



## **ESWARAN BROTHERS EXPORTS (PVT) LTD**

### **Communication on Progress**

**Year: 2017**

#### **STATEMENT OF CONTINUED SUPPORT**

Eswaran Brothers has been committed signatory to the Global Compact since 2007. Since then we have striven to uphold the principles of the UNGC to the best of our ability.

We have incorporated them into our daily working practices and will continue to work towards the improvement of our community, environment and stakeholders through them.

We remain committed to the UNGC principles.

**Mr. Subramaniam Eassuwaren**

**DEPUTY CHAIRMAN**

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2<sup>nd</sup> May 2018

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## Brief Description of Nature of Business

Eswaran Brothers Exports (Pvt.) Ltd is one of the leading value added tea export companies in Sri Lanka with customers in over 50 countries. We are a company focused on providing total tea solutions worldwide. Guided by the values and principles of our founder, we have made it our passion to serve ethically produced teas to our customers worldwide.

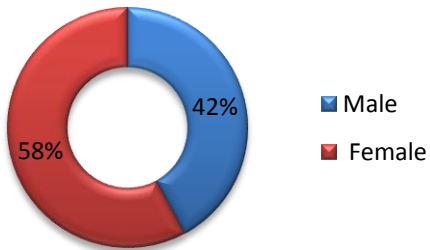


<b>PRINCIPLE 1</b>	<b>BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS</b>
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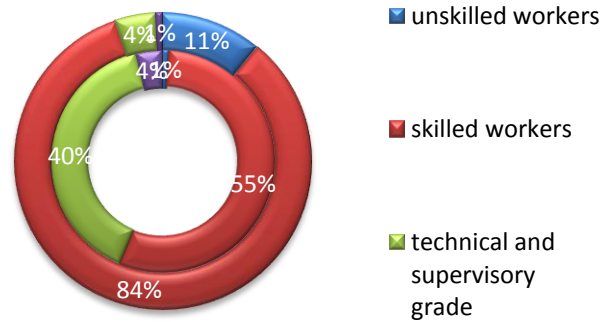
<b>Actions</b>	<p><b>Actions taken</b></p> <p><b>Commitment:</b> We are committed to support and respect the protection of locally &amp; internationally proclaimed human/employee rights. For this, we rely on the ILO conventions, national &amp; international laws &amp; regulations.</p> <p><b>System:</b> Our Company follows a strong set of values. These values and regulations have been incorporated into our policies in order to keep the highest standard of human rights protection.</p> <p><b>Activities:</b> Some of our initiatives are;</p> <ol style="list-style-type: none"> <li>01. Risk assessment on accidents and corrective &amp; preventive actions for them</li> <li>02. Communication of our activities via effective channels to employees</li> <li>03. Employee- Management (Chairman) consultative forums for each &amp; every employee on weekly basis</li> <li>04. Open door policy</li> <li>05. Grievance handling channels</li> <li>06. Transparent disciplinary action policy</li> <li>07. Induction training for all new factory recruits on company policies by Asst.HR Mgr.</li> <li>08. Internal trainings conducted on Safety for factory employees by the Asst. factory manager</li> <li>09. Annual Fire Drill training</li> <li>10. Free Breakfast given for all factory workers</li> <li>11. Free refreshment given for all night shift factory workers</li> <li>12. Medical insurance for in-door treatment &amp; reimbursement of medical bills for up to different limits according to the employee category</li> <li>13. Frequent audits carried out</li> </ol>
	<p><b>Measurement of (expected) outcomes and value added for our company</b></p> <p>Some of our key achievements are;</p> <ol style="list-style-type: none"> <li>01. Less Absenteeism</li> <li>02. Less Turn Over Rate</li> <li>03. Reduced Loss hours</li> <li>04. Higher productivity/Higher Quality product</li> <li>05. Improved employer-employee relationship</li> </ol>
<b>Outcomes</b>	

**LA 13 Breakdown of Employees per Category according to Gender, Age Group and Other Indicators of Diversity**

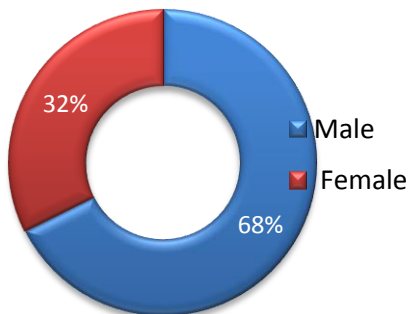
**Gender break down in factory**



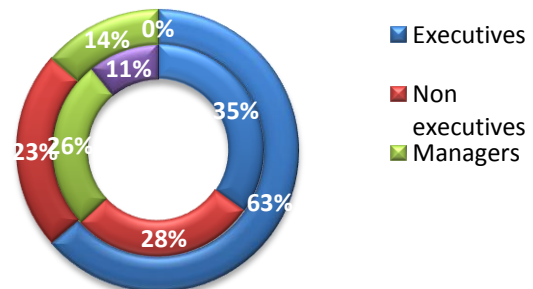
**Man power strength in factory**



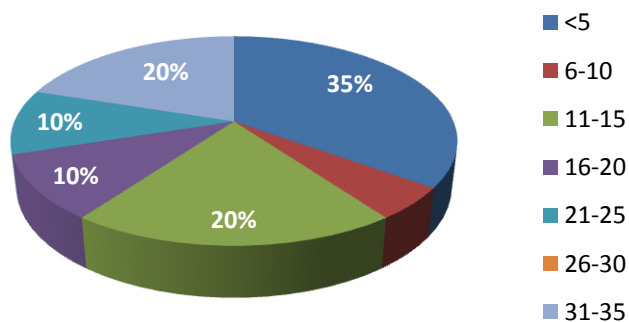
**Gender breakdown in office staff**



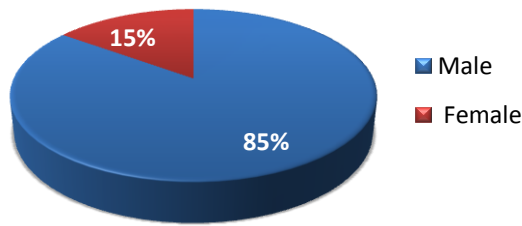
**Man power strength in office**



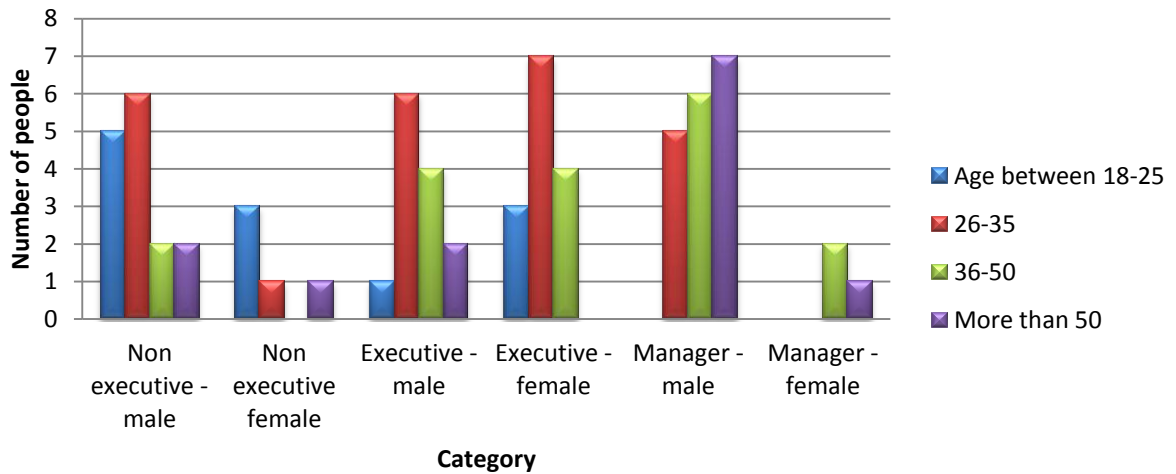
**service duration analysis of managers**



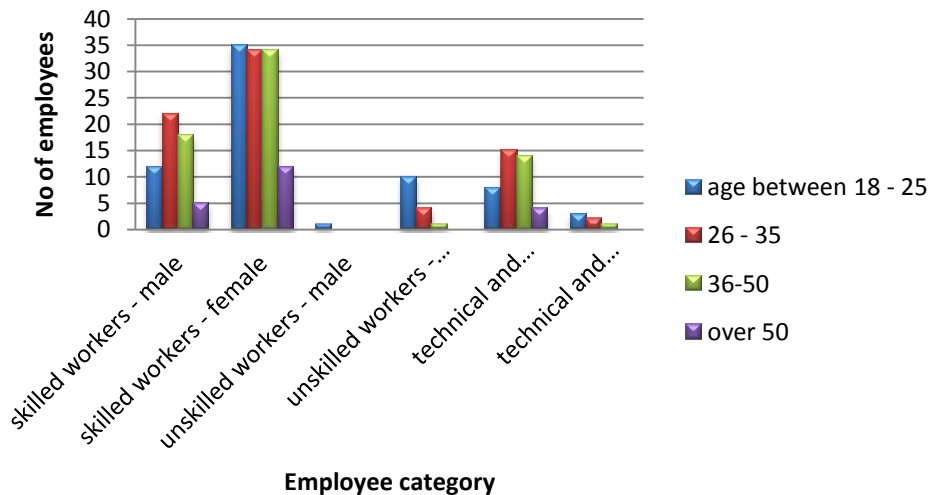
**Gender breakdown in managerial level**



**Age analysis of office employees**



**Age analysis of factory workers**



**LA 7 Rates of Injury**

<b>Year</b>	<b>Injury rate</b>
2016	9
2017	14

<b>PRINCIPLE 2</b>		<b>BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES</b>	
<b>Actions</b>	<b>Actions taken</b>		
	Please refer Principle No.01		
<b>Outcomes</b>	<b>Measurement of (expected) outcomes and value added for our company</b>		
	Please refer Principle No.01		

PRINCIPLE 3		BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING	
<b>Actions</b>	<b>Actions taken</b>		
	<p><b>Commitment:</b> We support and implement the ILO conventions, national &amp; international laws &amp; regulations. We have built our policies and procedures incorporating all these regulations.</p> <p><b>System:</b> Employee- management consultation is our strategy.</p> <p><b>Activities:</b></p> <p>All groups are represented in management decisions taken in terms of Factory safety, Operations and Environmental management.</p> <ol style="list-style-type: none"> <li>01. Each &amp; every employee participates to their annual appraisals conducted by the their dept. head</li> <li>02. Weekly basis departmental meetings with the dept. head</li> <li>03. Communication of our activities via effective channels to employees</li> <li>04. Employee- Management (Chairman) consultative forums for each &amp; every employee on weekly basis</li> <li>05. Open door policy</li> <li>06. Grievance handling channels</li> <li>07. Transparent disciplinary action policy</li> </ol>		
<b>Outcomes</b>	<b>Measurement of (expected) outcomes and value added for our company</b>		
	<p>Our achievement again is a improved employee-employer relationship, which resulted</p> <ol style="list-style-type: none"> <li>01. Less Absenteeism</li> <li>02. Less Turn Over Rate</li> <li>03. Reduced Loss hours</li> <li>04. Higher productivity/Higher Quality product</li> <li>05. Improved employer-employee relationship</li> </ol>		



PRINCIPLE 4	BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR
Actions	<p><b>Actions taken</b></p> <p><b>Commitment:</b> Our company is committed to eliminate all forms of forced, compulsory and bonded labour. For this, we rely on the ILO conventions, national &amp; international laws &amp; regulations.</p> <p><b>System:</b> Internal audits are carried out by a non-executive director on hiring and working practices to ensure all national standards are met.</p> <p><b>Activities:</b></p> <ul style="list-style-type: none"> <li>01. Self application of all available vacancies</li> <li>02. Employment conditions are pre-agreed and available to both parties.</li> <li>03. Frequent awareness on employee salary/other benefit calculations</li> <li>04. Frequent Internal audits carried out by non-executive director and external audits by Department of Labour (Government Body)</li> <li>05. Corrective and preventive actions as required by audits</li> </ul>
	<p><b>Measurement of (expected) outcomes and value added for our company</b></p> <p>Through this commitment we have become a preferred company to work for. We measure this through our turnover rate which is well below the industry rate for factories operating within the city. This has in turn improved our productivity and driven up our sales &amp; profitability.</p>
Outcomes	

PRINCIPLE 5	BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR
<b>Actions</b>	<p><b>Actions taken</b></p>
	<p><b>Commitment:</b> Our company is committed to support the effective abolition of child labour. For this, we rely on the ILO conventions.</p> <p><b>System:</b> Our minimum age for recruitment is 18 years.</p> <p><b>Activities:</b></p> <p>Our aim is that no child should discontinue their education due to the poverty. We offered scholarships for under-privileged children from 23 schools in Colombo area to educate them up to G. C. E. (O/L) or G.C. E. (A/L). Annually we increase the number of scholarships awarded.</p> <p>Scholarships are awarded to one child of an employee who is drawing Rs. 12,000 or less per month.</p>
<b>Outcomes</b>	<p><b>Measurement of (expected) outcomes and value added for our company</b></p>
	<p>We communicate our rules through our work and this commitment ensures that we work for a higher cause beyond monetary benefits alone. This improves our work satisfaction.</p> <p>Through this commitment we have become a preferred company to work for. We measure this through our turnover rate which is well below the industry rate for factories operating within the city. This has in turn improved our productivity and driven up our sales &amp; profitability.</p>

**PRINCIPLE 6**

**BUSINESS SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION**

**Actions**

**Actions taken**

**Commitment:** Our company is committed to the elimination of discrimination in respect of employment and occupation. For this, we rely on the ILO conventions, national & international laws & regulations.

**System:** Frequent internal audits are carried out on working and hiring practices by a non-executive director.

**Activities:**

- 01. Equal opportunity for all application, selection process
- 02. Available job vacancies are advertised to the public.
- 03. Employee selection & training
- 04. Employee selection, training, advancement, employee benefits are based on performance of the employees
- 05. Performance evaluations are done by the head of the dept. annually guided by the HR
- 06. Appeal systems are available to all employees, if they are not satisfied with the results of the performance evaluations.
- 07. Activities to support employees' freedom on ethnic and religious events.

**Outcomes**

**Measurement of (expected) outcomes and value added for our company**

Through this commitment we have become a preferred company to work for. We measure this through our turnover rate which is well below the industry rate for factories operating within the city. This has in turn improved our productivity and driven up our sales & profitability.

PRINCIPLE 7	BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES
Actions	<p><b>Actions taken</b></p> <p><b>Commitment:</b> We strongly believe that it is our responsibility to become a carbon neutral company.</p> <p><b>System:</b> We follow the GHG protocol corporate standard laid down by the Carbon Trust in UK to monitor and reduce our Carbon Footprint. We have invested in a community reforestation project near the Kaneliya forest reserve.</p> <p><b>Activities:</b> We follow the protocol guide lines to monitor and reduce our Carbon Footprint. We have invested and developed Carbon Dioxide sequestration through community reforestation and protection of biodiversity. We have developed a Carbon neutral tea product to ensure our commitment towards the protection of environment. As a responsible business, we have evaluated the biodiversity impact of our new tea product. The particular plantation that we are buying tea from for the new product is situated in an area where there is high biodiversity richness. Therefore we have taken the initiative to conserve this rich ecosystem by accounting for the biodiversity of the plantation, and taking steps to protect it and We are currently in process of biodiversity offsetting with regard to that rich ecosystem.</p>
	<p><b>Measurement of (expected) outcomes and value added for our company</b></p> <p>Become a leader in green production methods in the tea industry and thereby increase recognition and through that sales.</p>
Outcomes	

**PRINCIPLE 8****BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY****Actions taken**

**Commitment:** Our company is committed to foster and promote a clean environment and to implement appropriate measure within production and use environmental indicators of the GRI to report.

**System:** We use ISO 14001: 2015 and have installed a system to monitor general environmental performance data for waste, emission, energy and water use. We have worked actively to reduce power consumption & water wastage in our facilities. We are trying to reduce the amount of waste paper generated while recycling the present generated waste paper.

**Activities:** Being a tea exporting company our damage to the environment is much lesser but we have analyzed the impact caused to the environment through our activities. All significant aspects of the damage to the environment have been identified and an annual objectives and targets have been set aside. An Environment Management Programme was also prepared by stating the procedure of achieving the set objectives. Following are the aspects considered in our environmental programme.

**01. Electricity**

As for electricity, we have identified and reduced the number of bulbs used in the tea blending area and the stores by switching on to daylight using fibre glass sheets. Fluorescence tube lights are being replaced with energy saving bulbs outside and inside the factory. On the recommendation of the outside Energy Audit team we conducted a load profile study and upgraded the existing automatic capacitor bank to reduce electricity cost in the factory.

**EN.3 Direct Energy Consumption by Primary Energy Source**

Type of Energy Sources used	2016	2017
Electricity	364.6 kWh per 1000kg of tea produced	423.0 kWh per 1000kg of tea produced
Diesel (For Generator use)	1,000 Litres annually	

**02. Water supplied by the Government**

Due to difficulty in identifying water leakages and for easy maintenance, we replaced the underground Government supplied water distributing lines to various sections within the premises with the Surface distributing system and have saved a significant amount of water. Screw type taps are also replaced with Push type for reducing water wastage.

**Actions**

**03. Well Water**

For ease of identifying water leakages and easy maintenance, we replaced the underground well water pipe line system with surface system. A water meter was fixed to monitor the consumption & thereby identifying the leakages through much higher constant readings especially in holidays. Well water is only used for gardening and construction related work such as cementing activities.

		2016	2017
<b>EN 8</b>	Total water withdrawal by source		
	1.) Govt. supplied water	1.11 units per 1000kgs of output per month	1.16 units per 1000kgs of output per month
	2.) Well water	4.75 units per 1000kgs per month	5.04 units per 1000kgs per month
<b>EN 9</b>	Water sources significantly affected by withdrawal of water	Ground water bodies	

We have calculated our organizational and product water footprint, in order to take account of the company's impact on precious water resource and to mitigate any negative impacts. In year 2017, the consumption of well water was increased due to usage of the well water by other companies that are located in the same premises. (Sister companies). The increase in drinking water is due to the increased number of employees in the year 2017.

**04. Solid Waste**

All waste papers generated are segregated and sent to the in-house yard for baling and exported for recycling. Some of the items such as paper cores are sent to a sister company for reuse in tag and envelope winding. BOPP ploythene, plastic barrels are also sent to a collector for the recycling and reuse purpose.

We conduct internal training programmes for all existing and new factory employees on quality control, waste segregation, machinery maintenance and proper material handling & transportation. We prepare compost using dried leaves, used tea leaves etc and Compost bins are placed in areas where it is easy access to use for the flower pots, garden.

**Measurement of (expected) outcomes and value added for our company**

**Outcomes**

We hold Environment Management System steering committee meetings. If any parameter is higher than the target level set for the month, root cause analysis is done and if required, justification for the increase in relevant parameters is done based on the trend analysis. Eg: increase of the electricity consumption in proportion to the increase of production. All completed and ongoing activities related to environment are reviewed and follow up activities are planned. Annual audits are conducted by an outside audit firm in addition to internal audits carried out by company audit team.

PRINCIPLE 9		BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES	
<b>Actions</b>	<b>Actions taken</b>		
	<p><b>Commitment:</b> We are committed to conduct researches and develop cleaner production methods in the tea industry.</p> <p><b>System:</b> In following our commitment to become a Carbon neutral company, we regularly work with clean technology inventors to develop new cleaner technologies. These are measured through our ISO 14001 system.</p> <p><b>Activities:</b> Following activities are planned related to environmentally friendly activities.</p> <ul style="list-style-type: none"> <li>01. Installation of a new efficient A/C plant for the factory with latest technology. An unit to reduce the disbursement of black carbon and heavier pollutants from combustion engines</li> <li>02. Installation of new wiring system with latest technology</li> </ul>		
<b>Outcomes</b>	<b>Measurement of (expected) outcomes and value added for our company</b>		
	Cost savings by implementing cleaner technology		

**PRINCIPLE 10**

**BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY**

<b>Actions</b>	<b>Actions taken</b>
	<p><b>Commitment:</b> We are committed towards working against corruption in all forms.</p> <p><b>System:</b> We follow the company values and national laws &amp; regulations which are incorporated in our policies.</p> <p><b>Activities:</b></p> <ul style="list-style-type: none"><li>01. Deliver the company expectation of 'integrity" to all new employees through induction sessions</li><li>02. Strict adherence to company finance and other policies.</li><li>03. Frequent communication of company values to our customers and suppliers.</li><li>04. Ensure the correct implementation of our policies and procedures by frequent 3<sup>rd</sup> party audits</li><li>05. Ensure further enhancement of transparency of transactions by Strict follow up of audit recommendations</li></ul>
<b>Outcomes</b>	<b>Measurement of (expected) outcomes and value added for our company</b>

**How do you intend to make this COP available to your stakeholders?**

Through our Web site and staff Notice board