



Substrates (Pvt) Ltd.

UN Global Compact

Report 2008 - 2009



THE GLOBAL
COMPACT



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Company Introduction



Growrite Substrates [Pvt] Ltd., was established in the year 2005 as a part of Van der Knaap Group of Companies in the Netherlands with the aim of manufacturing high quality coir substrates to the professional horticultural market.

Over the years we have achieved the position of the world's leading high quality coir based substrates provider, as a result of continuous product development through introduction of innovative and advanced production techniques.

Uncompromising commitment to quality and determination to find the right solution for diverse needs of professional growers has given us the leading edge in today's high-tech horticultural production.

Through constant dialogue with growers we have developed a wide range of crop specific products for hydroponic growing of flowers, vegetables and fruits.

With the establishment of Growrite which is probably the most advanced coir based substrates processing facility in the world, we have taken a giant leap forward in meeting the ever increasing demand for consistent growing media.

This outfit is proud of a multidisciplinary team of over 750 skilled personnel who are engaged in production, marketing and logistics in Sri Lanka, India, and Dominican Republic. The entire team is fully focused and dedicated towards complete customer satisfaction through continuous improvement.

All products manufactured by us are fully organic & derived from an environmentally sustainable renewable resource, Coconut (*Cocos Nucifera*).



Managing Directors Message

At Growrite, we have long believed that companies have responsibilities, not just to make money for shareholders, but also to behave as good corporate citizens, adhering to high ethical standards and caring for the interests of others who are affected by company actions.

Our decisions impact so many around the world.. Not only of those who work for Growrite itself, but the many partners who benefit by our products.

United Nations Global Compact.

The main focus of our Business Standards formulated & implemented over the last decade has been in trying to improve human rights and labour standards in our supply chain. Many of the issues are complex and changes which have been effected are sustainable as long term goals.

In the short run, we have made substantial progress, but have also experienced occasional setbacks.

We are proud of both our achievements and innovative approach. This Report highlights examples of the work we are doing and have done and show cases some of the progress that has been achieved. But it also makes clear that many of the issues are far more complex than was initially perceived and require long term, comprehensive and cooperative action if they are to be totally solved.

Dinesh Fernando
Managing Director Growrite Substrates (Pvt) Ltd.



Dinesh Fernando
Managing Director
Growrite Substrates (Pvt) Ltd.

Our Commitment

OUR COMMITMENT TOWARDS GOOD BUSINESS STANDARDS

Growrite Substrates is totally committed to always be a socially responsible company. We believe in human rights for all, Our Board of Directors, has put in place a set of policies designed to action these concepts .

These are made available to all Growrite employees. We are working with our suppliers to ensure the provision of fair wages and working hours, safe and hygienic working conditions, regular employment and no discrimination or harsh or inhumane treatment of employee. We also recognize that our business activities affects the natural environment.

We aim, through continuous improvement, to minimise these adverse effects, whilst safeguarding the health and safety of our employees and the public. We want our supplier companies to share our conviction that good Business Standards are an integral part of producing good quality products at competitive prices. We support a policy of 'continuous improvement', based on mutual trust, because we realise that changes Cannot be quick fixed sometimes. We start from the premises which provided our team to display a determination to improve and always be prepared to deal with them on a long-term basis.



WHAT WE DO

WE HAVE A KNOWLEDGEABLE AND MOTIVATED STAFF

From the out-set, our company acts as the focal point for initiatives on human and labour rights and the environment at our own sites as well as our supplier group, and we focus on community to uplift their standards.

WE IDENTIFY AND IMPLEMENT STANDARDS

In one of our first initiatives, we worked with local authorities to produce training modules covering fire safety and handling hazardous substances, machinery and Workplace hygiene. These form the basis of our first encounters with suppliers and are adopted to monitor progress in areas needing improvement, notably health and safety.

WE PROMOTE THE IMPORTANCE OF LAWS AND STANDARDS

It is not always easy to persuade local companies that a competitive advantage should not be achieved at the expense of laws and international standards, especially where governments do not always enforce such legislation. Growrite research tracks national and international developments which information suppliers are provided with ,and also have continuing projects designed to encourage them to comply with such requirements.

Our Commitment

PARTNERSHIPS ARE THE KEY

Our products are the leaders in the market – working and interacting with others is a critical factor for our success. We always keep an open door policy with our partners in progress.



HOW WE DO IT

WE UNDERTAKE REGULAR FACTORY REVIEWS

Our customers expect excellence from Growrite and we in turn ask the same from our suppliers. But we make clear that we are equally concerned about working conditions as they have an impact on the workers and the environment. We have a continuing program of reviews with our suppliers worldwide.

As a first step, our staff which operates our companies explain our general approach to standards and put through the training modules, focusing initially on health and safety. The modules are used to monitor progress on areas that need improvement. The second stage is to implement Business Standards, and our staff to join their colleagues to carry out and review prior to introducing the final modules. We conduct the reviews ourselves, since we consider this helps suppliers to believe our own commitment to the process. However, a review team is augmented by external contributors, notably local health and safety experts.



Our Vision

To be the most preferred partner in coir substrates to professional growers around the globe.

Our Mission

Through creativity and innovation continuously develop excellent customer focused solutions

Our CSR Focus

“Children of Today will make Tomorrow’s world.”

Our CSR endeavors are focused to ensure and provide for the necessary pre-requisites to ensure a better future for the children of today. We shall strive to make them global citizens who will be exemplary personalities respecting law and order, religion and the environment.

Our corporate goals are set beyond the limits of the bottom line as we believe it is an integral part of our activities to assist in development of the under privileged in the communities which we operate.



The Ten Principles

Human Rights

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights;

We are complying with international and local labor laws totally.

■ *Quarterly a labor officer from labor department visits our factory.*

Meanwhile, Growrite will be organizing training Programmes in coordination with different entities and especially focusing on human resources-related policies.

Principle 2

Make sure that they are not complicit in human rights abuses.

Growrite Substrates as a company is strongly committed to the socio-economic development of Sri Lanka, is also committed not to engage in any of the business activities which directly or indirectly are in violation of human rights.

Labour Standards

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

In Growrite, the organizational management is based on an open door policy, where the human management relationship is maintained through suggestions, which enables the work force to present all their suggestions and grievances through a common suggestions box.

Also we have given the opportunity to discuss about labor related matters, development and welfare each month at the workers council meeting.

■ *We encourage our employees to utilise their annual leave.*

■ *If an employee requests additional leave after he/she completes their entitlement, we provide paid leave as below,*

- 1. Sickness or accident to an employee**
- 2. Funeral of a close family member**
- 3. Extra maternity**
- 4. Educational matters**

The Ten Principles

Principle 4

The elimination of all forms of forced and compulsory labour;

Growrite respects all its employees' rights and considers any form of harassment to be unacceptable. The company is also committed to ban any form of verbal or physical abuse among its staff.

Principle 5

The effective abolition of child labour;

Growrite Substrates adheres to all international laws, regulations and policies in preventing child labor.

Principle 6

The elimination of discrimination in respect to employment and occupation

Growrite shall not discriminate any employee for any reason such as age, race, gender, marital status, religious belief, national extraction or disability.

Growrite Substrates is to guarantee its employees a fair working environment and protection from the loss of their employment. All employees without any discrimination whatsoever have the right to receive equal pay for equal work. All candidates seeking to be hired are now required to pass through a series of quantitative exams (multiple choice) which ensures, objectivity, fairness and equal chances are given in our hiring process. We affirm and pledge to uphold the universal human rights of all individuals without limitation.

The Ten Principles

Environment

Principle 7

Businesses should support a precautionary approach to environmental challenges;

Growrite is highly concerned with matters concerning cleanliness and hygiene, along with the prohibition of Smoking in all of its offices / Establishments.

Giving preference to renewable resources, as well as minimizing waste, Growrite applies all methods possible for recycling and the adoption of paperless work to reduce paper consumption.

Principle 8

Undertake initiatives to promote greater environmental responsibility;

We have converted every available free land space around the factory to a green belt (an area with plantation) to reduce the effect of global warming and to produce an environmental friendly atmosphere for its employees.

Additionally, We have taken maximum precautions by way of constructing parapet walls, and water sprinkle systems to avoid pollution.

Principle 9

Encourage the development and diffusion of environmentally friendly technologies;

All products manufactured by us are fully organic & derives from an environmentally sustainable renewable resource, Coconut (Cocos Nucifera). All products supplied by growrite are friendly to the environment. Growrite selects very consciously natural raw materials that are 100% recyclable.

The Ten Principles

Anti Corruption

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

In response to the UN Global Compact 10th principal, Growrite has expanded and formalized this general principle by issuing a Growrite Code of Ethics, which is binding on all employees. The new rules state explicitly that all employees must avoid even the appearance of a conflict. The Code of Ethics has been disseminated to all employees through internal memos, and via the corporate website.

Growrite's Code of Ethics provides a basic framework for guiding us towards ethical conduct. It is therefore important that all employees familiarize themselves with any relevant statutes. Growrite, moreover, fully anticipates that each employee will accept individual responsibility for his or her own conduct and will engage in no conduct that would undermine his or her own personal integrity or the reputation of Growrite. Violations of this policy may result in disciplinary action, including termination.

Growrite management has an internal audit department that supervises all our transactions; regular unannounced visits are made from time to time to ensure full compliance by the laws and regulations of the company, including our code of ethics.

Growrite shall not, directly or indirectly, engage in bribery, fraud, or any other activities which may be construed as corrupt business practices.

CONCLUSION

Growrite's membership in the Global Compact has helped to focus our corporate citizenship initiatives on actions that produce concrete outcomes and benefits. The issues that we have highlighted in the human rights, particularly for women and minorities; elimination of discrimination; and achievement of transparency and high ethical standards in business, including the avoidance of even the appearance of corruption and cronyism. We will continue to focus on through technology transfer and application of environmental accounting standards.

Our Commitment to the Society

We make every effort to serve the underprivileged in the society. We have completed community service projects during the past which were directed towards development of children.

At Growrite, we believe that we can make the world a better place by providing our children with quality education, good hygienic standards, sound family environment and a sacred religious background. We will continue to focus on these areas through our CSR activities



IMPLEMENTATION OF PLAN FOR CORPORATE SOCIAL RESPONSIBILITY YEAR : 2009



Develop and Implementation of Strategic Plan for Ten Principals.

Overview

The principal goal of the Strategic Plan for Corporate Social Responsibility is to establish some management directives to guarantee certain ethical principles, respect for people and for the environment.

Objectives

1. Minimize the environmental impact
2. Guarantee transparency with the investment community
3. Ensure that employees are motivated and committed in the continuous improvement of the company
4. Maintain a close relationship with the client to guarantee client satisfaction
5. Extend the commitment to Social Responsibility to suppliers and sub-contracted companies
6. Involvement with the community and the society as a whole
7. Encourage and systematize communication channels
8. Guarantee that the implementation of the Strategic Plan for Corporate Social Responsibility is controlled monitored and implimented.

Ensuring that the implementation of the Strategic Plan for Corporate Social Responsibility controlled and monitored.

- Establish the Social Responsibility Unit to coordinate and monitor the Strategic Plan for Corporate Social Responsibility, acting as interlocutor between subsidiary and associated companies and the Corporation.
- Appoint a leader of the Strategic Plan for Corporate Social Responsibility in each of the subsidiary and associated companies.
- Update the data for the indicators with the frequency established in each case.
- Report the results of the indicators for each company to the Social Responsibility Unit, so that they can prepare the triple bottom line.
- Evaluate the impact of implementing the Strategic Plan for Corporate Social Responsibility.
- Create a platform for the Strategic Plan for Corporate Social Responsibility.