public summary does not satisfactorily summarize the basic elements of the management plan. A public summary must be an original document written by the company which addresses the primary components of Criterion 7.1. Posting the certification body's report is an unacceptable public summary.</p>
<b>Lalan Rubbers Response and SCS comment July 8, 2010</b>	<p><b>Response:</b> Please see our updated summaries at <a href="http://ylanka.com/lalan_fsc/v7/">http://ylanka.com/lalan_fsc/v7/</a>.</p> <p><b>Comment:</b> Lalan's response fulfills the requirements of this criterion. The public summary provides information on the major components of C7.1</p>
<b>Status of CAR</b>	As of July 8, 2010, <b>this CAR is closed.</b>

<b>Non-conformance:</b> A public summary of the monitoring indicators as specified under the Criterion has not been made available.	
<b>Major CAR 2009.6</b>	Lalan Plantations Ltd shall prepare a public summary of its monitoring program which at a minimum should contain a summary of the periodic monitoring of the yield of the plantation, growth rate and social impacts of the plantation (see also Criterion 8.2).
<b>Deadline</b>	Prior to Award of Certification
<b>Reference</b>	Criterion 8.5
<b>Lalan Rubbers Response and SCS comment May 14, 2010</b>	<p><b>Response:</b> A public summary has been posted on the company website, <a href="http://www.lalangroup.com">www.lalangroup.com</a>.</p> <p><b>Comment:</b> There is a section in the public summary concerning monitoring systems, but it does not adequately address all the monitoring indicators. While respecting the confidentiality of information, a public summary of the results of the monitoring of the following should be provided:</p> <ol style="list-style-type: none"> <li>a) Yield of all forest products harvested.</li> <li>b) Growth rates, regeneration and condition of the forest.</li> <li>c) Composition and observed changes in the flora and fauna.</li> <li>d) Environmental and social impacts of harvesting and other operations.</li> <li>e) Costs, productivity, and efficiency of forest management.</li> </ol> <p>A public summary must be an original document written by the company which addresses the primary components of Criterion 8.5. Posting a certification body's report is an unacceptable public</p>

	summary.
<b>Lalan Rubbers Response and SCS comment July 8, 2010</b>	<b>Response:</b> Please see <a href="http://ylanka.com/lalan_fsc/v7/">http://ylanka.com/lalan_fsc/v7/</a> . <b>Comment:</b> Lalan's response fulfills the requirements of this criterion. The public summary provides information on the major components of C8.2.
<b>Status of CAR</b>	As of July 8, 2010, <b>this CAR is closed.</b>

<b>Non-conformance:</b> An assessment to determine the presence of HCVF attributes has not been conducted. Although sensitive sites had been identified within the plantation, there was no assessment of the presence of the attributes consistent with HCVF.	
<b>Major CAR 2009.7</b>	Lalan Plantations Ltd shall conduct an assessment to determine the presence of the attributes consistent with the definition of High Conservation Value Forests,
<b>Deadline</b>	Prior to Award of Certification
<b>Reference</b>	Criterion 9.1
<b>Lalan Rubbers Response and SCS comment May 14, 2010</b>	<b>Response:</b> Lalan Plantations has provided in their management plan a section for High Conservation Valued Forest, which identified two blocks of sensitive sites in the plantation.  <b>Comment:</b> Lalan used the results of its flora and fauna PSPs in its initial assessment for determining the presence of HCVFs. In the conformance table, the audit team noted that PSPs were not sufficient in size and number. The fact that forest managers, trade union representatives, and a forest certification consultant attended is in line with the public consultation, however, Lalan has not presented evidence of consultation on the presence of HCVs with government agencies, research institutions and NGOs in its response.  This assessment for the presence of HCVFs must include consultation with pertinent stakeholders and outside experts. In case of lack of response from stakeholders, Lalan should document its efforts to contact stakeholders and experts.  Did Lalan use an existing national toolkit is used to assist in the identification of HCVFs?
<b>Lalan Rubbers Response and SCS comment July 8, 2010</b>	<b>Response:</b> We have increased size of the permanent sample plots (PSPs) from 20m x20 feet in to 20 x 20m. Hence, a considerably larger area has been <b>closely</b> investigated by the specialists hired. Inventorying flora and fauna was not limited to the area of the PSPs. The team who visited the PSPs in the natural forests collected data through line transects too. Our FSC consultant who is an experienced forester visited to all the natural forest belong to the company and he identified the importance of these areas. We got the ideas of the villagers, workers, representatives of the government and Environmental societies through the stakeholder meeting

	<p>conducted. Therefore, in the process of finalizing HCVF we did not restrict this exercise to the PSPs in natural forest area at all and we considered the whole forest area belonging to the company.</p> <p>The participants name list for the stakeholder meeting held on 2<sup>nd</sup> April 2010 is attached with this reply.</p> <p>We used the explanations in the <b>Glossary of FCP Draft Interim Standard for Forest Management Certification in Sri Lanka</b> under the Forest Stewardship Council to assist in identification of HCVF. The high bio diversity forest in Nugahena Division of Mahaoya Group was identified under the attributes ‘a’<sup>1</sup> and ‘b’<sup>2</sup> and the Cinchona block in the Muwankande Division of Pitiakande Group was identified as an HCVF under the attribute ‘a’ of the existing national toolkit.</p> <p><b>Comment:</b> Lalan has provided the additional information requested, which fulfills the requirements of this CAR. SCS may interview participants of the 2<sup>nd</sup> April, 2010 meeting during subsequent annual audits.</p>
<b>Status of CAR</b>	As of July 8, 2010, <b>this CAR is closed.</b>

<b>Non-conformance:</b> There was no consultative process conducted to assess the attributes of HCVF.	
<b>Major CAR 2009.8</b>	Lalan Plantations Ltd shall conduct a consultative process with relevant stakeholders (e.g., conservation groups, government agencies, representatives from local communities, etc.) to determine the attributes of HCVF.
<b>Deadline</b>	Prior to Award of Certification
<b>Reference</b>	Criterion 9.2
<b>Lalan Rubbers Response and SCS comment May 14, 2010</b>	<p><b>Response:</b> Minutes of a stakeholder minutes has been provided. The meeting with the stakeholders was held April 2, 2010. The meeting was a basic explanation of High Conservation Value Forests and those identified in the plantation.</p> <p><b>Comment:</b> A more comprehensive consultation process, or evidence thereof, is needed to assess the attributes of HCVF. Lalan Rubbers must provide to SCS a list of pertinent stakeholders who were contacted and consulted regarding HCVEs. The minutes provided do show some evidence that stakeholder’s comments were taken into consideration and that managers are willing to participate in the protection of HCVs. How were the comments of outside experts taken into consideration on the identification and maintenance of HCVs?</p> <p>The Stakeholder consultation by Lalan Rubbers should indicate that the forest management operation consistently considers and protects</p>

	<p>areas of high conservation value.</p>
<p><b>Lalan Rubbers Response and SCS comment July 8, 2010</b></p>	<p><b>Response:</b> The two experts hired from the Faculty of Agriculture of the University of Peradeniya expressed the richness of the bio diversity of the Nugahena forest of Nugahena Division in the Mahaoya Group in the stakeholder meeting. Their ideas are apparently indicated in the first paragraph of the summary of the report in page number 20. Mr. Amila Dissanayake suggested that the chemical weeding in the buffer zone may affect the animals living in the proposed HCVF in the stakeholder meeting and it is indicated in the minutes of the meeting too.</p> <p>Mr. Karunaratne – Forestry consultant also visited these places and he identified the value of bath sites namely Nugahena forest and Muwankande Cinchona block. He has indicated it in the Forest Management Plan on page 21st clearly.</p> <p>Both of the parties agreed in maintaining the forest areas to be kept untouched by avoiding trespassing. Hence, buffer zone demarcation was introduced by them. Thus, outside experts have contributed their ideas in identification and the maintenance of HCVF. For consistency consideration and protection of the HCVF the standard form for monitoring and evaluation will also be used.</p> <p><b>Comment:</b> Lalan did not provide SCS of its HCVF report for the initial Major CAR review. Can Lalan provide SCS with access to this report? SCS was given copies of meeting minutes with stakeholders and the forest management plan, both of which contained information on HCVF assessment. Looking on page 20 of the management plan, which does have information on HCVF, there is nothing mentioned on the concern with chemical weeding. The meeting minutes do contain information on this subject, however.</p> <p>SCS appreciates the clarifications that Lalan has provided, particularly in how both parties where the HCVFs occur have agreed to maintain the forest areas and have taken the advice of the outside experts.</p>
<p><b>Lalan Rubbers Response and SCS comment July 27, 2010</b></p>	<p><b>Response:</b>  <u>Your attention is drawn to our response (sent to you on 2<sup>nd</sup> July, 2010) to your Major CAR 2009.8.</u></p> <p><u>The two areas of HCVF were identified during the process of inventorying flora and fauna in the PSPs by the team lead by Dr.S.P.Nissanka of University of Peradeniya and by the Forest Consultant Mr.Sunil Karunarathna.</u></p>

	<p><u>The basis of identification of HCVFs is as follows.</u></p> <p>a) <u>Forest areas containing globally, regionally or nationally significant: concentrations of biodiversity values (e.g. endemism, endangered species, refugia); and/or large landscape level forests, contained within, or containing the management unit, where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance</u></p> <p>b) <u>Forest areas that are in or contain rare, threatened or endangered ecosystems</u></p> <p>c) <u>Forest areas that provide basic services of nature in critical situations (e.g. watershed protection, erosion control)</u></p> <p>d) <u>Forest areas fundamental to meeting basic needs of local communities (e.g. subsistence, health) and/or critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).</u></p> <p><b><u>Nugahena HCVF</u></b>  Your attention is drawn to the summary of the report “Inventorying Flora and Fauna in Permanent Sampling Plots of Forests in Estates of Lalan Rubber Pvt. Ltd.”, by Dr. S. P. Nissanka, department of Crop science, Faculty of agriculture, University of Peradeniya appearing on page No 20, (Paragraph one).</p> <p>Nugahena (3.83 ha) is qualifying to be a HCVF under the above criteria nos. a &amp; b as it is recording the higher levels of floral diversity and has most red list species compared to other areas of PSPs. The details of these floral species and red list species are in the report. This report has been already forwarded to you.</p> <p><b><u>Muwankande HCVF</u></b>  Kindly refer page 21 of the Forestry Management Plan by our consultant Mr. Sunil Karunaratne. This block of 01 ha is qualifying to be a HCVF as it is unique vegetation that is rare and long historical value. (Criteria “a”)</p> <p>Chemical weeding is not practiced in any of the HCVFs or in their buffer zones bordering HCVFs. Both HCVFs are being monitored closely at the moment. What was recorded at the stake holders meeting were some concerns for the betterment and as a precautionary measure. This will be included in the Management plan.</p>
<b>Status of CAR</b>	As of July 27, 2010, <b>this CAR is closed.</b>

**Non-conformance:** The management plan did not include and implement specific

measures to ensure the maintenance and/or enhancement of the HCVF attributes.	
<b>Major CAR 2009.9</b>	Lalan Plantations Ltd shall ensure that the management plan and its public summary contain the identified conservation values of HCVF sites found on the four management groups, as well as the measures taken to maintain and enhance these conservation values. These measures shall be consistent with a precautionary approach.
<b>Deadline</b>	Prior to Award of Certification
<b>Reference</b>	Criterion 9.3
<b>Lalan Rubbers Response and SCS comment May 14, 2010</b>	<p><b>Response:</b> Lalan Plantations has provided in their management plan a section for High Conservation Valued Forest, which identified two blocks of sensitive sites in the plantation.</p> <p><b>Comment:</b> Lalan has identified protection measures for the established HCVFs, which is to conserve and guard these areas against trespass and harvest. Lalan claims that the surrounding community has been informed and educated about these areas. Was this during the stakeholder meeting or at some other time? There is no public summary containing specific policies for maintenance and enhancement of the conservation attributes that define HCVF areas.</p>
<b>Lalan Rubbers Response and SCS comment July 8, 2010</b>	<p><b>Response:</b> The surrounding communities were informed during the stakeholder meeting. Government officials also attended in the meeting, so that, they will distribute the message among the other villages since these are the people who work very closely with villagers.</p> <p>The public summary of the company contains specific policies for maintenance and enhancement of the attributes of HCVFs. For the Nugahena Natural forest block, identified as a HCVF, following actions have been taken.</p> <ul style="list-style-type: none"> <li>• Informing stakeholders about the inherited value of HCVFs</li> <li>• Marking 50m buffer zone for the protection of the area</li> <li>• Inventorying flora and fauna will be done annually and the results will be compared against the previous data with the participation of stakeholders and necessary decisions will be taken to monitor and maintain conservation attributes of the forest.</li> </ul> <p>For the Muwankande Cinchona block following actions have been taken</p> <ul style="list-style-type: none"> <li>• Marking boundaries clearly for the protection of the area</li> <li>• Marking 50m buffer zone for the protection of the area</li> <li>• Trespassing is prohibited to protect the land.</li> <li>• Stakeholder meetings which will be held in six months intervals to get the decisions requiring to maintain the attributes of this HCVF.</li> </ul>

	<p>Further, the company uses standard form for monitoring and evaluation to collect more information on these HCVFs. It is one of policies of the company not to harvest identified HCVFs and to maintain the attributes of the HCVF following the precautionary approaches.</p> <p><b>Comment:</b> Lalan has provided clarification on how and when community members were informed about HCVF areas. The public section on HCVF is on the “Plans and Reports” section of the website Lalan submitted for CARs 2009.5 and 2009.6.</p>
<b>Status of CAR</b>	As of July 8, 2010, <b>this CAR is closed.</b>

**Non-conformance:** As Lalan Plantations Ltd has not completed the HCVF assessment, it has not designed an annual monitoring program to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes.

<b>Major CAR 2009.10</b>	<p>Lalan Plantations Ltd shall design and include in the management plan an annual monitoring program to assess the effectiveness of the measures employed to maintain or enhance the applicable conservation attributes. This program shall include:</p> <ul style="list-style-type: none"> <li>• Measurable indicators to be used to evaluate the effectiveness by which HCVF management and protection measures are maintaining and/or enhancing the pertinent conservation attributes</li> <li>• Annual monitoring schedule</li> <li>• Schedule for the periodic update of the HCVF section of the management plan</li> <li>• Policy on how the results of HCVF monitoring are to be used adaptively in modifying HCVF management and protection measures</li> </ul>
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<b>Deadline</b>	Prior to Award of Certification
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<b>Reference</b>	Criterion 9.4
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<b>Lalan Rubbers Response and SCS comment May 14, 2010</b>	<p><b>Response:</b> Lalan Plantations has provided a standard form for monitoring and evaluation, as well as a section in their management plan for High Conservation Valued Forest, which identified two blocks of sensitive sites in the plantation.</p> <p><b>Comment:</b> Lalan has developed measurable indicators. HCVF team members will meet every 6 months to discuss HCVF issues. In response to the third and fourth bullet point, Lalan has included more activities on HCVFs that need to be done in the next 5 years. The HCVF section will be updated every 5 years with updates to the management plan.</p> <p>How frequently will the monitoring form be used throughout the year to gather monitoring data?</p>
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<b>Lalan Rubbers Response and SCS comment July 27, 2010</b>	<b>Response:</b> The monitoring form will be available for use at any time to record incidents or findings in HCVF. These findings are being reported to the Manager-Projects who is stationed in our Colombo Office and he will be visiting the HCVPs once in six months to monitor the physical progress.
<b>Status of CAR</b>	As of July 27, 2010, <b>this CAR is closed.</b>

## 5.0 CERTIFICATION DECISION

### 5.1 Certification Recommendation

As determined by the full and proper execution of the SCS *Forest Conservation Program* evaluation protocols, the evaluation team hereby recommends that the Lalan Plantation has taken corrective actions to rectify the 10 **Major CARs** prior to be considered for certification. Certification is therefore recommended, subject to future surveillance audits and progress in addressing the minor CARs during the first annual audit.

### 5.2 Initial Corrective Action Requests

<b>Non-conformance:</b> The management plan and its supporting documents do not include specific policies that the plantation be protected from illegal activities. There is a written policy <i>Illegal Issues &amp; Guarding the Forest Policy</i> stating the importance of protection of each estate and the roles of managers and security technicians on ground.	
<b>CAR 2009.1</b>	Lalan Plantations Ltd shall emphasize the <i>Illegal Issues &amp; Guarding the Forest Policy</i> in the FMP and ensure that the policy covers illegal harvesting, settlement and other relevant unauthorized activities.
<b>Deadline</b>	By the first Annual Audit
<b>Reference</b>	Indicator 1.5.1

<b>Non-conformance:</b> There was no publicly available statement on the management's commitment to adhere to FSC Principles and Criteria, although there is a written policy on the need of publicly available information the web page (which is still in the process of being set up).	
<b>CAR 2009.2</b>	Lalan Plantations Ltd management shall make publicly available a declaration of its commitment to FSC Principles and Criteria.
<b>Deadline</b>	By the first Annual Audit
<b>Reference</b>	Indicator 1.6.1

<b>Non-conformance:</b> There was no appropriate documentation of legally-recognized mechanisms employed to resolve disputes over tenure claims and use rights, although there has been no dispute over land claims and rights,	
Lalan Plantation Ltd has not conducted an assessment to determine whether or not there exist legal or customary rights that are subject to influence from management activities	

on the defined forest area.	
<b>CAR 2009.3</b>	Lalan Plantations Ltd shall prepare a documented legally recognized mechanism for the resolution of disputes over tenure claims and use rights whenever they arise.  Lalan Plantations Ltd shall conduct an assessment to determine whether or not there exist legal or customary rights that are subject to influence from management activities on the defined forest area. Should any such legal or customary rights exist, forest managers shall recognize and respect legal or customary rights that are subject to influence from management activities on the defined forest area preferably through a documented legally recognized mechanism.
<b>Deadline</b>	By the first Annual Audit
<b>Reference</b>	Indicator 2.3.2 and 4.5.1

<b>Non-conformance:</b> Working guidelines on health and safety of the plantation were not made available during the assessment.	
<b>CAR 2009.4</b>	Lalan Plantations Ltd shall prepare written and, if possible, pictorial guidelines for the work place.
<b>Deadline</b>	By the first Annual Audit
<b>Reference</b>	Indicator 4.2.2

<b>Non-conformance:</b> Up-to-date information on health and safety regulations is not available to all workers on the plantation. It was observed that the chain saw operator employed by a contractor had no protective gear.	
<b>CAR 2009.5</b>	Lalan Plantations Ltd shall ensure that all workers, including those of the contractors, obey safety policies. Lalan Plantations Ltd also shall provide training to ensure that protective measures are implemented.
<b>Deadline</b>	By the first Annual Audit
<b>Reference</b>	Indicator 4.2.5

<b>Non-conformance:</b> Up to date safety records were not systematically maintained, although two cases of accidents occurring within the estates in 2007 were recorded and the injured workers were compensated accordingly the management of each estate.	
<b>CAR 2009.6</b>	Lalan Plantations Ltd shall maintain incident records for the workers and document appropriate actions taken to minimize such incidences.
<b>Deadline</b>	By the first Annual Audit
<b>Reference</b>	Indicator 4.2.6

<b>Non-conformance:</b> Timber management activities on Lalan Plantations Ltd are not designed and implemented, spatially and temporally, with due consideration to the impacts on other forest services. Specifically, management activities of the plantation have not been implemented with due consideration to the impacts on wildlife habitat.	
<b>CAR 2009.7</b>	Lalan Plantations Ltd shall prepare a standard operating procedure

	(SOP) for protection of sites selected for conservation of flora and fauna.
<b>Deadline</b>	By the first Annual Audit
<b>Reference</b>	Indicator 5.5.2

**Non-conformance:** The management plan has not incorporated principles of landscape and ecosystem-based planning; the plan does not contain goals pertaining to biological diversity for the range of spatial scales from genetic diversity to landscape diversity.

The management plan has to incorporate the protection of residual forests in relation to other existing sites outside the plantation and to conduct an inventory on the genetic diversity of the protected areas.

<b>CAR 2009.8</b>	Lalan Plantations Ltd shall incorporate principles of landscape and ecosystem-based planning in the management plan and shall contain goals pertaining to biological diversity for the range of spatial scales from genetic diversity to landscape diversity
<b>Deadline</b>	By the first Annual Audit
<b>Reference</b>	Indicator 6.3.3

**Non-conformance:** There are written guidelines for protecting waterways and adjoining riparian belts, as stated in the Sensitive Sites Policy, but these are not implemented uniformly in the plantation.

<b>CAR 2009.9</b>	Lalan Plantations Ltd shall uniformly apply the policy of protecting riparian buffers for all water courses with their widths in accordance to the written guidelines.
<b>Deadline</b>	By the first Annual Audit
<b>Reference</b>	Indicator 6.5.2

**Non-conformance:** Managers have not developed contingency plans and procedures for the prevention and cleanup following spills or other accidents involving chemical pesticides, oils and fuels.

<b>CAR 2009.10</b>	Lalan Plantations Ltd shall prepare contingency plans and procedures for prevention and cleanup following spills or other accidents involving pesticides, oils and fuels.
<b>Deadline</b>	By the first Annual Audit
<b>Reference</b>	Indicator 6.7.2

**Non-conformance:** Not all the information necessary to judge progress towards management objectives have been collected and recorded.

<b>CAR 2009.11</b>	Lalan Plantation Ltd. shall prepare written protocols for periodic monitoring of forest conditions identified in criterion 8.2, management activities, management plan objectives, and chain-of-custody.
<b>Deadline</b>	By the 2010 Annual audit
<b>Reference</b>	Indicator 8.1.1

<b>Non-conformance:</b> Not all the information necessary to judge progress towards management objectives have been collected and recorded	
<b>CAR 2009.12</b>	Data on environmental impacts, rare, threatened and endangered species shall be collected.
<b>Deadline</b>	By the 2010 Annual audit
<b>Reference</b>	Indicator 8.2.5

<b>Non-conformance:</b> The management plan for the defined plantation area does not include a presentation of the landowner and/or plantation owner objectives.	
<b>CAR 2009.13</b>	Lalan Plantation Ltd shall include a presentation of the plantation owner objectives in the management plan.
<b>Deadline</b>	By the first Annual Audit
<b>Reference</b>	Indicator 10.1.1

<b>Non-conformance:</b> The management plan of the plantation does not include biodiversity objectives, policies and guidelines.	
<b>CAR 2009.14</b>	Lalan Plantation Ltd shall include biodiversity objectives, policies and guidelines in the plantation management plan.
<b>Deadline</b>	By the first Annual Audit
<b>Reference</b>	Indicator 10.3.3

<b>Non-conformance:</b> Monitoring has not incorporated social impacts of plantation activities.	
<b>CAR 2009.15</b>	Lalan Plantation Ltd shall monitor the social impacts of plantation activities considering assessments and monitoring developed for criteria 4.4 and 8.2, respectively.
<b>Deadline</b>	By the first Annual Audit
<b>Reference</b>	Indicator 10.8.1

Recommendations:

<b>Background/Justification:</b> The management has a written policy on the establishment and protection of sensitive sites in 2009. All cultural and religious sites are marked on maps and protected.	
<b>REC 2009.1</b>	Lalan Plantations Ltd should incorporate this policy in the management plan.
<b>Reference</b>	Indicator 3.3.2

<b>Background/Justification:</b> Water catchment sites, riparian buffer reserves and residual forests are demarcated and documented. Inventory data from the forested sites and water quality monitoring shall be maintained.	
<b>REC 2009.2</b>	Lalan Plantations Ltd should update these data regularly when additional information is obtained.

<b>Reference</b>	Indicator 6.3.1
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**Background/Justification:** The residual forest sites are protected and marked on maps. There is an established policy for the protection of these sites. These sites are managed such that no disturbances are to occur within them. However, there is no mention of these policies in the unifying management plan.

<b>REC 2009.3</b>	Lalan Plantations Ltd should include these management and protection policies in the management plan.
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<b>Reference</b>	Indicator 6.4.3
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**Background/Justification:** A list of chemicals used in each estate is maintained in the stock book by the storekeeper. There is also a written chemical and oil-book keeping policy. However, each storekeeper has a different method of recording data on chemical use.

<b>REC 2009.4</b>	Lalan Plantations Ltd should develop a standardized recording format for the estates that is in conformance with that of the policy.
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<b>Reference</b>	Indicator 6.6.2
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**Background/Justification:** Trainings of staff members at the different levels of operation had been implemented with financial resources provided by the management. Once the management plan has been presented trainings would have to be conducted so that field staff and the executives are aware of the requirement of the management practices..

<b>REC 2009.5</b>	Once the management plan has been completed training all managers and workers will have to be trained to implement the management plan
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<b>Reference</b>	Indicator 7.1.3
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**Background/Justification:** Although most natural vegetation has been removed within the plantation, it is, however, possible to utilize the riparian buffers as potential corridors for wildlife.

<b>REC 2009.6</b>	Lalan Plantations Ltd should conduct an assessment to assess the suitability and effectiveness of riparian belts as animal corridors.
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<b>Reference</b>	Indicator 10.2.3
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## 6.0 SURVEILLANCE EVALUATIONS

If certification is awarded, surveillance evaluations will take place at least annually to monitor the status of any open corrective action requests and review the continued conformance of Lalan Plantation to the SCS Draft FCP Interim Standard for Plantation Forest Management Certification in Sri Lanka 2009. Public summaries of surveillance evaluations will be posted separately on the SCS website ([www.scs-certified.com](http://www.scs-certified.com)).

## 7.0 SUMMARY OF SCS COMPLAINT AND APPEAL INVESTIGATION PROCEDURES

The following is a summary of the SCS Complaint and Appeal Investigation Procedures, the full versions of the procedures are available from SCS upon request. The SCS Complaint and Appeal Investigation Procedures are designed for and available to any individual or organization that perceives a stake in the affairs of the SCS Forest Conservation Program and that/who has reason to question either the actions of SCS itself or the actions of a SCS certificate holder.

A **complaint** is a written expression of dissatisfaction, other than **appeal**, by any person or organization, to a certification body, relating to the activities of staff of the SCS Forest Conservation Program and/or representatives of a company or entity holding either a forest management (FM) or chain-of-custody (COC) certificate issued by SCS and duly endorsed by FSC, where a response is expected (ISO/IEC 17011:2004 (E)). The SCS Complaint Investigation Procedure functions as a first-stage mechanism for resolving complaints and avoiding the need to involve FSC.

An **“appeal”** is a request by a certificate holder or a certification applicant for formal reconsideration of any adverse decision made by the certification body related to its desired certification status. A certificate holder or applicant may formally lodge an appeal with SCS against any adverse certification decision taken by SCS, within thirty (30) days after notification of the decision.

The written Complaint or Appeal must:

- Identify and provide contact information for the complainant or appellant
- Clearly identify the basis of the aggrieved action (date, place, nature of action) and which parties or individuals are associated with the action
- Explain how the action is alleged to violate an SCS or FSC requirement, being as specific as possible with respect to the applicable SCS or FSC requirement
- In the case of complaints against the actions of a certificate holder, rather than SCS itself, the complainant must also describe efforts taken to resolve the matter directly with the certificate holder
- Propose what actions would, in the opinion of the complainant or appellant, rectify the matter.

Written complaints and appeals should be submitted to:

Dr. Robert J. Hrubes  
Senior Vice-President  
Scientific Certification Systems  
2200 Powell Street, Suite 725  
Emeryville, California, USA94608  
Email: [rhrubes@scscertified.com](mailto:rhrubes@scscertified.com)

As detailed in the *SCS-FCP Certification Manual*, investigation of the complaint or appeal will be confidentially conducted in a timely manner. As appropriate, corrective and preventive action and resolution of any deficiencies found in products or services shall be taken and documented.