



**Tropicoir**  
Lanka (Pvt) Ltd.

# UNITED NATIONS GLOBLE COMPACT

## Communication On Progress

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

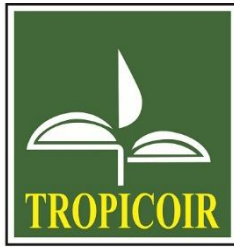
# 2020 - 2021



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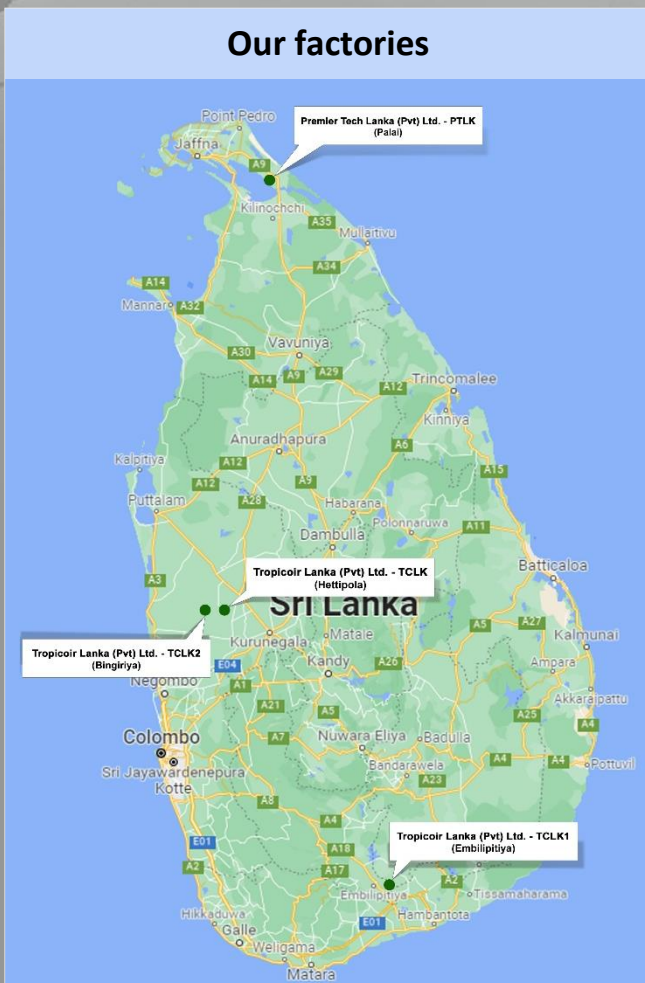


**Tropicair**<sup>®</sup>  
Lanka (Pvt) Ltd.

## GLOBAL REACH



### Our factories



## Vision

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



## Mission

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

## 1 About us



Tropicoir Lanka is a leading provider of coco solutions for horticulture, home and garden, pet care and environmental technologies which has more than 20 years with the passion of innovating and developing sustainable solutions. 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 to 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 believe in aligning with global shift towards a circular economy and a sustainable business model. As a company, we know that the shift will require the effort of the whole industry, and we are onboard.

Strengthening our obligations to a sustainable lifestyle are achieved through our adherence to,

- **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 2020/2021.



## 2 About the report



This Communication of Progress of Tropicair Lanka (Pvt) Ltd for the year 2020/2021 aims to enable the UNGC and our stakeholders to make an informed assessment of our commitment to the UNGC ten principles. This report reflects how we have honoured our ethical or oral obligations towards our employees, our communities, society, and the environment. As a global compact signatory, we have recognized that the Ten principles within the four areas of human rights, labour, environment, and anti-corruption

This report therefore provides a review of how we have given expression to the principles in our corporate endeavours.

### 3 Sustainability at Tropicair



Under “**Kruthaguna Piyasa**” Annual Housing renovation project we were able to support nearly 30 employees financially for renovation of houses during the year 2021



Established and maintains an English and IT academy of over 350 children in the community.



Conducted multiple health check-ups for factory staff and communities.



**825,369 kWh** of solar energy production within the factory premises since implementation.

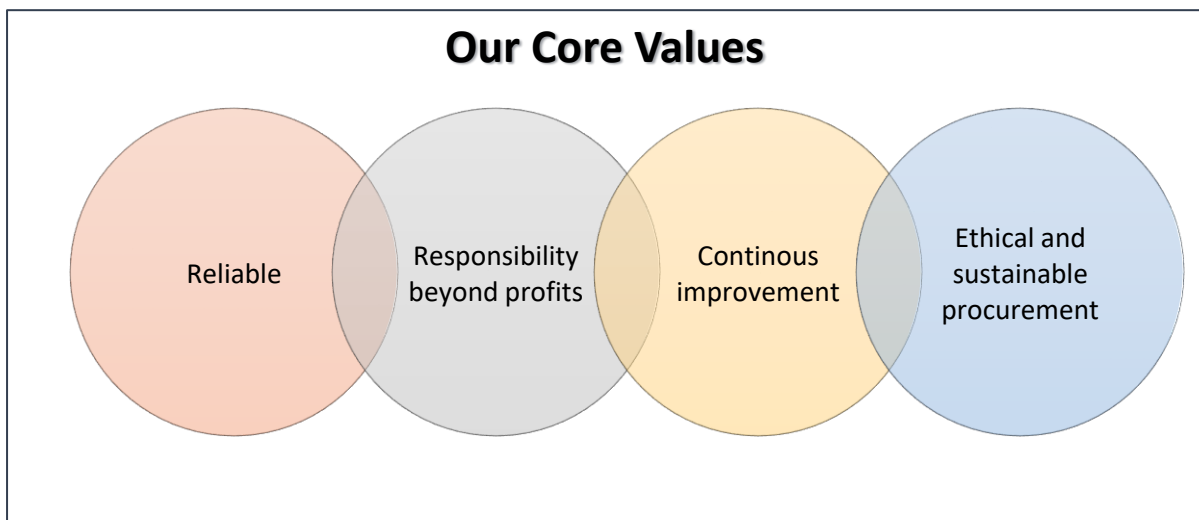


Maintaining green environment with rainwater harvesting systems and establishing policies to reduce Ecological footprint.

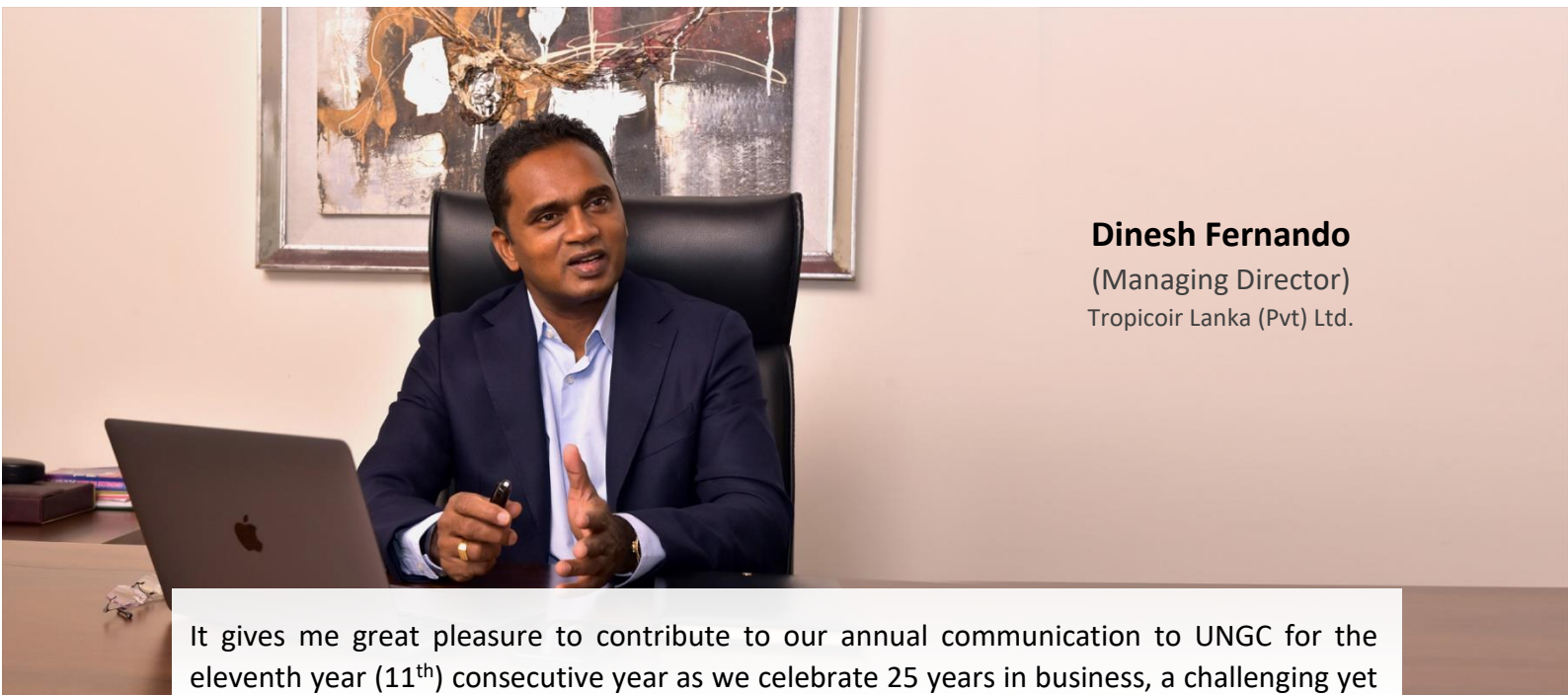


Through our CSR projects, we have donated over 65,000 plants for community and small estate owners which will improve the economical impact.

## 4 Tropicoir at a glance



## 5 Statement of continued support from Managing Director



### **Dinesh Fernando**

(Managing Director)  
Tropicair Lanka (Pvt) Ltd.

It gives me great pleasure to contribute to our annual communication to UNGC for the eleventh year (11<sup>th</sup>) consecutive year as we celebrate 25 years in business, a challenging yet fulfilling journey along the path of “Sustainable Innovation”. 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 supply chain partners leading to further support in meeting the needs of global customers encouraging implementation of UNGC goals within the sphere of our influence.

I am confident and proud of the way the Tropicair team use their skills, knowledge, and experience to create value for our internal and external stakeholders. 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 us while protecting and improving the natural environment. Support of our team has contributed significantly towards making a difference especially in preparing the organization to welcome the next generation to join us in an improved and empowered work environment.

During the period of 2020/2021, we have increasingly focused on employee health and safety, which is one of the most critical responsibilities of the company especially due to COVID-19 outbreak. We have published a Policy and Action Plan on Health, Safety and Well Being and a special Protocol for COVID 19 safety measures communicating the importance of health and safety across the organization. As a result of these efforts, I’m pleased to report a significantly downward trend in total recordable injury/illness frequency rates. We will continue to remain vigilant and focus on this critical aspect to achieve our goal of zero workplace accidents. Moreover, we endeavor to inculcate good practices derives from the UNGC principles amongst our communities promoting their health and wellbeing fulfilling our responsibility towards them.



## 6 Stake Holder Engagement

Our Sustainability team is dedicated to engaging in various key areas as shown below to keep the stakeholders intact. This extends our commitment to deliver continual success in value creation for all our stakeholders. We use a broad range of communication channels to engage our stakeholders throughout the year.

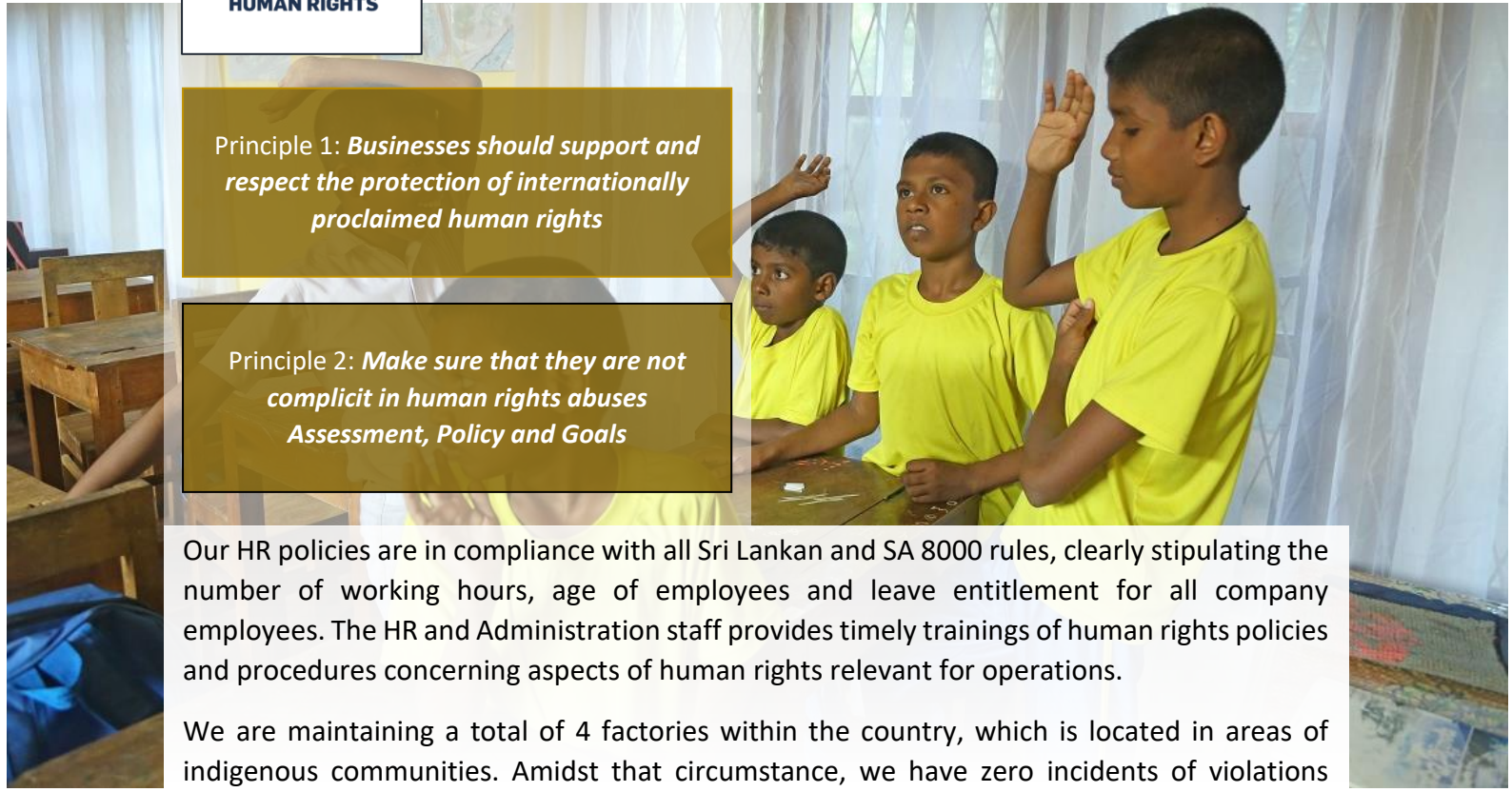
Key stakeholder	Type of engagement	Key actions
Customers	Company website, Customer feed backs	Product safety, environmentally friendly products, Compliance to international and local standards
Employees	Orientation, Company intranet Company policies, Training, Employee surveys, Feedback box	Employee health and safety, Environmental footprint, Governance, Ethical sourcing, Respecting human rights in the supply chain, Employee welfare and development
Local Community	CSR projects, Outreach programmes	
Suppliers	Site-Audits, Company policies	Economic performance, Procurement practices, Anti-corruption, Compliance, Waste management, Emissions, Supplier assessments
Regulators, Local authorities	Active participation in various industry sustainability-related forums, Timely report submissions	Compliance with local regulations
Customers	Company website, Customer feed backs	Product safety, environmentally friendly products, Compliance to international and local standards

## 7 UNGC 10 Principles



### 7.1 Human Rights

Our team at Tropicair is committed to follow the principles of Human Rights and has fully implemented and transparent in all its employment practices with the universal declaration of human rights.



Principle 1: *Businesses should support and respect the protection of internationally proclaimed human rights*

Principle 2: *Make sure that they are not complicit in human rights abuses*  
*Assessment, Policy and Goals*

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. The HR and Administration staff provides timely trainings of human rights policies and procedures concerning aspects of human rights relevant for operations.

We are maintaining a total of 4 factories within the country, which is located in areas of indigenous communities. Amidst that circumstance, we have zero incidents of violations involving rights of indigenous people.

We are 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.

Tropicair has taken measures to prevent human rights violation in its locations where employees are able to submit any complaints or issues which will be reviewed by the top management and discussed immediately.

Not only our employees, but we are committed to respect and protect human right of all our stakeholders. AT Tropicair, all the suppliers are screened using human rights criteria. 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.



## 7.2 Labour Rights

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



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*

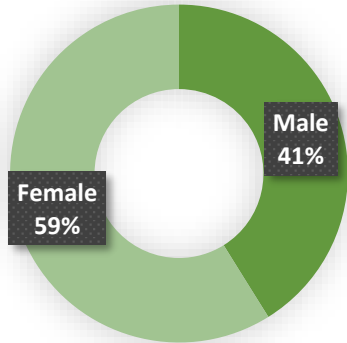
Principle 5: *The effective abolition of child labour*

Principle 6: *The elimination of discrimination in respect of employment and occupation Assessment, Policy and Goals*

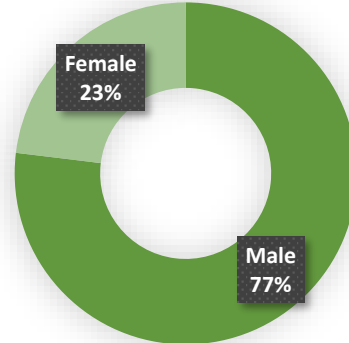
Tropicoir maintains a very close bond with its workers where we are committed to communicate about labour rights, grievance mechanisms and other inquiries related to good work environment. We also actively promote a culture that is inclusive of all, where everyone has the opportunity to grow and develop 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.



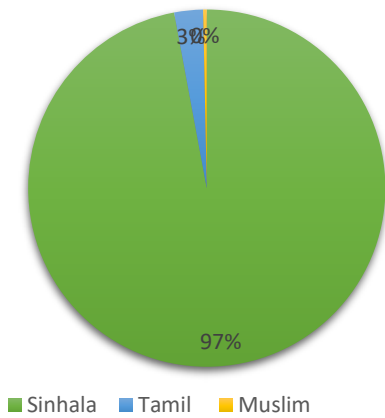
Percentage of employees based on gender



Percentage of employees in executive and above roles based on gender

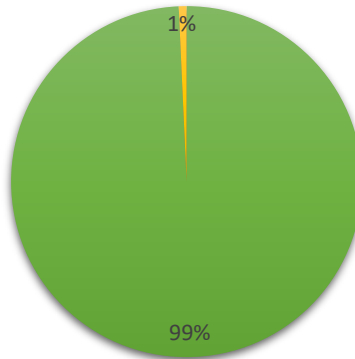


North Western Province (TCLK , TCLK 2)



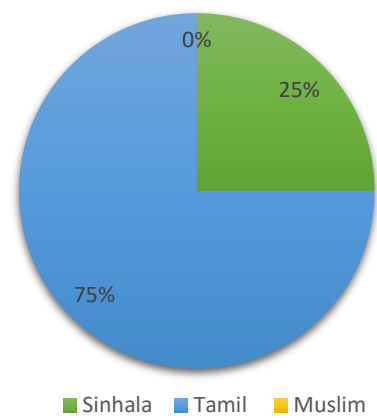
■ Sinhala ■ Tamil ■ Muslim

Southern Province (TCLK )



■ Sinhala ■ Tamil ■ Muslim

Nothern and Southern Province (PTLK)



■ Sinhala ■ Tamil ■ Muslim

Employee Turnover  
**17%**

**4** employees were entitled for maternity leave

Total training hours per employee per month  
**3 Hours**

**Zero** fatalities resulting from operational accients

**Zero** injuries and illnesses per 200,000 hours worked

Majority of the work force present in the floor staff level are females. Women workers have been considered to be most important for the prosperity of the coir industry ever since it has been established in Sri Lanka. But up along the hierarchy, the gender imbalance nature that could be observed is due to the years of experience in this field of coco substrate industry. We are working our way towards gender equality in C-suit positions as well by providing adequate training in industrial field through various training programmes.

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. For the year 2021 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.

- Donation of sport items for Sripathi Children’s Orphanage with 2 employee participation and 3 volunteer hours
- Expenses for Sripathi Boys School Washroom & Door Repair with 12 employee participation 96 volunteer hours
- Donation for diggalagedara temple with 15 employees and 2 volunteer hours
- Dry Food Pack Distribution for victim people from flood & lockdown with 4 employee participation in 2 volunteer hours.
- Waste Polyethylene collection campaign at Kolomunu reservation Area with 20 employees using 3 volunteer hours.



### 7.3 Environment

We recognize that we are on a challenging journey to sustainability as we align our strategies and actions to meet evolving environmental demands. Our vigorous innovation process is focused on responsible water and energy usage. With our ambitious plan of reaching 'Net-Zero Status' for GHG emissions in our manufacturing operations by 2025, we focus on reducing energy usage through increased efficiency and achieving our remaining need by renewable power. Through our Reduce and Re-use and Re-cycle policy, we are committed to saving and utilizing water in a resourceful manner.

Principle 7: *Businesses should support a precautionary approach to environmental challenges.*

Principle 8: *Undertake initiatives to promote greater environmental responsibility*

Principle 9: *Encourage the development and diffusion of environmentally friendly technologies*



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.

In 2021 we have reduced the use of water in the substrates, along with introducing coir products as an environmentally friendly soil substitute. Our Research and development unit is constantly working on increasing machine efficiency to utilize less power and improve production.

Tropicoir Lanka has converted two of the Tropicoir facilities to a fully solar driven entity and currently generating 418,278 kWh 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.

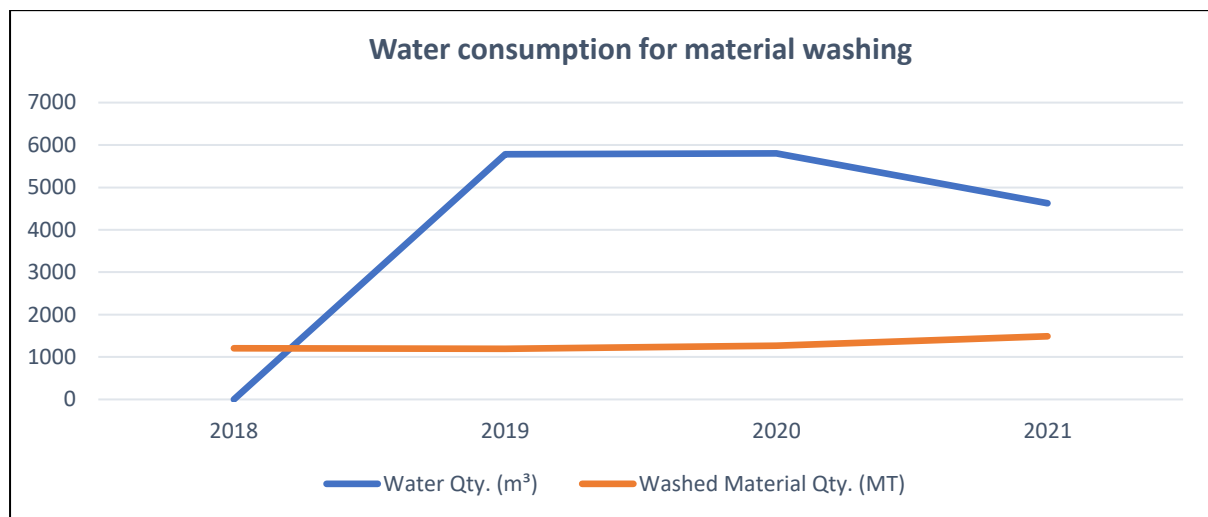
We have also given equal priority to operate in our capacity to address the water scarcity.

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 wastewater 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. Through our smart



washing technique, we have been capable of reducing 49% of water usage and for the past year, we have reduced 1176 m<sup>3</sup> for the year 2021.

We are also currently working on evaluation and reduction of greenhouse gas emissions on all three scopes. 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, involving inter cropping, reforestation and carbon offsetting with the guidance of local communities and experts in the field. By effectively planning and implementing these programs, we limit the environmental impact of our activities thereby conforming to the UNGC environmental principles.



## Compliance





## 7.4 Anti-Corruption

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



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.

**United Nations Global Compact**  
Communication on Progress  
2020 - 2021

**Tropicoir Lanka (Pvt) Ltd.**

104, Pagoda Road, Pitakotte 10100, Sri Lanka

T: (+94) 11 552 2772-4 F: (+94) 11 281 2585 Email: [info@trowide.lk](mailto:info@trowide.lk)

[www.tropicoirlanka.com](http://www.tropicoirlanka.com)