



COMMUNICATIONS ON PROGRESS 2014 - 2015

growrite
Substrates (Pvt) Ltd



Passionate People, Compassionate Solutions



“Children of today will make tomorrow’s world”

Table of content

Statement of continued support from Dinesh Fernando (MD).....	01
Introduction	02
Respecting and Supporting Human-Rights (Including Labor Rights).....	03
Our People.....	04
Our Suppliers.....	05
Our Customers.....	06
Our Community.....	07
Notable CSR Outcomes in 2014.....	07
Contributing to a Sustainable Environment.....	08
Our Planet.....	08
Notable Environmental Initiatives in 2014.....	09
Working against Corruption.....	10
Our Values.....	10

“Children of today will make tomorrow’s world”

Statement of continued support from Dinesh Fernando (MD)



Dinesh Fernando
Managing Director
Growrite Substrates (Pvt) Ltd.

Passionate People, Compassionate Solutions

I have the pleasure to submit Growrite Substrates (Pvt) Ltd annual Communication on Progress. Over the last eight years through our participation in UNGC, we have laid the strategic and operational foundations to face the myriad challenges ahead. This report describes the steps we have taken during 2014 to make the United Nations Global Compact and its ten principles on human-rights, labor, environment, and anti-corruption part of the strategy and culture our organization. As always, our success is a result of the passion and dedication of our people, who are deeply committed to advancing corporate citizenship and sustainability. It gives me great pleasure to highlight the success achieved by Growrite through its contributions to the corporate social responsibility. Hence, I welcome this chance to systematize the reporting on how we embraced social, environmental, and ethical challenges within and beyond our legal obligations during the past year.

The key objective of our company for 2014 was to protect and grow long-term environmental, social and economic value for stakeholders who were involved in bringing our products to the market. In 2015, as we move into the ninth year of our engagement, I would like to take this opportunity to express our continued support and commitment to the United Nations Global Compact and its ten principles.

“Children of today will make tomorrow’s world”

Introduction

We are Growrite. We are committed to helping nourish our growing world through sustainable solutions.

As a dynamic and innovative firm dedication to sustainability, we adhere to the highest standards of corporate ethics and accountability. With a firm commitment to the Triple Bottom Line (3BL) principles of people, planet and profit, our approach to the United Nations Global Compact (UNGC) is implemented at both our company factories and at each of our supplier locations, which operate in both India and Sri Lanka. Together with our partners and customers, we are actively working to expand the reach and availability of coir substrates, an environmental product into our ever increasing customer base.

With a vision, ‘to be the premier global organization providing a complete range of coir solutions’ having a mission ‘to be a passionate and committed team of professionals engaging in continuous innovation ensuring our clients achieve their goals’ Growrite has always worked under a ‘do what is right’ philosophy. This has enabled us to tirelessly devote our energies to promoting a ‘sustainable lifestyle’ to educate both our suppliers and customers on sustainable practices through the scope of our activities.

Strengthening our obligations to sustainable lifestyles are achieved through our adherence to:

- ISO 9001:2008; Quality management principles which includes leadership and involvement of people to achieve our goals,
- ISO 14001:2004; Environmental management system that minimize the impact of our operations on environment, and
- SA 8000:2008; Social Accountability standard that helps to develop, maintain, and apply socially acceptable practices in the workplace.

Our formal commitment to the UNGC and its ten principles of human rights, labor rights, environment, and anti-corruption was initially made in March 2008. The following report reflects actions we took during the year 2014 and as the UNGC and its principles are further strengthened and integrated into our business, we proceed to list our objectives for 2015.

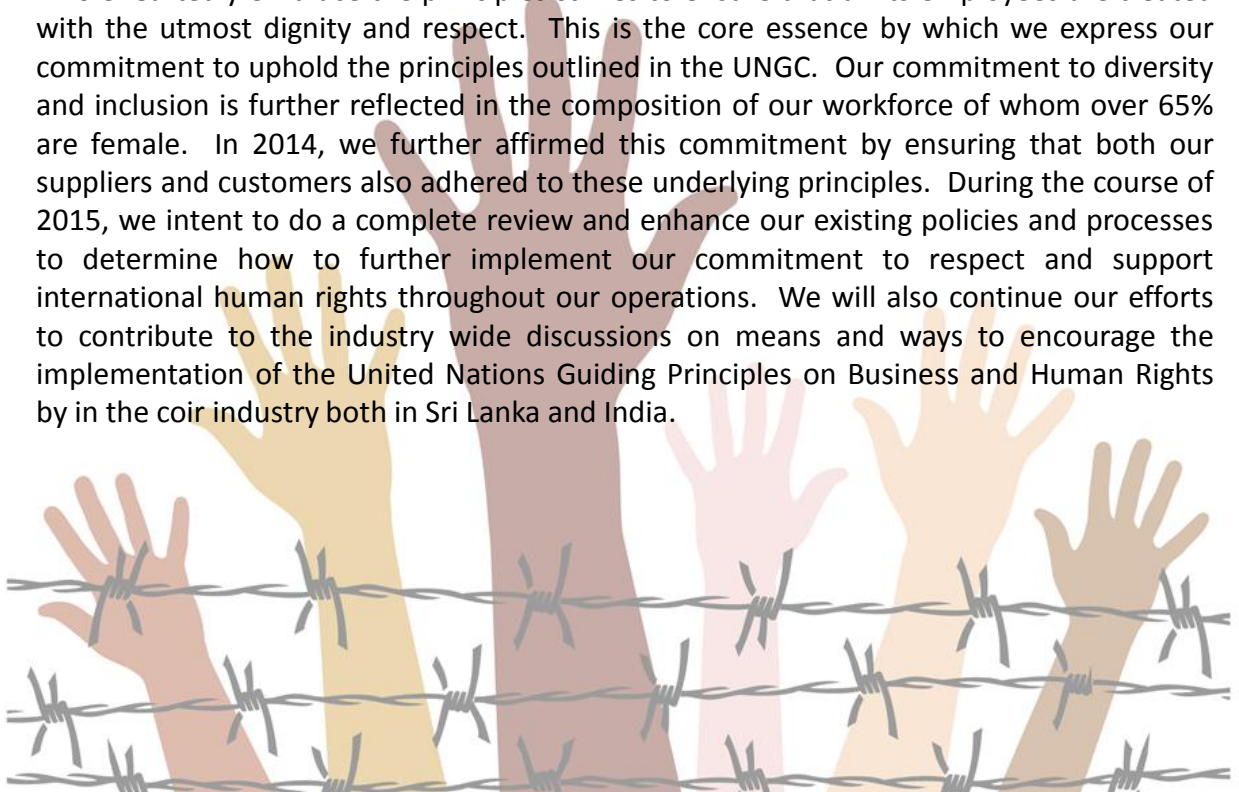


“Children of today will make tomorrow’s world”

Respecting and Supporting Human-Rights (Including Labor Rights)

Human-Rights Principles	Labor Rights Principles
<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>Principle 2: Make sure they are not complicit in human rights abuses.</p>	<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Principle 4: The elimination of all forms of forced and compulsory labor;</p> <p>Principle 5: The effective abolition of child labor; and</p> <p>Principle 6: The elimination of discrimination in respect of employment and occupation.</p>

Growrite is committed to respecting and supporting international human rights throughout our business operations. We further affirm that we are not complicit in human rights abuses. Growrite being one of the pioneering organizations in Sri Lanka to wholeheartedly embrace the principles strives to ensure that all its employees are treated with the utmost dignity and respect. This is the core essence by which we express our commitment to uphold the principles outlined in the UNGC. Our commitment to diversity and inclusion is further reflected in the composition of our workforce of whom over 65% are female. In 2014, we further affirmed this commitment by ensuring that both our suppliers and customers also adhered to these underlying principles. During the course of 2015, we intend to do a complete review and enhance our existing policies and processes to determine how to further implement our commitment to respect and support international human rights throughout our operations. We will also continue our efforts to contribute to the industry wide discussions on means and ways to encourage the implementation of the United Nations Guiding Principles on Business and Human Rights by in the coir industry both in Sri Lanka and India.



“Children of today will make tomorrow’s world”

Our People



People are the life blood of our company and we are deeply committed to ensuring their wellbeing. This commitment is fundamental to our success as a premier substrate producer and we believe it enables us to hire the best talent, build the most effective teams, and deliver the highest value products to our customer. We are also committed to creating a safe working environment for all employees, providing training and supervision when and where necessary and have had no major injuries reported in our factories within the last three years.

We also actively promote a culture that is inclusive of all, where everyone has the opportunity to grow and develop by creating pathways for career progression which are transparent. To further this effort, our company has initiated a project of providing schooling for improving language skills enabling our junior staff to progress to be more proficient management candidates. Our efforts at promoting education also includes providing scholarships and books to the children of our employees to ensure that their children have the best start in their young lives.

Lastly the welfare of our employees extends beyond the confines of our factories and offices. The company has provided financial assistance to three families providing them with construction material towards the purchase of their roofs.

Looking towards 2015, our efforts are now directed towards enhancing and engaging the work environments with each of our employees. We have embarked on creating worker councils and empowering them to form teams where they will discuss pressing issues the employees have with the company senior management. Through this heightened level of employee engagement, we at Growrite feel confident that we are well poised to further the human-rights and labor principles at our offices and factories.

“Children of today will make tomorrow’s world”

Our Suppliers

Our suppliers are key partners in our business. We are committed to only working with suppliers who respect human rights, promote safe and fair working conditions and ensuring respect for their employees, and the elimination of discrimination in employment. In 2014, we accomplished this task by introducing and educating our supply base on the numerous means by which Growrite has been able to achieve its success through our commitment to treating our employees with dignity and respect.

These initiatives also include monitoring and reporting of all supply chain partners and ensuring that long term contracts for raw material ordering are linked to compliance with the our values and principles. Through the success of Growrite in the past eight years in promoting and conforming to the UNGC principles of human and labor rights, our supply base which includes over one thousand coconut husk and coir fiber suppliers have understood the importance of these principles and are now working to implement them at their locations as well.



“Children of today will make tomorrow’s world”

Our Customers



Our customers are at the very heart of our business and we strive to achieve excellence in everything we do for them. In this regard we take steps to assist and support our customers respect for human and labor rights. With a diverse range of customers from around the world, our company’s business philosophy of developing collaborative partnerships with our customers has been of great benefit in ensuring that our customers understand and conform to our values and principles. This has led to several fruitful and long term partnerships with our customers who have also become engaged in supporting our business and investment activities. Through these mutually beneficial partnerships, we have ensured that each and every one of our customers also adheres to the UNGC principles on human and labor rights.

“Children of today will make tomorrow’s world”

Our Community

We believe in the active participation in the wider community as individuals and as a company. We feel this leads to the creation of strong linkages which reinforce the bonds which we have established with our valued employees. The key initiatives which we have undertaken include the ongoing maintenance of an orphanage for 50 boys and 50 girls located at Diyakalamulla - Kuliypitiya as well as holding of community service and dancing concerts to promote communal harmony in India. Through these efforts, our company has been able to foster a close and open relationship with each community in which we work and operate.

Notable CSR Outcomes in 2014



- Formulation and development of language skills programs and schools to improve access to English language for employees and community, enrollment of 289 students
- Free medical clinic serving all employees in conducting checkups twice a year and providing for free medical prescriptions during this period
- Provision of interest free loans for medical needs of workers to the tune of Rs. 913,000
- Scholarships to a child of the orphanage who have achieved high merits in school examinations to the tune of Rs. 12,000 annual for next six years
- Financial assistance for employees' children who gain acceptance to university to the tune of Rs. 210,000
- Ongoing maintenance of company operated orphanage Rs. 130,000
- Financial contribution towards construction of employee homes to the tune of Rs. 150,000

“Children of today will make tomorrow’s world”

Contributing to a Sustainable Environment

Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

At Growrite, our efforts to ensure sustainable growth span our entire operations, from how we manufacture our products, to running our business and even to our engagement with employees, suppliers and customers. It is at the heart of our environmental strategy, which comprises three areas: running efficient operations; developing sustainable products, and providing insights to advance sustainability to our customers.

Our Planet

As one of the largest companies exporting coir products from Sri Lanka, we strive to be an exemplary leader in environmental sustainability. Coir is a readily renewable resource and the coconut plantations are a major source of carbon di-oxide absorption helping to preserve the environment. Furthermore the coconut husk is itself a by-product from the coconut fruit and when used for horticultural and household uses allows it to not only be kept out of the waste stream but can help to renew the soil and improve the garden. In producing substrates from coir, we are directly contributing to core environmental principles outlined in the UNGC sustainable environmental practices. In addition, with the rapid growth of the substrate market and our commitment to develop new products which can help to reduce the carbon footprint of our diverse customers we are committed to deliver on the environmental principles of the UNGC.

In 2015 we intend to develop new products through which our customers can further reduce the use of water in the substrates through higher water retention along with introducing coir products as an environmentally friendly substitute for several household cleaning and pet applications. We are also evaluating the feasibility of switching 5% of our electricity needs to renewable sources contained within our factory.



“Children of today will make tomorrow’s world”

Notable Environmental Initiatives in 2014

- Initiating water conservation programs aimed to reduce the use of water by 10% over the next three years
- Setting up of waste water treatment plants to reduce the impact of run-off resulting from washing
- Reduce the fuel consumption of company employees by 15% over the next two years by investing in hybrids and fuel efficient transportation trucks

“Children of today will make tomorrow’s world”

Working against Corruption

Anti-Corruption Principle

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Operating ethically and in compliance with all laws is not only the responsible thing to do, but is sound business strategy, a key component to operating as a high performance business and critical both to Growrite’s culture and to helping our customers meet their own goals. We are committed to maintaining the highest ethical standards and to complying with all anti-corruption laws wherever we conduct our business. To this end and as reflected policies and values, we have zero tolerance for bribery or any other activity that violates the anti-corruption laws in any location we operate.

Our Values

The bedrock of our company’s success revolves around a core set of values that includes

- treating suppliers and customers with respect and faith,
- growing through innovation, and
- integrating honesty, integrity and business ethics in all aspects of corporate behavior.

Through these core values, we require all our employees, business partners and suppliers abide by both the spirit and the letter of all anti-corruption laws in both Sri Lanka and India. This was a key initiative for the company in 2014 where we emphasized the principles of UNGC throughout our supply chain to ensure full compliance of all anti-corruption principles at each location within.

We have also conducted awareness programs to both our employees and suppliers where if they have knowledge or suspicion of bribery or corruption activities, or believe that our risk and good governance policies have been, or are being breached, they have an obligation to report this knowledge or belief immediately through anonymous suggestions which are forwarded to the company management.

In looking to 2015, Growrite will devise a policy of Code of Conduct for all its employees along with the development of a Whistleblower policy where employees and our supply chain partners are encouraged to make aware of any irregularities which take place within our company. We are firmly committed to abide by the UNGC anti-corruption principles and believe that these initiatives will further cement our adherence.



Setting the standards and leading the way



104, Pagoda Road, Pitakotte, Sri Lanka
Phone : (+94) 115 522 772-4
Fax: (+94) 112 812 585 / (+94) 115 522 771
E-mail: info@trowide.lk
Web: www.eurosubstrates.com