

United Nations Global Compact

Communication on Progress

For

Sri Lanka Institute of Nanotechnology (Pvt) Ltd.

Period covered: From 2015 to 2017

Prepared by:

Date submitted:

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Statement

Statement of continued support by the Chief Executive Officer (CEO)

With this statement, I hereby confirm that Sri Lanka Institute of Nanotechnology (Private) Limited or SLINTEC, continues to uphold its support of the ten principles outlined in the United Nations Global Compact; namely the four areas of Human Rights, Labour Rights, Environmental Protection and Combating Corruption. In the confines of this statement, SLINTEC will outline our measurement of progress to advance these core principles within our organization.

SLINTEC is committed to making the Global Compact principles as part of our organization culture and day to day workings of the company, as we wish to grow SLINTEC into an internationally recognized institution which operates at a global level.

As a research organization, SLINTEC is leading the way in terms of environmental protection and sustainability in terms of our building design. Having been granted the prestigious LEED award for our inclusion of solar paneling for electricity generation, rain water harvesting and conversion of waste to biogas shows that SLINTEC is committed to developing the Nanotechnology and Science Park in an environmentally sustainable manner.

SLINTEC is also working on improving several key aspects to improve the lives of Sri Lankans, specifically in the areas of sustainable water, textiles, agriculture, indigenous medicine and mineral sources. SLINTEC is looking to value add to these key areas which are of significant importance to Sri Lanka in order to better improve Sri Lankan industry and economic status.

Sri Lanka's two main sectors are agriculture and textiles and SLINTEC has made remarkable achievements in both. In 2016, SLINTEC sold a patent to a leading textile industry giant as part of an outcome of a 2 year research project to develop smart apparel. SLINTEC's slow-release nano-fertiliser which has the combined benefits of using less urea while increasing plant yield. The Institute is working closely with the Department of Agriculture and is carrying out on-going farmer trials in certain regions of Sri Lanka. The Institute research was highlighted in a recent ACA nano publication for its work. SLINTEC is now looking to scale up the manufacturing process with our research partner.

SLINTEC also regularly updates its organizational policies in regards to employee welfare, dignity and work and ethical principles of conducting business. SLINTEC recently revised its employee review procedures in its bid to introduce a performance-based culture to the organization.

Harin de. Silva Wijeyeratne

Chief Executive Officer.

Compliance with the principles of the United Nations Global Compact

Human Rights Principles

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

Policy and Implementation:

SLINTEC is an equal opportunity employer, and has therefore taken the necessary steps to counteract any discrimination with regards to race, religion, sexual orientation or gender. SLINTEC is committed to promoting human rights and observes those rights in accordance with the UN Human Rights Charter. SLINTEC Human Resources has been boosted by the employment of new HR consultant to oversee the rights of all employees at SLINTEC.

All employees are thoroughly educated on the workplace practices of SLINTEC during orientation and are trained to be aware of their rights. SLINTEC provides their employees and their families/spouses with health care insurance and Employee Trust Fund and Employee Provident Fund despite not providing full-term employment options (only contract basis employment).

Upon joining SLINTEC, all employees are requested to sign a Non-Disclosure agreement which prevents the release of confidential information. The Non-Disclosure Agreement is binding in both ways and it prevents SLINTEC from releasing any confidential information of its employees to outside organizations.

SLINTEC also has an active Safety Committee headed by a senior Professor and Science Team Leader and comprises several senior members including the Head of Technical Services and Infrastructure Management, which regularly reviews the safety protocols and conducts regular safety drills. This is vital as SLINTEC is a research institute with several equipment and a large range of chemicals which requires skilled training to manage.

Measurement of Outcomes:

SLINTEC strictly adheres with all local legislation and has had no reported violation of Human Rights. SLINTEC regularly reviews its HR policy to ensure its fairness and transparency.

Labour Principles

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

Policy and Implementation:

Sri Lanka Institute of Nanotechnology (Pvt) Ltd (SLINTEC) strictly complies with all labour laws of the country including the following given below:

- Shop and Office Employees Act of 1954
- Employment of Women, Young Persons and Children's Act No. 47 of 1956

In addition, SLINTEC also prides itself as an equal opportunity employer, showing no bias or discrimination based on gender, race and religion.

At SLINTEC, the HR Department is responsible for the implementation of employee rights policies. There is a periodic review of HR policy with an established Human Resources committee consisting of members of the Board of SLINTEC that oversees and supervises the managing of Human Resources within the Company.

SLINTEC also advocates an open-door policy for all employees, especially when it comes to grievance handling. All employees have access to senior management at all times. In case of any issues, employees are encouraged to first approach their line manager and if no resolution is achieved the matter is to be escalated to Human Resources Manager and then to the Chief of Research or Chief Executive Officer as required.

All additional, contract staff employed at SLINTEC (such as cleaning staff, factory staff) are of legal working age and are treated under the same labour laws of the country.

Measurement of outcomes:

SLINTEC does not have any labour-related complaints made against the Company during the period of this Communication on Progress. SLINTEC is still one of the most desirable institutes for locals seeking employment in the research and development sector.

SLINTEC has introduced an internationally accepted, performance appraisal methodology, effective from 2016. This process concentrates on developing a performance-based culture which will be just and fair to all employees.

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
Assessment, Policy and Goals

Policy and Implementation:

SLINTEC is committed to developing its center of excellence as well as the Nanotechnology and Science Park in line with the current themes of environmental sustainability.

The design of the main building was honored with the Leadership in Energy and Environmental Design (LEED) Platinum Award by the U.S. Green Building Council, which is the most frequently used green building rating system. The building currently has a system in place to collect rainwater for consumption, converting waste from the cafeteria into biogas and using solar panels for the production of electricity. The recently opened Technology Incubation Center within the Nanotechnology and Science Park also has solar panels for electricity generation.

SLINTEC also has strict policies on the management and treatment of waste effluent which is a byproduct of the research projects conducted. All waste is collected safely and given to a reputable waste management company for proper disposal. As the Nanotechnology and Science Park grows, all tenants into the park are expected to follow the same standards of safety and SLINTEC is looking to invest in a sustainable and environmentally friendly waste disposal system for the Park. SLINTEC's safety committee ensures that all scientists are trained in the Code of Safety and the use of CCTV is implemented to ensure that the safety procedures are followed.

At SLINTEC, research is conducted on improving key Sri Lankan industries by developing products and processes which are environmentally friendly. SLINTEC has pioneered the development of nano-fertiliser, which allows the farmer to use less urea to achieve similar or high plant yield, which reduces overall environmental pollution. SLINTEC has also worked with their textile industry partners to develop environmentally sustainable processes in the field of natural dyeing.

Measurement of outcomes:

SLINTEC has a dedicated team headed by the Head of Technical Services and Infrastructure Management to review and maintain the LEED certification of the building.. In relations to the research projects, SLINTEC conducts monthly reviews to check on the status of the project progression.

Anti-Corruption Principles

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

Policy and Implementation:

The SLINTEC Board comprises 16 directors 4 of whom are Independent directors. They ensure good governance is practiced throughout the organization and provide unbiased contribution towards the company. SLINTEC also strictly adheres by the Companies Act No. 07 of 2007, which ensures good governance.

SLINTEC's current policy is to forbid any employee of the organization from making offerings or promises of any payment or anything of value, (directly or indirectly) to any person or institution. Any such payment, made anywhere, violates SLINTEC's policies and procedures. At the time of an employee joining the company, these important clauses are explained in detail to prevent such occurrences.

SLINTEC also practices an open-door policy within the organization which allows employees to discuss any untoward practices without fear of retribution.

In relation to calling for tenders for equipment and building expansion SLINTEC strictly adheres to the Government tender procedures. Specific approval committees are set up by the Ministry. For normal operational purchases SLINTEC follows the internal Board approved guidelines.

Measurement of outcomes:

SLINTEC has a quarterly internal audit process to ensure that all finances are managed transparently and the process approved are followed. In addition the annual audit is carried out by and External audit firm.