



Pwani Oil Products Limited

Communication on Progress

Year: 2011

Statement of Continued Support of the UN Global Compact

We at Pwani Oil Products Ltd, strive to have corporate citizenship inherent in everything we do. We recognize that corporate citizenship is a critical component of our undertakings with an aim of enriching lives of our employees, customers and all other stakeholders as stipulated in our mantra "Refining Lives". This means we are focused on manufacturing quality products that meet dietary and hygiene needs of our consumers, provide career opportunities to the community, fine tune our operations through cost effective and sustainable innovations while at the same time reduce our global footprint.

We are committed to the ten principles of United Nations Global Compact in respect to human rights, labour rights, the environment and anti-corruption. This is through our progressive support of community success, fostering a diverse and harmonized workforce, environment protection, being transparent, accountable and responsive to stakeholders.

Signed:



Rajul Malde

Director

27/09/2011

Company name: Pwani Oil Products Limited

Sector: Food Manufacturing - Edible Oils & Fats

Number of employees: 350

UN Global Compact signatory since: 13th Feb 2007

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Brief description of nature of business

Pwani Oil Products Ltd, fondly known as "Pwani", was founded in 1985 by our Chairman, Ramesh Malde and Director, Anil Malde. Our beginnings were humble; selling out of a kiosk and with an initial production of 15 tons a day. Our first plant in Mombasa started production in 1985 with corn and coconut oil that later evolved into a palm oil refining plant.

Today, our modern state of the art factory at Jomvu, Mombasa, has a capacity to refine over 500 metric tonnes of oil a day, prepared to the highest international standards. Adding to this, our new production facility at Kikambala produces excellent laundry and moisturizing beauty soaps, which is to the highest pharmaceutical quality.

Pwani is now one of the largest manufacturers of high quality edible vegetable oils and fats, laundry and toilet soaps in the East and Central African region.

Scope of this COP

This communication on progress covers Pwani's internal processes including relationship with employees, suppliers, consumers and the community. The report covers all the four broad areas labour, human rights, environment and anti-corruption.

Human Rights

UN Global Compact principles covered:

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

Principle 2: Business should ensure that they are not complicit in human rights abuses

Human Rights Current	<p>Commitment</p> <p>The company has an elementary duty to observe, respect, protect, promote and fulfill the rights and fundamental freedoms of its employees and stakeholders.</p> <p>A brief description of our Processes or Systems</p> <p>The company has a well established human resource department which has the responsibility to equip employees with required skills and to deal with the needs of special groups within the company including women, older staff members, persons with disabilities, and persons with special medical needs.</p> <p>The company supports the under privileged in the community by providing them with basic requirements for a better life.</p> <p>Activities implemented in the last year</p> <ul style="list-style-type: none"> • Promotion of workplace health and safety under the theme of ‘zero accidents and/or injuries’ • Held staff training on occupational safety • Held staff training on occupational First AID using instructors from the Kenya Red Cross • Carried out risk assessment of our factory sites to identify likely human hazards and possible business threats • Provision of basic health care to staff members and their families • Provision of safety kits and equipment • Annual occupational medical examination • Community health support <p>Measurement of outcomes and value added for our company</p> <ul style="list-style-type: none"> • We have no records of human rights abuses • We have zeroed down the number of accidents or incidents arising due to safety issues • We have zero cases of occupational diseases
Human Rights Future	<p>Activities planned for next year</p> <ul style="list-style-type: none"> • Annual occupational medical examination on going • Community health support on going • Seminar’s on HIV / AIDS for better information, knowledge and awareness • A range of Environment Health and Safety (EHS) activities leading to 100% safety and healthy working environment. • Training to empower the employees at large with technical knowledge and skills. • Counselling centres within the HR department to cater to softer issues of the employees. • Promotion of staff expression through suggestion boxes and idea banks on the staff intranet.
Labour Rights	

UN Global Compact principles covered:	<p>Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining</p> <p>Principle 4: Business should support the elimination of all forms of forced and compulsory labour</p> <p>Principle 5: Business should support the effective abolition of child labour</p> <p>Principle 6: Business should support the elimination of discrimination in respect of employment and occupation</p>
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Labour Rights Current	<p><i>Commitment</i></p> <p>Pwani is an equal opportunity employer with a firm policy in place to protect individuals’ rights against discriminatory practices on race, gender, sex, religion, marital status, ethnic or social origin, colour, age or disability. The company respects and applies fair labour practices in accordance with the labour laws of Kenya, International Labour Organization (ILO) Conventions and other International Standards, eliminating all forms of labour malpractices. The company believes that working positively and directly with employees best serves their interests. Pwani also strives to work cooperatively with all heads of departments in the common pursuit of the interests of all employees and the Company’s mission. Our recruitment is very transparent whereby the vacancies are advertised on the website and any candidate who is employed is considered based on work experience relevant to the post applied.</p> <p><i>A brief description of our Processes or Systems</i></p> <p>It is the policy of Pwani that all employees be provided a work environment which is respectful and free from any form of inappropriate or unprofessional behavior, such as harassment including sexual harassment, pestering or bullying and any form of unlawful discrimination based on sex, gender, race, sexual orientation, gender identity, disability, age, ethnic origin, or other inherent personal characteristic protected by law.</p> <p>We have a Sexual Harassment Policy in place which informs the Employees on the procedure to take in case faced with instances of harassment. The policy expresses the consequence if an employee is found guilty of the same.</p> <p>We also have a Grievance & Disciplinary Policy which details the procedures an Employee could utilize incase they have any grievance which is not addressed at their department immediately.</p> <p>We have implemented a system for checking and recording that all employees are paid above the minimum wage recommended by the Government. Electronic timecards, payroll, leave days and production records are put in place and reviewed on a regular basis.</p> <p>Overtime is voluntary and compensated at 1.5 pay rate on regular days and double rate during holidays and Sundays</p> <p>Each employee is entitled to 21 leave days annually as per the company’s human resource policy. Employees are also entitled to 15 days sick leave fully paid and 15 days sick leave half paid when accompanied with a medical certificate from the Doctor.</p> <p>The company forbids engagement of minors and persons below 18 years of age or exposure to</p>
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	<p>situations in or outside the work place that are hazardous, unfair or unhealthy. Pwani Oil seeks to have a positive impact on the reduction of unlawful child labor and child exploitation. Pwani Oil expects the suppliers and contractors with whom it does business to embrace similar values and standards.</p> <p>The company is committed to fighting HIV/AIDs discrimination and stigma in its workplace and has a Policy documented on the same which assures Employees on the Company's stand on HIV related issues.</p> <p>Activities implemented in the last year</p> <ul style="list-style-type: none"> • We have implemented a Biometric log in system that monitors daily work hours and tracks overtime worked. • The company has re-structured the organisational structure to improve employee's roles, delivery and have a better reporting system along with a transparent Performance Management System there by ensuring the employee who performs well gets rewarded for the performance. • All job and role profiles have been revised in order to match employee's qualifications, skills and abilities. The reviewed profiles gives more clear and measurable performance targets/expectations <p>Measurement of outcomes and value added for our company</p> <ul style="list-style-type: none"> • There has been no labour conflict and this has led to good relationship between management and staff. • Reduced injury levels • Increased work morale and accountability amongst staff. • Structured communication leading to a better sense of 'Ownership' amongst the employees.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Labour Rights Future</p>	<p>Activities planned for next year</p> <ul style="list-style-type: none"> • Integrated Human Resource Management system that reconciles attendance and payment to employees and provide real-time data to staff issues that concern them directly, e.g. leave, payments, etc. • Increased internal recruitments to offer more career growth opportunities to staff.

Environment

UN Global Compact principles covered:

- Principle 7: Business should support a precautionary approach to environmental challenges
- Principle 8: Business should undertake initiatives to promote greater environmental responsibility
- Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

Environment Current	<p>Commitment Pwani Oil Products Limited is firmly committed to pursue appropriate and best practices in Environment, Health and Safety (EHS) standards in all aspects of its operations related to persons in its premises, business operations, the wider community and physical environment.</p> <p>A brief description of our Processes or Systems Pwani uses a business risk review process to evaluate environment, health and safety issues across the lifecycle of its products and services. Through this process, risks to human health and the environment are identified and risk migration options are identified and implemented.</p> <p>The company have installed a system to monitor general environmental performance data for waste, air emissions, water use, electricity, steam and other input utilities. We have worked actively to reduce power consumption in our facilities, increase machine efficiencies and reduce our cost of production.</p> <p>Activities implemented in the last year During the previous year, Pwani conducted an Investment Grade Energy Audit which looked at the energy cost reduction opportunities at its facilities. The following activities were implemented in line with the audit findings and recommendations:</p> <ul style="list-style-type: none"> ▪ Insulation of steam valves, line and product tanks ▪ Elaborate condensate recovery ▪ Use of T8 lamps instead of T5 ▪ Use of electronic ballast ▪ Use timers in security lighting <p>Measurement of outcomes and value added for our company As a result of the activities initiated, Pwani has witnessed a decline in energy consumption. Reduced energy demand has lessened environmental degradation that could have been brought about by resource overuse and Green House Gas (GHS) emissions.</p>
Environment Future	<p>Activities planned for next year</p> <ul style="list-style-type: none"> • Implement an efficient water utilisation system • Community forestation initiatives e.g through agro forestry • Ensuring our factories become a model for 'Clean and Green' environment. • Sensitization and education of all the employees to have 'Pride and Care' at their place of work which will lead to having a clean environment.

Anti-corruption

UN Global Compact principles covered:

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

Anti-corruption
Current

Commitment

Pwani Oil is committed to the principles of good governance and shall ensure that policies, programmes, guidelines and practices to manage corporate governance and ethics are always in place and observed.

A brief description of our Processes or Systems

The company endeavours always to foster an effective ethics system which is open and transparent in order for employees and stakeholders to feel comfortable raising issues they believe are inconsistent with the company norms.

We have a policy in place to curb conflict of interest between our employees and the business aspect of the company. No employee is supposed to engage in business of similar manner with that of the company. Employees are also not allowed to be part of suppliers of input materials to the company.

Pwani expects employees to avoid any activity, investment, association or interest that might reflect unfavorably upon the integrity or good name of the company or of themselves. They are obligated to place company's interest in any business transaction ahead of any personal interest or personal gain to either themselves or to their spouse, family member or other individual.

We have supplier pre-qualifications requirements before we engage doing business e.g. they must be tax compliant (have VAT and pin numbers) and licensed to operate.

Activities implemented in the last year

- We have put in place a fully fledged internal audit department
- We engage the services of external auditors to verify our records and business engagements.
- Pwani is an active member of the edible oils industry grouping that has come together to fight trade malpractice in the industry and promote ethical business.

Measurement of outcomes and value added for our company

- No significant audit issues
- We have not experienced any violations
- Positive influence of the supplier chain

Anti-corruption
Future

Activities planned for next year

- Sensitisation of staff on business ethics and governance
- Strengthening the Internal Audit Department to make sure all the processes and policies to the company are audited leading to 100% adherence of the Policy.
- Afforestation agenda to 'give back' to the environment and make the world a 'Greener' place.

How do you intend to make this COP available to your stakeholders?

We intend to make this COP report known to all our stakeholders

- For our staff this report shall be circulated online through the intranet and notice boards.
- For all other stakeholders this report shall be uploaded to the company website as well as the UN Global Compact website.

Donations, awards

We support the community in various activities:

- Financial support of the local football leagues. We also purchase sports uniforms and shoes for the various local teams.
- Sponsoring matches for the national football team.
- Building an operations wing at Pandya Hospital – a big and busy health care facility in Mombasa Town.
- Donation of books / products to a schools and old peoples homes in Mombasa.