



Tropicoir
Lanka (Pvt) Ltd.



UNITED NATIONS GLOBLE COMPACT

Communication On Progress

"Children of Today Will Make Tomorrow's World"

2015-2016



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 our fourth Communication on Progress to the United Nations Global Compact (UNGC), we have successfully updated our policies and procedures to be in line with the UNGC ten principles. This has enabled the company to share their corporate responsibility and experience with our local partners leading to further support the needs of our suppliers and customers to integrate the UNGC goals within their organizations.

I am also proud of the way in which Tropicair’s employees use their skills, knowledge and experience to create value for communities. 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.

Moreover I am proud of the progress the company has made by implementing policies and procedural changes, delivered through our people, to be in line with the UNGC principles. On the following pages you will read more about Tropicair’s progress relating to the principles of the UNGC and in the future we further intent to manage ourselves in a more sustainable way, in keeping with our commitment to the UNGC.

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At Tropicair we are committed to helping nourish our growing world through sustainable solutions by adhere to the highest standards of corporate ethics and accountability. With a firm commitment to the principles of the UNGC we are actively working with our partners and customers to expand the reach and availability of coir substrates, an environmentally 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’ Tropicair has always worked under a ‘do what is right’ philosophy. This has enabled us to tireless 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 a sustainable lifestyle are achieved through our adherence to

- ISO 9001: 2008; Quality management principles which includes leadership and involvement of people to achieve our goals, 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 2012. The following report reflects actions we took during the year 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

Tropicair is forthright in its commitment to Human Rights. Following up on the codification activities which took place last year, the company has now fully implemented the practices and is completely transparent in all its employment practices being in line with the Universal Declaration of Human Rights. This is further strengthened by our policy statement in which ***“we have formally declared 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.

Tropicair 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



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 provides financial assistance to several families providing them with construction material towards the purchase of their roofs.

- Mr. Hettiarachchi
- Mrs. Somawathi
- Mrs. Nalani hemalatha
- Mrs. Prancy Maeri
- Mrs. Ranjane Malkanathi
- Mrs. Rasika Nilmini
- Mrs. Sajani Geethika
- Mr. Samantha Fernando
- Mrs. Shirani Gunathilaka
- A house for Mrs. Gunaranthilaka (partially completion)
- A house for Mrs. Rasika Nilmini
- Cash donation Mrs. R.M.Indrani Manike
- Cash donation for the Ekamuthu Api Janasaviya foundation
- Cash Donation to the Hospital to purchase supplies

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 – Kuliyaipitiya.

Looking towards 2017, our efforts are now directed towards enhancing and engaging the work environments with each of our employees. Through our efforts, we have created worker councils and empowered 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 Tropicair feel confident that we are well poised to further the human-rights and labor principles at our offices and factories.

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.



**Our Place... Our Planet...
Our Responsibility**

Commitments to Our Planet

As the largest coir substrate exporter 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 environment 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 2017 we intend to introduce several new products through to our customers can further reduce the use of water in the substrates, along with introducing coir products as an environmentally friendly soil substitute. We have completed several initiatives that have led to reduced usage in electricity while improving productivity within our factory.



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 employers 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 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.

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.

We are following through with the initiatives which we commenced in 2015 by requiring all our employees, business partners and suppliers to abide by both the spirit and the letter of all anti-corruption laws in Sri Lanka.