



UN Global Compact

Communication on Progress

April 2021 – March 2022

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CEO's Message

31st of March 2022

To our stakeholders:

I am pleased to confirm that Logicare Private Limited reaffirms its support for the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

We put our effort to operate in a way that creates long-term value by balancing the needs of the organisation with the needs of future generations. Our company's sustainability approach provides the foundation for incorporating the three pillars of sustainability: environmental, economic and social considerations into our decision-making processes.

Being a socially responsible corporate citizen is part of our mission and therefore, we ensure that our business activities positively impact on economic, social and environmental sustainability.

Yours faithfully,

Logicare Private Limited



Saminda Deshapriya

Director / CEO

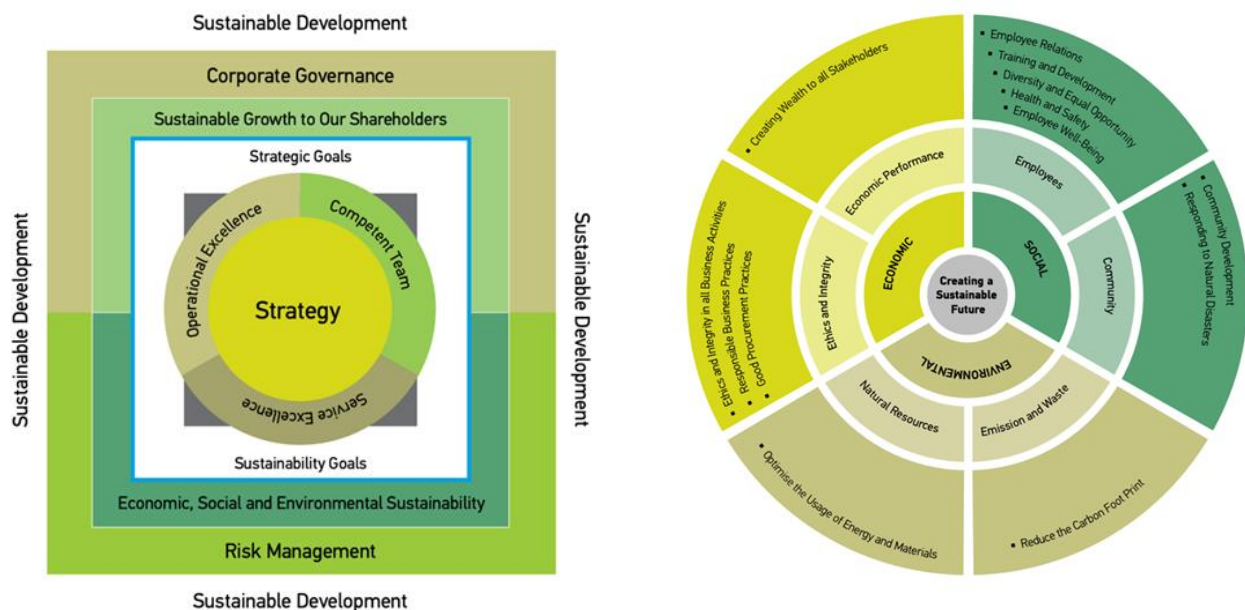
Our Approach to Sustainability

Our strategic direction to sustainability - Sustainable Development

Being a socially responsible corporate citizen is part of our mission and we believe that our company cannot sustain in isolation. Logicare's long-term sustainability depends on positive impact of our business activities to our economy, our society and our environment. Therefore, ultimate objective of our corporate strategy is to create value to all our stakeholders, and we will continue to monitor impact of our actions on economy, society and environment.

Below diagrams elaborate our strategic direction to sustainability and our business model where we create value using our capital and transform them throughout business activities to positively impact our stakeholders, environment and society.

We regularly review our external environment to identify risks and opportunities relevant to the company and revise the business model and appropriately. As a socially responsible corporate citizen we continuously improve our processes and technology to reduce adverse social and environmental effects that may arise from our business model.



Corporate Governance

Company is directed and controlled to the best interest of all stakeholders of the company. Strong business ethics, sound risk management framework, effective and efficient internal controls are considered as key ingredients of the company's corporate governance system.

Internal Governance Structure includes adherence to internal policies and procedures, internal controls, and risk management systems. External Governance Structure includes all aspects of compliance and regulations and best practices required by external stakeholders. It also includes being in line with mandatory regulatory requirements of Sri Lanka.

Ceylon Tea Brokers PLC is the parent company of Logicare Private Limited and the Group within the period also introduced a new code of business conduct and ethics to cover various aspects such as accurate accounting and record keeping, conflict of interest, fair dealings, non-discriminative and safe working environment, information security and whistle blowing.

Company also follows sustainability as a precautionary approach to economic, social, and environmental risk management. It applies precautionary principles from two angles.

- a. Compliance review with applicable laws and regulatory requirements and operational policies and procedures.
- b. Obligation to take anticipatory action to prevent harm of any kind

Sustainability Reporting

Company monitors compliance to regulatory requirements on financial reporting given by the Sri Lanka Accounting Standards (SLFRS&LKAS) promulgated by the institute of Chartered Accountants of Sri Lanka and Listing Rules of the Colombo Stock Exchange.

Audit committee along with the management reviews the financial statement quarterly and annually, complying with the regulatory requirements and being consistent with the GRI sustainability reporting standards. In addition, effectiveness of the reporting systems in place are monitored to ensure reliability of information shared with shareholders and other stakeholders.

Our contribution towards the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption

A. 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.*

Our Contribution

Logicare is a responsible logistics and supply chain solutions provider in Sri Lanka, and we acknowledge and respect the principles contained in the Universal Declaration of Human Rights and The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

According to our "**Employee Code of Conduct**" unfair practice, such as harassment, intimidation or discrimination against customers or employees based on their economic status, race, gender, age, religion or other reasons is prohibited.

We make reasonable accommodations for all our employees' religious observances and practices at all times.

Our approach to Human Rights is made aware to our employees through our orientation programme and to suppliers/customers through agreements, to

ensure that all parties are conscious of the company's commitment towards safeguarding human rights.

We have ensured that all our employees are provided with appropriate safety gears and shoes to minimize any operational accidents and we maintain a database to record incidents in the warehouse and take appropriate preventive actions. We have also ensured that employees are provided with adequate sanitary facilities irrespective of permanent labor or contract labor. We have ensured welfare facilities for contract labor by entering into a contract with the manpower contractor.

We actively promote gender diversity in our workforce as well as in the logistics industry as a whole. During the year under review, we have successfully conducted video campaigns to promote gender diversity in collaboration with "Women in Logistics and Transport-WILAT, Sri Lanka" which is the Women's Forum of The Chartered Institute of Logistics and Transport (CILT) Sri Lanka.

We believe every child has a right to education and we continuously support education of under privileged children as a part of our CSR initiatives.

Measurement of outcomes

Our Group HR Department and Risk and Compliance Department continuously review objectives and goals pertaining to Human Rights and no incidents related to bribery and corruption were reported during the year under review.

Our compliance team ensures that all employees working in the warehouse receives the required safety equipment and gears and any accidents and incidents are appropriately recorded and communicated to the management.

B. Labour

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.*

Our Contribution

We are proud to actively promote diversity in our workforce and we respect and value individuals for their diverse backgrounds, experiences, styles, approaches and ideas. We rely upon diversity to inspire innovation that drives our business and enhance our competitive advantage.

We are an **“Equal Opportunity Employer”** We believe in treating each other with respect and dignity. We judge all applicants and employees by their qualifications, demonstrated skills and achievements, excluding race, color, religion, gender, gender identity or expression, national origin, ethnicity, sexual orientation, age, disability, veteran status, marital status or any other characteristics. Where necessary, we provide reasonable accommodations for employees with disabilities or those with special religious requirements.

We have developed a comprehensive Human Resource Policy which has contributed in effectively managing, retaining and attracting labor.

Use of forced, compulsory or child labour in our business operations are strictly prohibited and we have strict agreements with our third-party labour providers which prohibits the use of forced, compulsory or child labour.

We conducted comprehensive safety training during the year under review to safeguard—health and safety of our employees. Thrice a week (Mondays, Wednesday and Fridays) we have a meeting with all employees of the warehouse to educate them on a safety related topic.

To safeguard the health of employees during the spread of Covid-19, company ensured that all its employees are fully vaccinated, and company even took employees to the vaccination centers to get vaccinated. Also, at the security point, body temperature of employees are monitored prior entering the premises as a strict measure of avoiding the spread of disease.

Company further achieved, the certification “Great Place to Work” for the year 2021/22.

We have nominated participants from the company for the UNGC Gender Equality program and carried out the gender gap analysis.

Way-forward

We have identified activities to encourage and retain women involved in logistics and to attract and promote more women force into the industry as a whole.

Measurement of outcomes

We have one on one feedback sessions with employees to understand their grievances and any incidents relating to harassment or discrimination.

We conduct annual employee satisfaction surveys to understand the satisfaction of our employees.

We conduct annual performance reviews to all our employees to discuss their performance, identify the training needs and make informed decisions with regard to employee rewards, compensation, and promotions.

The Internal and External auditors regularly review the HR policies and practices to find any deviations.

We have implemented the whistle blowing policy where any employee could report any incident on unethical practices without a hesitation.

C. Environment

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.*

Our Contribution

As a responsible will continue to monitor impact of our actions to the environment and we always operate in a way that balance the needs of the organization with the needs for the future generations.

We successfully initiated a Rainwater Harvesting System and a Sewage Treatment Plant (STP) in our state-of-the-art warehousing complex which was an important milestone of our journey towards environmental sustainability.

As a socially responsible logistics and supply chain provider we are continuously working on introducing *environmentally friendly technologies to create sustainable supply chains for all our customers and partners.*

During the year under review, we successfully implemented following new environmentally friendly technologies.

- Warehouse Management System (WMS) supported with RFID technology to create a paperless process within our warehouses
- Transport Management System (TMS) with features such as Capacity Planning, Route-planning and Optimisation to minimize GHG Emission and reduce logistics costs
- DocuSign – e-Signature Platform to create a paperless environment (approvals, procurement, and agreements)

We have started to conduct Research and Development (R&D) on reducing Polyethene and Plastics within the warehouses and on the usage of environmentally friendly vehicles in last-mile logistics to promote sustainable logistics practices.

We have installed sensor-based lighting and exhaust fans in the warehouse which automatically switches off when no activities are taking place in the aisles.

We ensure that all garbage in the company is segregated as food waste, polythene, and paper. Polythene and paper comprising of corrugated boxes are provided for recycling, whereas food waste is handed over to a government body to produce bio-fuel.

Way-forward

We are in the process of building a rooftop solar powerplant which can generate 950KW of energy per month which will be sufficient to cover the total power consumption of our warehousing complex. This project will be completed during the year 2021/22.

We expect to obtain ISO 14001: Environmental Management System certification during the year 2021/22 as a part of our journey towards environmental sustainability.

Measurement of outcomes

At our group level we monitor our carbon footprint annually in accordance with **“GRI Sustainability Reporting Standards 2016”**

Since we are a service organization, there is no significant impact from our business activities, products and services on biodiversity.

No incidents were reported pertaining to non-compliance with environmental laws and regulations during the year under review.

D. Anti- Corruption

Principle 10: *Businesses should work against corruption in all its forms, including extortion and bribery.*

Our Contribution

Integrity is one of the core values of Logicare and we take a zero-tolerance approach to bribery and corruption. According to our “**Employee Code of Conduct**” the Board of Directors, Management and Employees are committed to act professionally, fairly and with integrity in all our business dealings and relationships to counter bribery and corruption. Our vendor and customer agreements include relevant clauses to prevent any form of bribery and corruption. The company carryout a completely transparent procurement process as per the company's Standard Operating Procedures (SOP) which prohibits any form of bribery and corruption.

The new code of Business Conduct introduced by the group also covers anti-bribery and corruption to promote good governance.

Measurement of outcomes

The Group HR Department, Risk and Compliance Department, and the Internal and External auditors regularly review the business practices of the company against the policies pertaining to Anti- Bribery and Corruption to find any deviations.

No incidents related to bribery and corruption were reported during the year under review.