

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS (COP)

1.0 Statement of Continued Support

6th February 2020

To our stakeholders,


With all the difficulties experienced in the international market place during the year 2019, Mabroc Teas continued communicating the commitment to the principles of the United Nations Global Compact reaffirming the ten principles in the areas of Human Rights, Labor, Environment and Anti-Corruption.

The ethical business practices we follow on the guidelines of UNGC was further strengthened by Mabroc by integrating the Global Compact and its principles into our business strategy, culture and daily operations. We are also committed to share this information with our stakeholders using our primary channels of communication.

We would like to take this opportunity to wish the United Nations Global Compact continued success in their endeavors in promoting these noble principles around the world.

Yours Sincerely,

MABROC TEAS (PVT.) LTD.



Managing Director
MABROC TEAS (PVT) LTD.
11/2/2020

Niran Ranatunge

Managing Director

2.0 Mabroc Teas Corporate Sustainability Programme: Tea without Tears

Tea without tears (TWT) is our way of taking care of our most valuable asset, our human resources irrespective of designation of seniority; it is them who make up the Mabroc family. Each and every person engaged in the company contributes his/her might in creating the fine quality tea that Mabroc is reputed the world over. Tea without tears was started in 2008 by our own employees. During the period of 2019 we accomplished quite a few projects and we have listed some of them in this report.

3.0 Description of Actions

3.1 Human Rights

Mabroc Teas supports and respects the protection of human rights within our sphere of influence and wish to promote it continuously. We ensure that our Corporation is not complicit in human rights abuses.

During the year 2019

- New uniforms, head covers, footwear and other protective wear were given to employees.
- Employees received incentive payments for quality and quantity of work done in addition to the monthly salary.
- Mabroc Teas conducted an annual employee's survey to gather information about how people feel about the working environment at Mabroc Teas (Pvt.) Ltd. This information will be used to improve the working environment of the employees.
- The screening of our supplier base to ensure that they practice human rights in their work place.
- We review our suppliers to ensure that we do business with the suppliers who conform to the UNGC ten principles.

3.2. Labor

Our company is always ahead of all the other companies in the region in its way of taking care of its most valued asset, its people. Irrespective of the job title or the status, it's the people that make up the Mabroc family. Each and every person engaged in the production chain contributes to creating the best quality tea that the company is reputed in the world. When it comes to social work or helping the needy, all at Mabroc Teas get together, irrespective of their position or the status, and work as a team.

3.2.1. We always stick to business principles and values, respecting human rights.

Staff in our head office or the workers in our factory come from different ethnic groups and different social standards. All the staff and the workers are selected after conducting proper interviews and wherever necessary considerations are given for under privileged and less fortunate workers. Up-to now we have never had any disputes or labor unrest in our company. This records show the standard we maintain with regard to respecting human rights and labor values.

3.2.2. Our business supports the effective abolition of child labor.

We never employ anyone less than 18 years. We also encourage our suppliers on this matter.

3.2.3. Anyone is free to join our company without any discrimination

Our staff consists of personnel coming from all the ethnic groups in Sri Lanka. Our management make it a point to celebrate festivals of all major ethnic groups. Before an event of that nature, a committee is formed and members of all ethnic and religious groups are encouraged to participate.

A conducive environment is prevalent where employees themselves organize

- Annual trips
- New Year celebrations
- Christmas festivals
- Sports Day
- Annual get-together
- Multi Religious Ceremony Day for all the employees by conducting respective religious ceremonies in the premises

In addition to the above activities, the workforce is rewarded for outstanding performances during the year in their respective categories

3.2.4. We discourage and will not tolerate bribery and corruption.

Our company unwaveringly respects and works towards the anti-corruption principles of the UN Global Compact Programme and ensures that its business work against corruption in all its forms, including extortion and bribery.

3.3. Health

In recognizing that 'health is their wealth' the following benefits have been granted to uplift standards of living and improve the quality of life of the employees.

- Medical insurance for employees and their families
- Maternity leave for female employees according to ILO rules
- A doctor visits the factory on a regular basis to inspect the cleanliness and the health condition of the employees
- All the employees are entitled to Medical Leave
- Since our company is an HACCP certified company health standards are maintained to the highest level.

3.4. Personnel Hygiene and Security

- All the workers in the factory, whether permanent or casual, carry a medical certificate to prove their medical fitness
- A random medical check for factory workers are conducted once in every three months
- A full medical check-up for factory workers and staff are conducted once in every six months
- All factory workers maintain a high degree of personal cleanliness and wear protective clothing including head covers
- All the workers always wash their hands at the start of handling tea, after usage of toilets, after handling raw food or contaminated material.

3.5. Being socially responsible

All our teas are procured taking into consideration the lowest percentage of pesticide residue which otherwise could have harmful effects to the end user. We also purchase teas mostly from the estates that are certified for ethical tea practices.

We would like to embrace Global Compact as it is a way of life in our organization. While we take the lead, we would like others in our environment to follow our examples to make our planet earth a better place for all of us to live in.

3.6. Our Customers

Our customers are our peers or importers, those who are at the heart of the industry we work in. Hence, having notched for ourselves a 'preferred supplier' status with most of our customers, we are on a continuous improvement curve to better service and product standards, benchmarking ourselves against the best in the industry globally. We follow ISO certified guidelines and are proud to have been selected by our valued business partners and customers alike as an exemplary entity.

3.7. Our Shareholders

We also remain conscious of our responsibility towards our shareholders and our obligation to create wealth for them to ensure a good rate of return on their investment. We find that increasingly, shareholders too prefer to work with companies who are socially conscious responsible citizens and thus, we have taken efforts to ensure a balance between our social and economic conscience.

3.8. Environment

We have always been extremely cognizant of the impacts that our industry may have on preservation and conservation of the environment. For many years, we have initiated and implemented environmental best practices employed by international organizations similar to us. These practices are sometimes costly, but we consider them a long term investment to protect our planet.

3.8.1. Project A: A Plant for Birthday

- The project was started in January 2019
- The project was started under the guidance of the Mabroc Sustainability Team
- A fruit plant is given as a gift to each employee on behalf of Mabroc, on their birthdays.
- The plants are purchased by the Quality Assurance Department from a reputed supplier.
- Proposed cost for the project is 35k. Though it could vary with the required plant variety.
- The project beneficiaries include both MABROC office staff and the factory staff.
- Employee can select a plant from a given list depending on his/her preference.
- A plant is gifted on the birthday by a sustainability team member. The basic guidance for the plant nursery is also given along with the plant.



3.8.2. Project B: Solar Lighting

- The project was initiated in early 2019 under the guidance of Mabroc Managing Director.
- LED light panels were installed in the factory premises (outdoor) in order to lighten the premises during night time.
- The main objectives of this project was energy saving and making an impact on the electricity bill
- The solar panels are installed in the outdoor area of the factory premises where direct –sunlight is falling on the panels.
- By switching off a bulb of 36W, we can save up to Rs.140/= per month.



3.9. CSR

When Mabroc teas were incorporated in 1988, it was the motto of the founders that the highest standards of excellence would be applied in conducting business which has been demonstrated from the top down the line. In recognizing that profitability is essential for future success, we at Mabroc Teas will not compromise business ethics and social responsibility in conducting business.

Although this agreement was understood by all concerned it has since then been enshrined in our mission statement which could be viewed at www.mabroctees.com

- Apply the highest standards of excellence to procure, package and fresh delivery of our tea
- Supply tea with the lowest percentage of pesticide residue in the world
- Provide a satisfying work environment and treat each other with respect and dignity
- Contribute positively to our communities and our environment
- Recognize that profitability is essential to our future success.

3.9.1. A series of On-the-job seminars were organized on Fire Safety Awareness, Evacuation training and occupational safety and health management for safe work place.



3.9.2. Company organized a Dengi eradication program to give awareness to the neighboring people about the prevention of Dengi disease and all the neighboring areas and houses were fumigated to eliminate the Dengi mosquito threat.



3.9.3. A year end book donation was organized for the children of our employees, so that they could commence the New Year at school with all their book requirements.



3.9.4. Donations for retired employees, donations for community organizations,

3.9.5. Mabroc Poson Dansela - The Company organized 'Poson Dansela' on Poson Poya Day to serve Ice cream free for the school children and other neighboring people.

3.9.6. Cancer Hospital donation – 'Apeksha'

3.9.7. Donation for Thalawila Church

3.9.8. Donation for blind orchestra

3.9.9. Renovation of the male ward – Base Hospital, Kiribathgoda.

3.9.10. Provide facilities for the houses of selected employees

3.9.11. Donations for community based organizations

3.9.12. 'Sathdiyawara School Book Donation' - Anuradhapura`

4.0 Measurement of Outcomes / Expected Outcomes through the Sustainability Report

We take a multi dimensional and committed view toward sustainability. In 2008 Mabroc Teas made a conscious decision to embark on pioneering journey towards implementing and measuring sustainability. Sustainability or sustainable development is often defined as acting in a manner that meets the needs of today without hindering the future generation. Sustainability is more than just an initiative for Mabroc Teas; it is a philosophy which works right through the company influencing every single activity and decision. Our company is committed to this philosophy and to continuous improvement on our road towards total sustainability.

Subject	2018	2019	Target for 2020
Recycling of waste paper	600 Bnds	610Bnds	615Bnds
Company functions with the worker participation	5	5	7
Operational Accidents	2	2	0
Quality Management / Food Safety Certificates	ISO 9001, ISO 22000, FSC 22000	ISO 9001, ISO 22000, FSC 22000	ISO 9001, ISO 22000, FSC 22000, BRC Global Standard: Food Safety
Number of staff /workers dismissed	3	1	0
Training Programmes	10	11	14
On the job seminars	17	15	20
Investment on CSR projects	Rs.2856785.00	Rs.3625319.00	Rs. 4500000.00

5.0. Our Contact Details for Stakeholders

Continuous improvement is our aim, and to this end we have adopted the ISO Quality Management System. Input from stakeholders and shareholders alike will be actively sought and encouraged to ensure that we continue to implement best practices. We strive to exceed stakeholder expectations and improve the quality of life through our products and actions, and we will communicate transparently our vision, objectives and performances.

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