



**Tropicoir**  
Lanka (Pvt) Ltd.

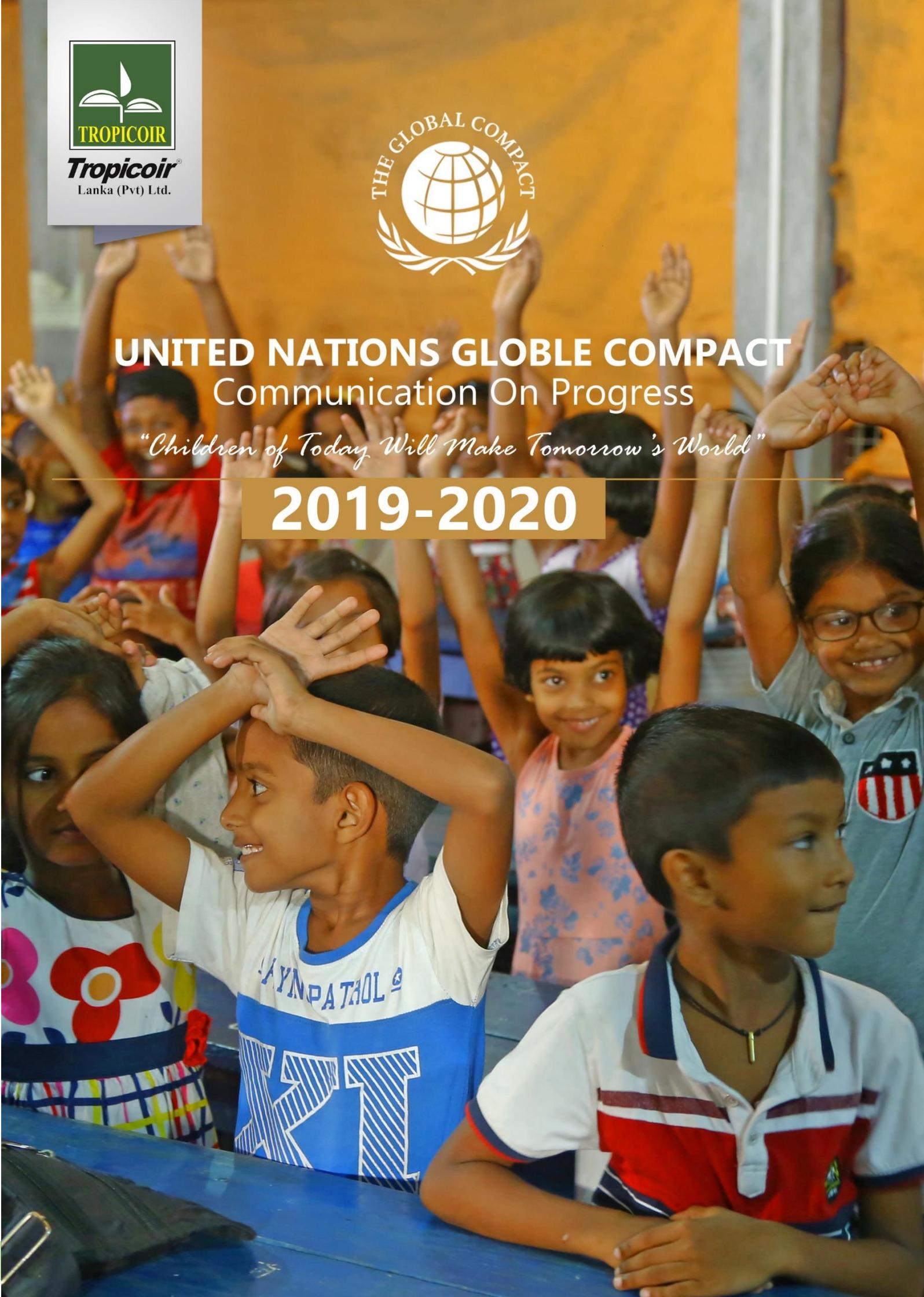


# UNITED NATIONS GLOBAL COMPACT

## Communication On Progress

*"Children of Today Will Make Tomorrow's World"*

**2019-2020**



# Table of Contents

1	Who we are .....	2
2	Organizational Highlights .....	3
3	Statement of continued support from Dinesh Fernando .....	4
4	Ten Principles .....	5
4.1	Human rights .....	5
4.2	Labour rights.....	6
4.2.1	Commitments to Our People, Our Partners & Suppliers, Our Customers and Our Community.....	6
4.3	Environment .....	7
4.3.1	Commitment to the environment.....	7
4.3.2	Commitment to Our Planet .....	8
4.4	Anti-corruption .....	9
4.4.1	Commitments to Our Values .....	9



# 1 Who we are

The workforce at Tropicoir are committed to help nourish our growing world through sustainable solutions by adhering to the highest standards of corporate ethics and accountability. With a firm commitment Health, Safety and Well-being of the employees we actively work with our partners and customers to expand the reach and availability of coir substrates an environmentally friendly product, into our ever increasing customer base.

We always committed to achieve our vision and mission and the company can proudly say we have successfully achieved same during the given period. Tropicoir has always followed the 'do what is right' philosophy. This has enabled us to devote our energies towards promoting a 'sustainable lifestyle' as well as 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,

## Tropicoir Lanka (Pvt) Ltd.

### Vision

To be the world's leading sustainable coir solutions provider.

### Mission

Passionately pursue product and process innovation to ensure that our Stakeholders achieve their goals

- **ISO 9001: 2015:** Quality management principles which includes leadership and involvement of people to achieve our goals, and
- **ISO 14001: 2015:** Quality principles which we follow to enhance our environmental performance through environmental management systems, and
- **SA 8000: 2014:** 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, labour rights, environment, and anti-corruption was initially made in 2012. The following report reflects actions we took during the year 2019/2020.

## 2 Organizational Highlights

### TURNOVER

Group

8.6M



### EMPLOYEE

Retention

85%



### EMPLOYMENT

Direct

550+



### EMPLOYMENT

Indirect

1,200+



### REVENUE

Growth

10%



### EXPORT

Countries

40+



### CSR

Projects (2019-2020)

15+



**20 Years<sup>+</sup>**

**TWO DECADES OF  
EXPERTISE**

**#1**

**INDUSTRY  
LEADER**

### 3 Statement of continued support from Dinesh Fernando

Dinesh Fernando  
Managing Director  
Tropicoir Lanka (Pvt) Ltd



I am pleased to submit the details pertaining to Tropicoir Lanka (Pvt.) Ltd. annual communication on company progress for the Ninth (8th) consecutive year, to the United Nations Global Compact (UNGC). As previously stated we have successfully updated our policies and procedures in line with the UNGC Ten Principles. This has enabled the company to share its corporate responsibility and experiences with our local partners leading to further support in meeting with the needs of our suppliers and customers and also in integrating with UNGC goals implemented within their organizations.

Being the Managing Director I am confident and also proud of the way Tropicoir's employees use their skills, knowledge and experience to create value for communities. Their dedication and wholehearted enthusiasm for supporting our organizational goals and objectives has helped to make a tremendous impact on the people and communities around them. Their support has contributed significantly towards making a difference especially in preparing the next generation to join our workforce while adopting environmentally sustainable work practices.

During the period of 2019/2020, we have mainly focused on employee health and safety, which is one of the most critical responsibilities of the company due to COVID 19 outbreak. To strengthen the same we have published a Policy and Action Plan on Health, Safety and Well and a Protocol for COVID 19 safety measures being to communicate the message to the next level.

As a result, I'm pleased to report successful, downward trend in total recordable injury/illness frequency rates. We will, of course, remain vigilant in our focus on this critical area to achieve our goal of zero accidents/incidents.

Moreover, my team and I give the assurance to always endeavor to inculcate practices derived from the UNGC principles amongst our communities thus promoting these practices in their lives as well. When I'm looking back on the previous year and paying attention to the behavior of our company, I realized that we are not just promoting the practices communicated by the UNGC. Still, we represented the principles, benefits of adopting the practices, and the importance of UNGC principles throughout our actions and achievements. The following pages describe the projects initiated by the company during the period 2019/2020 relating to the principles of the UNGC.

## 4 Ten 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 Assessment, Policy and Goals

### 4.1 Human rights

The staff of Tropicair are committed to following the principles of Human Rights. The company has now fully implemented these practices and is completely transparent in all its employment practices in line with the Universal Declaration of Human Rights. The staff members have embraced our policy on Human Rights and always ensure the provisions of same are met.

Our HR Policies are in compliance with all Sri Lankan and SA 8000 rules clearly stipulating the number of working hours, age of employees and leave entitlement for all company employees. Our organization is also committed to improving the quality of education providing generous scholarships to children of our staff to ensure a bright future for all.

Tropicair is committed to upholding the conventions and recommendations of the ILO Conventions. As stated previously, the anti-discriminatory criteria 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 under unsafe conditions.

We provide all employees with compensation if injury or incidents occur. This review reinforces our company commitment through our policies to eliminate forced labour, child labour, and employment discrimination. We will continue to refine our policies to incorporate the principles of the UNGC into all aspects of our work.

## 4.2 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



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

Our company is deeply committed to ensuring the wellbeing of our people. 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 towards 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 four 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. 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. We have done that for the period we are reporting.

Lastly the welfare of our employees extends beyond the confines of our factories and offices. The company has provided financial assistance to several families providing under the project “KRUTHAGUNA PIYASA” to buy construction material towards to upgrade their living place. This year 2020 also we have given the same facility for two (2) staff members and 10 other employees. Following are some of the other key CSR projects undertaken by Tropicor during period.

- Donated approximately 15,000 plants by June 2020 for the team members, Armed Forces, Temples under the project of “**Anagathaya Wawamu Kapruka Rekaganimu**” .
- Planted 15,000 coconut seeds in our nurseries
- St. Anthony’s church – Hiripitiya christmas contribution
- Donation for the Divisional secretaries office Bingiriya
- Tree planting ceremony at Ruwanweliseya Anuradhapuraya and planted 50 half-grown trees

## 4.3 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

### 4.3.1 Commitment to the environment

One of the Tropicoir Lanka's topmost priority is to protect and sustain the environment for future generations. We believe that environmental protection is an integral part of sustainable development and we consider every and each living being in the world as our stakeholders and that is what makes us responsible for acting in a way that ensures future generations have the natural resources available to live an equal, if not better, way of life as current generations, or in other words for gifting the world's next generation with a sustainable environment alongside with the economic growth. As a leading company in the industry, we are always trying to be a model to others by taking actions to protect the environment. We are always focused on addressing the environmental concerns which may ensure the implementation of sustainability principles and supporting United Nations Sustainable Development Goals in ensuring access to affordable, reliable, sustainable, and modern energy for all. As an initiation, Tropicoir Lanka has converted one

of the Tropicoir facilities to a fully solar driven entity and currently generating 29 MWh within the facility. We are not limiting our self by stepping up to renewable energy but also we are utilizing electricity by improving our machinery and equipment to consume minimum electricity while functioning in the maximum capacities.

We have also given equal priority to operate in our capacity to address the water scarcity. However, accessibility to the water of sufficient quality is becoming an increasingly serious problem, mainly due to the pollution of water and discharging the polluted water to the environment without a proper waste water treatment method. As an initiation of addressing the issue and showcase our concern for clean water, we have upgraded our Effluent Treatment Plan (ETP) as a tool to protect the environment from pollution.

We have implemented stringent environmental practices through which we minimize, mitigate and remediate the harmful effects of our manufacturing practices on the environment. Respect for our environment is central to our approach to sustainable development. 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.



#### **4.3.2 Commitment to Our Planet**

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.

In 2021 we intend to 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.



## 4.4 Anti-corruption

### Principle 10:

Businesses should work against corruption in all its forms

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, must 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 complying with all anti-corruption laws wherever we conduct our business. To this end and as reflected in our policies and values, we have zero tolerance for bribery or any other activity that violates the anti-corruption laws in any location we operate.

### 4.4.1 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
- Integrating honesty, integrity and business ethics in all aspects of corporate behavior.
- Inculcate good habits amongst our workers and encourage them to practice same in their day to day life.

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

We assure that we always respect the Human Rights of all living beings. That is the secret of maintaining a healthy atmosphere both within and outside the factory and the organization as a whole.



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