



COMMUNICATION OF PROGRESS: PWANI OIL PRODUCTS LIMITED.

KENYA

Area of intervention	Key Initiatives	Process	Results
<p>Health care</p>	<ul style="list-style-type: none"> ➤ We have in place non discriminatory internally managed medical scheme that also covers aids related treatment ➤ Health and Safety programme for employees ➤ Medical examination for all staff handling food products ➤ HIV/AIDS training to employees. Condom dispensers introduced. ➤ Regular eye camps held in association with Lions Club for providing free eye care and checks for members of the public 	<ul style="list-style-type: none"> - Voluntary blood testing procedures. - Free anti-retroviral drugs -Equipment inspection - Work place hazard assessment -OHS training -Clinical examination -Awareness training - These camps provide needy members of the society free eye treatment and are done in association with the Lions Club of Mombasa 	<ul style="list-style-type: none"> -Reduction in man days lost due to medical reasons -Lowered Accident /incident levels by 56% compared to previous year. - Secure food product handling and eliminated chances of contamination and spread of contagious diseases. - High HIV/AIDS awareness levels amongst staff Regular eye checkups for members of the public. The next camp is scheduled for Mar/Apr 2009.

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Education	<ul style="list-style-type: none"> ➤ We have in place Training and development policy which provides for full sponsorship, partial sponsoring for training our staffs. ➤ Sponsorship for educational activities programme for needy students. 	<p>- We have offered full scholarship for our staffs and part payment for a number of our employees.</p> <p>-We are sponsoring Kingorani Ward Zonal Educational programme in Mvita constituency where we reward the best performing schools with books and other learning facilities</p>	<p>-Increase in output levels of our staffs and high motivation</p> <p>We have witnessed positive competition among the schools which has resulted in improved performance for the schools in the Ward</p>
Environmental preservation	<ul style="list-style-type: none"> ➤ Adoption of alternate energy technologies ➤ World Class manufacturing practice ➤ -Industrial ecology <p>See separate report in annexure</p>	Adding in of solid state waste boilers and solar energy systems	A cleaner working environment

Area of intervention	Key Initiatives	Process	Results
Human rights issues	<ul style="list-style-type: none"> ➤ We have in place policy on non discrimination, Forced labour and no child labour ➤ Equal employment policy 	<p>The company does not employ child labour as well as regularly audits its major suppliers to ensure that they abstain from this practice also.</p> <p>-We have an operational equal employment policy which does not discriminate based on race, gender, tribe etc.</p>	
Anti-corruption	<ul style="list-style-type: none"> ➤ Anti-corruption and bribery policy 	<p>-Quarterly audit of the company's financial system by external auditors.</p> <p>-End of year financial assessments.</p> <p>-Transparency in procurement procedures</p>	Increased stakeholder confidence in company's operations.

Charitable donations to humanitarian appeals:

In Jan 2008 Pwani Oil Products in association with the Red Cross distributed Free cooking Fat in excess of Ksh. 500,000 to the post election violence affected people in the Molo camp and in Nakuru area.

In Jan 2009, Pwani Oil Products made food donations to the Internally displaced persons and those affected by hunger. This was channeled through the Red Cross Society of Kenya in partnership with the Nakumatt Holding stores.



RECOGNITION AND AWARDS [See separate report](#)

[Energy award and Cleaner Production award](#)

Annexure

Global Compact Communication on Progress (COP).

ENVIRONMENT:

Principle 7: Support a Precautionary approach to Environmental Challenges.

Pwani Oil Products (POP) Ltd recognizes the link between economic development and environmental stewardship as stipulated in the Rio Declaration. "Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation."

The precautionary approach to environmental protection is embodied in the Environment, Health and Safety policy of the company. The policy elaborates the commitment to provide safe working conditions and environmental stewardship. This calls for adoption of best manufacturing practices and reduction of waste at source. The operationalization of the policy has enabled the company to effectively conduct its operations with due regard for safety and health of the employees, customers and the community. This has also led to establishment of programs and procedures which integrate environment and safety parameters with economic developments

Our Environment Health and Safety Policy.



Principle 8: undertake initiatives to promote environmental responsibility.

Cleaner Production.

POP Ltd has demonstrated its commitment to greater environmental responsibility by changing its traditional operation methods to more responsible manufacturing practices through the adoption of Cleaner Production. This has improved profitability while also addressing environmental issues. The company is one of the pioneering companies in Kenya, to adopt cleaner production (since 2004). This has improved housekeeping and general operations which have enabled the company to minimize waste generation including energy losses at source. The following has been realized:

Through process optimization water consumption has reduced by 24%. The inevitable waste water is collected and treated onsite to permissible standards and used in the cooling towers, watering lawns, flushing toilets and general cleaning. This has further minimized fresh water demand by 13%. POP Ltd has partnered with the neighboring community to treat their effluent water to re-usable standards owing that the neighborhood does not have a functional sewage line connection.

The company has undergone massive technology and equipment change to boost production efficiency. POP has invested in a state of art refinery plant to replace the old and inefficient one. During late 2008, this refinery 2, plant was further expanded and fine tuned to increase its capacity from 330 to 400 tonnes per day while at the same time reducing its utilities consumption and improved quality of the products.

POP Ltd has invested in a plant to refine all its by-products inform of waste free fatty acids from crude palm oil refinery to obtain distilled free fatty acids used to make more superior quality soaps and close the process loop.

POP Ltd has been fostering dialogue on the implementation of preventive strategies through Kenya Association of Manufacturers, where the company CEO is the Chairman of Mombasa region chapter. This emphasizes on the collective environment responsibility.

The company has continuously advocated for uptake and embracing of Cleaner Production for both the manufacturing and service sectors. POP Ltd was a key sponsor during the invent and launch of Cleaner Production award system in Kenya. This is now an annual event which has raised awareness amongst the industrialists to undertake eco-efficiency initiatives.

In 2008, POP was awarded with the prestigious Cleaner Production (CP) awards to recognize its efforts in gaseous emission reduction, waste water reduction and Cleaner Production leadership. The National CP awards were organized by the Kenya National cleaner Production Centre in partnership with UNEP, UNDP, UNIDO, KIRDI, Ministry of industrialization and the Kenya Association of Manufacturers.

Industrial Ecology.

As a measure to diffuse environmental sound practices, the company has invested in a state of the art soap processing plant. The soap plant is an ideal industrial ecology where wastes from the existing edible oil refineries, forms the raw materials for soap making. The company has constructed an access road to the community settlements in Kikambala where the plant is sited.

World Class Manufacturing Practices.

The company has signed a one year project with CCI growth Ltd, a consultancy firm based in South Africa on Total Productive manufacturing (TPM) based on world class manufacturing (WCM) standards



to enable the company meet the future manufacturing challenges and foster staff personal development.

Through the program, the company has fine tuned its processes and work procedures to ensure, hygiene, efficiency, quality of products and suitable working environment.

Receiving the Best Emission reduction award presented by
Grace Gitoko of UNIDO

Receiving CP leadership Award presented by Tomiko
Nishimoto, UNDP - Kenya representative

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Alternative Energy.

The company has incorporated the use of environmentally friendly technology in its annual business planning process. This is to optimize the use shrinking natural resources through process efficiency and increase the uptake of renewable resources. The company has initiated a rigorous project on alternative energy to replace the use of fossil based fuels. The following has been achieved:

The company has installed a pilot project to harness and use solar energy for heating and steam generation. The pilot plant has a nominal capacity of 16 Kwt and maximum pressure of 4 bars.

The company has invested in four biomass boilers which are using agro wastes such as coconut shells and cashew nut husks to replace furnace oil. This has provided a solution for disposal of biomass wastes within Mombasa town and its environs while also giving the community a chance to earn a livelihood. The biomass project shall also lower sulphur and nitrogen oxides and net carbon emission levels. In the near future the company is planning to enter into partnership with the community on establishment of farmed woodlots and agroforestry.

The company has actualised its vision on the use of clean and renewable fuel resources. Through commissioning of a free fatty acids distillation plant, we are able harness biofuel pitch which is used to run the boilers. In the year 2008 POP Ltd used 600,800 litres of biofuel in replace of furnace oil.

In our endavours to use, the company has a vision of using biodiesel to replace its use of fossil based diesel in the near future. The company has acquired land and planted biodiesel yielding plants including *jatropha*, *patchouli* and *vetivert*. Upon success the company shall initiate community based projects on cultivation of these plants.

In 2008 POP Ltd was awaded with the energy efficiency award organized by the Kenya Association of Manufaturers (KAM) in partnership with Global Environment Facility (GEF). This was in recognition of our energy conservation efforts.

Our Energy Policy.



ENERGY MANAGEMENT POLICY.

We, at Pwani Oil Products Ltd., believe that every effort should be made to save energy which will be beneficial to reduce our cost of production. We are committed to use energy in the most efficient, cost effective and environmentally responsible manner. The fulfillment of this policy is the joint responsibility of the management & employees. Cooperation shall be experienced on all levels for the success of this policy.

The **Energy Management Committee** will maintain accurate records of energy consumption and cost of energy on a monthly basis. An **energy audit** will be conducted half-yearly at our factory and recommendations will be made for updating the energy program. **Reports** will be furnished to the top management on the goals and progress of the **Energy Management Program**.

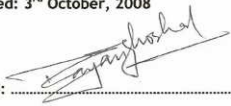
Objective: Improve energy efficiency continuously by establishing and implementing effective energy management program through out the factory that support all operations while providing a safe and comfortable work environment.

Goal: Improve energy consumption efficiency, reduce cost, optimize capital investment for energy efficiency, reduce environmental and greenhouse gas emissions, and conserve natural resources.

Guidelines:

- o Emphasize energy efficiency as a factor in product development and in process and facility design.
- o Encourage continuous energy conservation by employees in their work and personal activities.
- o Drive further development of internal and external energy efficient and innovative technologies.

Adopted: 3rd October, 2008

Signed: 



Ranjan Ghoshal,
Chief Operations Manager.

Alternative Energy Sources.



Pilot Solar Plant.

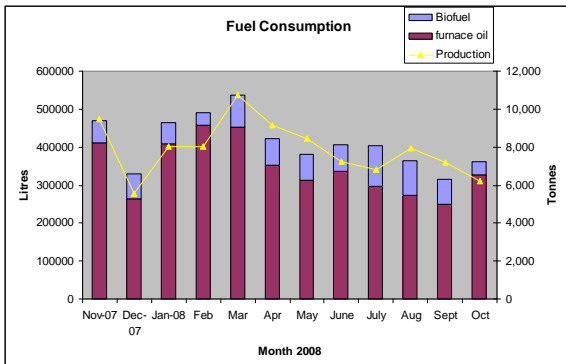


Our Jatropha plantation



One of the newly commissioned biomass boilers.

Energy Award photo.



Biofuel use for the year 2008