



UNITED NATIONS GLOBAL COMPACT Communication On Progress

"Children of Today Will Make Tomorrow's World"

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Dinesh Fernando

Managing Director
Growrite Substrates (Pvt) Ltd.

I have pleasure in submitting this message to re-affirm the commitment that Growrite Substrates (Pvt) Ltd Focused towards the principles of the United Nations Global Compact (UNGC). As an organization we have strived to achieve highest standards not only in our performance but also in our commitment to serve our community. From the very inception we have demonstrated a strong desire to uphold ethical practices, respect human rights and denounce any form of discrimination and have given priority to empower our team, uplifting the community and protecting our planet. Corporate Social Responsibility was never a buzzword but was an integral part of our organization culture, deeply embedded in our DNA. We have engaged in a number of initiatives since the very beginning of our organization, successfully implementing a series of projects for the benefit of our team members, community at large and to preserve the nature.

One of the keys to this success has been through the annual participation of the UNGC. In this our tenth year, I am happy to report that the 10 principles of the UNGC are now well and truly incorporated into the company culture.

As a part of this incessant task, we are engaged in activities ranging from providing shelter, promoting health and education for children, empowering women, prevention of child abuse, providing safe drinking water facilities, upgrading medical facilities and taking up environment protection schemes such as planting trees, educating the community on the importance of preserving the environment they live in as demonstrated in the presentation submitted for your perusal.

We have built upon the foundations laid over the last nine 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. Following pages you will read more about Growrite's progress relating to the principles of the UNGC.

Growrite Substrates (Pvt) Ltd.



Today, we are a trusted global leader in providing exceptional products to our customers. We continue to be a focused on coir growing media business. In this our twelfth year since the forming of Growrite, we have been promoting sustainable development by producing new and innovative uses for coir. 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.

Our business dictates that the products and services we provide to customers have varying impacts on the environment our employees and the communities in which we operate. These manifest themselves in varying degrees through the products which we export to our global customers and include:

The production of coir growing media, much of which is sourced from many coconut plantations is itself a waste product from the desecrated coconut industry. As a consequence we are mindful of ensuring that all relevant environmental controls and proper labor practices are applied throughout our supply chain

The washing, drying of coir at our plants where we use of water are closely monitored to be within the stringent requirements of the environmental laws of Sri Lanka

Many of our employees who work in our plants are female and work with industrial machinery and equipment and we recognize the importance of providing them with the appropriate training, tools and equipment to create a safe and healthy working environment

The delivery of our products and services involves a high level of logistics and we therefore understand the importance of continually reviewing the routing of delivery vehicles to ensure the most efficient delivery of products throughout our entire supply chain

Our operations recruit from the local community our factory is located in a rural area providing much needed employment. We therefore recognize the importance of maintaining a strong

Further strengthening our obligations to a sustainable lifestyle is achieved through our adherence to:

- **ISO 9001:2015;** Quality management principles which includes leadership and involvement of people to achieve our goals,
- **ISO 14001:2015;** Environmental management system that minimize the impact of our operations on environment, and
- **SA 8000:2014;** Social Accountability standard that helps to develop, maintain, and apply socially acceptable practices in the workplace.

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

Our commitments also extend to our community which plays a central role in our success. We recognize that corporate responsibility is vital to the long-term sustainability of both our company and the community which we live in. We stay close to our key stakeholders in order to understand their expectations on all aspects of CSR which in turn guide our business decisions. By creating strong linkages over the last decade, we forged a strong sense of civic duty and we are deeply committed to improving the living conditions in our community. The CSR projects we have shouldered during the year 2017 are as given below.

- Lent a hand to following schools to achieve following projects - Amunugama Primary School – To re construct dancing room
- Sri Sumangala Adarsha School - To dig a tube well
- Sumangala Vidartha Primary School – To buy a New sound system
- Dharmachandra Vidyathana Pirivena – To cover the unprotected area of class rooms by using iron Mesh.
- Divisional Secretariat wariyapola – For the Presidential Mobile Service and health campaign
- Donate funds to 12 employees to construct their partly build houses.
- Made a donation of cash in view of meeting expenses of the blood donation campaign conducted by the Hiripokuna”Suhada” united youth organization.



As a practice our dedication towards **community** maximize year by year and it 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. We the Growrite look toward 2018, to engage in many activities in relation the Human Rights aiming the community specially which includes our staff too. Our efforts, 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 Growrite feel confident that we are well poised to further the human-rights and labor principles at our offices and factories.

Our formal commitment to the UNGC and its ten principles of human rights, labor rights, environment, and anti-corruption was initially made in 2007. The following report reflects actions we took during the year 2016/2017 and as the UNGC and its principles are further strengthened and integrated into our business.

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**

As practiced, we the Growrite family wholeheartedly acknowledge the importance of supporting and respecting the protection of internationally proclaimed human rights processes. Our policies and procedures been designed to ensure that we are not complicit in any human rights abuses. Our main human rights risks relate to our suppliers. We reduce these risks by closely managing our supply chain and only awarding contracts to a few trusted suppliers that we have worked with over the last decade that the company has been in existence.

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 8000-2014 rules clearly stipulating the number of work hours, ages of employees and leave entitlements for all company employees. Our organization is committed to improving the quality of education providing generous scholarships to children of all company employees to ensure a bright future for all. The main example is running an English and IT school from year 2007 on our own funds for nearly 300 children.

We are in the process of developing a supplier code of conduct in order to ensure that the values of the UNGC which have tremendously benefited us will also be experienced by our suppliers.

THE TEN PRINCIPLES LABOUR RIGHTS



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

We are committed to upholding the conventions and recommendations of the ILO Core Conventions. A direct impact on our overall strategic performance is clear evidence of our ability to look after the well-being and development of all our people. By engaging our people we have improved our customer's satisfaction with our products and retention of employees and ultimately leading to enhanced growth prospects for Growrite. In addition, we invest in the development of our people's skills and in 2015 we spent approximately LKR 1.5 million on training and development all of which have helped us retain our valued employees. Further our Human Resources Policies and Procedures outline the appreciation of our responsibility to our employees, and the importance of creating and maintaining a working environment where the basic rights of all employees are recognized.

Furthermore our anti-discriminatory criterion outlined in our HR Policies Document 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.

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

THE TEN PRINCIPLES ENVIRONMENTAL



Respect for our environment is central to our approach to sustainable development and we continue to acknowledge the importance of our business activities supporting a cautionary approach to environmental challenges. We vigorously undertake initiatives to promote greater environmental responsibility, and encourage the development of environmentally friendly technologies. We remain fully committed to protecting the environment both through our own actions and also by working with our suppliers. By effectively planning and implementing these programs, we limit the environmental impact of our activities thereby conforming to the UNGC environmental principles.

THE TEN PRINCIPLES ANTI-CORRUPTION



Principle 10: Businesses should work against corruption in all its forms

Growrite 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 eliminating acts or corruption, and have a zero tolerance policy for any violation of this policy.