



Tropicair
Lanka (Pvt) Ltd.



UNITED NATIONS GLOBLE COMPACT

Communication On Progress

"Children of Today Will Make Tomorrow's World"

2014-2015



Statement of continued support from Dinesh Fernando



Dinesh Fernando

Managing Director

Tropicair Lanka (Pvt) Ltd

“ I have the pleasure to submit Tropicair Lanka (Pvt.) Ltd. annual Communication on Progress. In this third Communication on Progress to the United Nations Global Compact (UNGC), we broadly outline our progress in meeting the UNGC ten principles as part of the strategy, culture and day-to-day operations of our organization. This report also details our objectives for the future and our commitment to ensure these principles are further integrated into our business.

As always, the success of our organization is a resulting from of the passion and dedication of our people who are deeply committed to advancing the concepts of corporate citizenship and sustainability. Their wholehearted enthusiasm for supporting our organizational goals and objectives has helped to make a tremendous impact on the people and communities around them. Their generous contributions of time and have contributed significantly towards making a difference especially in preparing the next generation to join our workforce adopting environmentally sustainable work practices.

On the following pages you will read more about Tropicair’s progress relating to the principles of the UNGC. We have built upon the foundations laid over the last two years to deal with the challenges that lie ahead, and we are committed to expanding and extending our corporate citizenship efforts, moving forward to create a sustainable impact in our community.

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For nearly two decades Tropicoir has been promoting sustainable development by producing new and innovative uses for coir products in growing and filter media. Today, we are a trusted global leader in providing exceptional products to their customers. Customers rely on us to deliver world-class solutions that will maximize their returns and increase their long term business success and most importantly support their sustainability goals.

With a clear commitment from all the stakeholders, Tropicoir is committed to realizing this goal providing their customers with novel products which exceed their expectations. Adhere to the highest standards of corporate ethics and accountability, our approach to the United Nations Global Compact (UNGC) is implemented at both our company factories and at each of our supplier locations located in India and Sri Lanka.

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', we follow in the footsteps of its parent company, Primer Tech, firmly believing that 'This is our time'. Through this philosophy we have been able to tirelessly devote our energies to promoting 'sustainable lifestyles' 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,
- SA 8000:2008; Social Accountability standard that helps to develop, maintain, and apply socially acceptable practices in the workplace.
- Omri; Organic Materials Review Institute whose mission is to support the growth and trust of the global organic community through expert, independent and transparent verification of input materials, and through education and technical assistance

Our formal commitment to the UNGC and its ten principles of human rights, labor rights, environment, and anti-corruption was initially made in 2012. 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.



THE TEN PRINCIPLES

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses Assessment, Policy and Goals

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation Assessment, Policy and Goals

Tropicoir is forthright in its commitment to Human Rights. A major activity completed in this year was to codify all company practices to be in line with the Universal Declaration of Human Rights. Through our policy statement we hereby formally declare that we shall not harass, bully or discriminate against colleagues, members of the public and employees.

Our anti-discriminatory criteria in our policy document refers to criteria that includes (but is not limited to) race, color, ethnicity or national origin, gender, sex, religion and political conviction. Our HR Policies are in compliance with all Sri Lankan and SA 8000 rules clearly stipulating the number of work hours, ages of employees and leave entitlements for all company employees. Our organization is also committed to improving the quality of education providing generous scholarships to children of all company employees to ensure a bright future for all.

Our commitment to the Principle 3 has been consistently strengthened through our support of the Consultative Committee in which all company workers are voluntarily encouraged to participate and actively involve themselves towards improving their general well being.

Tropicoir is committed to upholding the conventions and recommendations of the ILO Core Conventions. As stated previously, our anti-discriminatory criteria outlined in our HR Policies Document, which is in accordance with Principle 6 of the Global Compact. We also have specific practices relating to workplace health and safety in order to ensure that our employees are not forced to work in unsafe conditions. We provide all employees with compensation if injury or incidence does occur and are also currently reviewing our HR Policies so that all suppliers and business partners are made aware of our labor principles. This review reinforces our company commitment through our policies to eliminate forced labor, child labor, and employment discrimination. We will continue to refine our policies to incorporate the principles of the UNGC into all aspects of our work.

Commitments to Our People, Our Partners & Suppliers, Our Customers and Our Community



We are committed to ensuring the wellbeing of our **people** who are our most valuable assets. This has been our greatest strength and a key to our success as a premier substrate producer. We truly believe it enables us to hire the best talent, build the most effective teams, and deliver the highest value products to our customers. We are also committed to creating a safe working environment for all employees, through our health and safety practices which have recorded no major injuries in the last year. Our commitment to our people also extends to their families promoting education and providing scholarships and books to the children of our employees to ensure that their children have the best start in their young lives.

Our **partners and suppliers** are instrumental in our business and we are committed to only working with only those who respect human rights, promote safe and fair working conditions and ensuring respect for their employees, and the elimination of discrimination in employment. Working closely with each, we have ensured that all aspects of our supply chain are fully aware of all our commitments to human and labor rights thus ensuring that through our efforts we are promoting our sustainable lifestyles throughout our supply chain. Our suppliers and partners are have now embraced these practices and are now complying with all UNGC principles relating to human and labor rights which we are verifying through annual audits.

Our **customer's** values and ethics play a fundamental feature in our business decisions. 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 very beneficial with the majority of our customers retaining our services due to our strong commitments to human and labor rights. This mutually beneficial relationship has fostered close relationships with strong adherence to the UNGC principles.

Our commitments also extend to our **community** which plays a central role in our success. Creating strong linkages over the last two decades has enabled us to create a strong sense of civic duty and we are deeply committed to improving the living conditions in our community. The key initiatives which we have undertaken include:

- The ongoing maintenance of an orphanage for 50 boys and 50 girls located at Diyakalamulla – Kuliypatiya
- Paduwasnuwara religious education school(Sunday school)

THE TEN PRINCIPLES

ENVIRONMENT

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

Respect for our environment is central to our approach to sustainable development. We have implemented stringent environmental practices through which we minimize, mitigate and remediate the harmful effects of our manufacturing practices on the environment. We have developed a number of practical programs for environmental management, which include input from our local communities, as well as from experts in these fields. By effectively planning and implementing these programs, we limit the environmental impact of our activities thereby conforming to the UNGC environmental principles.



Commitments to Our Planet

As the pioneering companies exporting coir substrates 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 dioxide 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 allow 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.

- Reducing consumption of electricity through capital investments in new machinery
- Improving processing efficiencies through waste reducing by creating new innovative machines which can sieve more efficiently
- Developing new products from waste generated from sieving process thus increasing overall value addition content of company



THE TEN PRINCIPLES ANTI-CORRUPTION

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

Tropicoir is committed to Principle 10 of the Global Compact. Our company's HR Policies, states that employees and the employer will not engage in fraud or corruption, report any fraudulent or corrupt behavior, report any breaches of the law as well as generally accepted practices of good conduct along with understanding and applying all relevant accountability requirements. We are committed to eliminating acts or corruption, and any violation of our policy will result in immediate disciplinary action to any company employee.

Commitments to Our Values

Our success over the last two decades has been a result of our values which include,

- 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 2014/5 where we emphasized the principles of UNGC throughout our supply chain to ensure full compliance of all anti-corruption principles at each location within.