



Communication on Progress Year: 2012

Statement of Continued Support of the UN Global Compact

I am pleased to confirm that Complast Industries Limited supports the ten principles of United Nations Global Compact in respect to Human rights, Labour rights, Environment and Anti-corruption.

This commitment is our expression of intent to continue supporting and advance these principles within our sphere of influence.

Complast has also continuously produced quality and affordable products that have great impact on lives of Kenyan citizens and the global market at large. Particular emphasis is given to bottom of the pyramid market.

Lastly we recognize that a key requirement for participation in Global Compact Network is the annual submission of Communication in Progress (COP) that describes our efforts to implement the 10 principles. We therefore commit to report on the progress annually according to the Global Compact Policy.

Nizar Hemraj,
Managing Director,
21.01.2013

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| Company name: | Complast Industries Limited |
| Sector: | Manufacturing of Plastic and Rubber. |
| Number of employees: | 160 |
| UN Global Compact signatory since: | 09.01.2009 |
| Contact person: | Shabbir Hamza Noormohamed |
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Brief description of nature of business

Complast Industries Ltd, is a Kenyan resident private limited company, with its registered office and plant situated on Nadume Road, 06 (Off Lunga Lunga Rd.), industrial area, Nairobi. Established in 1995 as part of multinational group with operations in Angola and DRC, our operations have since continued to grow and today, we cater for not only Kenyan market but also east and central Africa.

We were the first company in East Africa to use the mono block injection moulding technology in the manufacturing of plastic furniture. We are the pioneers in the manufacturing of plastic furniture in this region. In addition to furniture, we also manufacture plastic household items, such as buckets and basins. Our larger items include crates and general purpose bins.

August 1994 : Complast was formed

December 1995 : Started Production

March 1998 : Partnered with Coca Cola Africa in marketing Coke –Branded furniture.

May 2001 : Achieved certification of Diamond mark of Quality - KBS Kenya

March 2006 : Partnered with East African Breweries in supplying branded furniture.

January 2007 : Partnered with Celtel Malawi in marketing Celtel – Branded Tables

June 2007 : Formed strategic partnership with DCS Group of Denmark, through support from DANIDA.

July 2008 : Enrolled for the certification program with Bureau VERITAS.

December 2008 : Achieved ISO 9001:2000 Certification. B.V - Certificate No. IND81349

August 2009 : Participating Member of United Nations Global Compact – World's Largest Corporate citizenship Initiative.

July 2010 : Upgrade to ISO 9001 : 2008.

October 2011 : Received Award for the KPMG Top 100 Companies. Ranked No. 42 out of 100.

October 2012 : Received Award for the KPMG Top 100 Companies. Ranked No. 89 out of 100.

Scope of this COP

This COP is a report for the period between January 2012 and December 2012 and covers all the ten principles of Global Compact.

It extends to all employees and suppliers and is intended to be communicated to all the stakeholders internal and external, namely employees, customers, suppliers and directors.

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

Commitment

Complast Industries is committed to the prevailing Global Compact Principles and recognises basic human rights to its stake holders and human resources through the conduct of all its business activities.

A brief description of our Processes or Systems

At Complast Industries Limited, have a human resource department, that is entrusted with the responsibility of ensuring that all the requirements of Factory Act and workplace rules are complied. This include among others, safety, health and welfare of its employees. All heads of department also have to oversee implementation of the same.

Continuously engages employees through the monthly departmental meetings and quarterly employees management forums.

Activities implemented in the last year

- We have continued on improving on our existing services of providing free meals by incorporating a balanced and healthy diet against what we have been doing based on traditional and cultural taste.
- We are happy to report that in 2012 we recruited no casuals but recruited employees on contract and permanent basis.
- We have an agreement with an external doctor which is on a call basis to provide medical assistance to all our staff.
- Annual medical examination, carried out risk assessment of our factory, staff training in First Aid and Fire Fighting.

Measurement of outcomes and value added for our company

- As a result of constant engagement with our staff, we have not seen any reported cases of indiscipline, bullying especially in the factory.
- Access to better medical facilities has motivated our staff and reduced sick time hence leading to better productivity and growth in sales.
- We have seen better relationships between management and staff as a result of quality engagement meetings.
- Due to higher interest rates on borrowings in the market we saw increased enrolment of members in the cooperative. cooperative offer lower rate of interest on borrowings.

Human Rights Future

Activities planned for next year

- Training of members of staff we have recently elected to present workers on Health & Safety Committee.
- Roll out a staff Welfare program to address and educate staff on financial management.
- More staff engagement through department meetings and human resource forums.

Labour Rights

UN Global Compact principles covered:

Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: Business should support the elimination of all forms of forced and compulsory labour

Principle 5: Business should support the effective abolition of child labour

Principle 6: Business should support the elimination of discrimination in respect of employment and occupation

Labour Rights Current

Commitment

We have standard policy of equal opportunity for all, irrespective of gender, race, status, tribe and disability. We apply 'fair' principle at all times. We at Complast respect and apply to the later fair practices in accordance with the Laws of Kenya and ILO rules and regulations. We believe in emotional intelligence where our employees are encouraged to speak frankly without fear of intimidation or being penalized.

A brief description of our Processes or Systems

It is our policy that all employees are made aware of their rights, which include sexual harassment, salaries and wages regulations, digital time checks, overtime, leave days. Overtime is on voluntary basis and rates paid as per the laws of Kenya. i.e. 1.5h on normal day, 2h on weekends and holidays. Sick leave approved as per doctors recommendations. We do not employ minors and persons of 18 years and below. Pregnancy leave of 4 months with full pay is given to our female employees and two weeks paternity leave to male employees where applicable.

Overtime is on voluntary basis and no employee is forced to perform overtime, it is subject to acceptance by staff to work extra time voluntarily.

We have a policy on child labour, that we only employ staff above the age of 18yrs, upon production of ID Cards for Kenyan Citizens or Passport copy for Expatriates.

Our employment process is based on media advertisement for senior positions and reference based for junior staff. Employment is given on merit basis.

Activities implemented in the last year

- We have upgraded our biometric log in / out system.
- Training arrangement inline with employees qualifications.
- Bonus payment on an annual basis for the last five years.
- We have continued to offer favourable loans for enhancing further education.
- We have constantly provided appropriate persons protect equipments (PPE's) to staff to ensure they are safe while working.

Measurement of outcomes and value added for our company

- We have continued to enjoy better employee employer relationship with no labour issues.
- We have continued to maintain a working environment free of work place diseases.
- There has been drastic reduction of injuries in our factory.

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| Labour Rights | <p>Activities planned for next year</p> <ul style="list-style-type: none"> - It has been a challenge to us to level the gender imbalance, but we have vowed to continue ensuring that we bring the ratio to 50:50 male to female. - Retrain the shop floor supervisors on the provision of labour laws and the safety regulations to enhance compliance and minimize injuries. |
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| Environment | |
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| UN Global Compact principles covered: | <p>Principle 7: Business should support a precautionary approach to environmental challenges</p> <p>Principle 8: Business should undertake initiatives to promote greater environmental responsibility</p> <p>Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies</p> |
| Environment Current | <p>Commitment</p> <p>Complast is totally committed to ensuring that the best practices are in place for the environment protection in all aspects of our operations; focusing at our premises and immediate surrounding i.e. neighbourhood.</p> <p>Complast Industries Limited complies with all the applicable legislation on environment in Kenya regulated by NEMA.</p> <p>A brief description of our Processes or Systems</p> <ul style="list-style-type: none"> - We conduct annual audit by independent external auditors (B.V) to ascertain impact of our production process in the environment. - We do have daily processes in place as recommended by external auditors to ensure that we are compliant on daily basis. - Data is collected on daily basis on wastage disposal and various analysis conducted and corrective action is taken immediately; if it exceeds the recommended levels. <p>Activities implemented in the last year</p> <p>Last year with the assistance of KAM we conducted energy Audit with a view of improving conservation of energy and reducing costs. The recommendations submitted by the Auditors are already being implemented in phases.</p> <p>We have continuously strived to conserve energy in our operations because it is a prudent thing to do.</p> <p>Measurement of outcomes and value added for our company</p> <ul style="list-style-type: none"> - We have enhanced our production process by acquiring low energy consumption machines with higher productivity thus reducing energy and material wastages. - Better waste handling / recycling of waste generated during production. This has greatly assisted in adhering to our principles of keeping the environment clean. |

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| Environment Future | <p><i>Activities planned for next year</i></p> <ul style="list-style-type: none"> - Monitor power usage and continue to enhance energy efficiency in the factory. - Engage our staff on ways to improve generation of domestic waste. |
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| Anti-corruption | |
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| UN Global Compact principles covered: | Principle 10: Business should work against corruption in all its forms, including extortion and bribery |
| Anti-corruption Current | <p><i>Commitment</i></p> <p>At Complast, we are committed to good governance ensuring that all our policies and rules and regulations are geared towards good corporate governance and ethics; this shall be observed at all cost.</p> <p><i>A brief description of our Processes or Systems</i></p> <p>We have in place policy that we advocate to all our employees, customers, suppliers and stakeholders that no form of favour is given in turn for business contracts. We ensure and advocate for avoidance of any activity, investment, association or interest that might compromise our policies on governance. We do not shortcut to quality and ethics.</p> <p>Transparency and accountability are observed at all times and at all levels of management.</p> <p><i>Activities implemented in the last year</i></p> <ul style="list-style-type: none"> - Recruiting of Chief Finance Officer last year has helped in sustaining and ensuring that no form of payment is made for activities that cannot be explained especially tenders and procurement. - We have external, independent auditors to verify our dealings / records. - Audits were carried out by PKF auditors who are our external auditors who are our financial and accounting process and data. <p><i>Measurement of outcomes and value added for our company</i></p> <ul style="list-style-type: none"> - Employees take pride as the above recognition earns them respect and makes them feel responsible citizens of Kenya and the world at large. - Suppliers strongly feel encouraged by our practice and this has resulted in strengthening our relationships. - <i>We have not encountered any violation.</i> - Maintained a good corporate image of our company. |

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| Anti-corruption Future | <p><i>Activities planned for next year</i></p> <ul style="list-style-type: none"> - We shall continue to hold engagement meetings with our staff and use the forum to highlight our commitment to fight corruption. - Publication of prequalification requirement for Suppliers / Customers. - In house education to be enhanced. |
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How do you intend to make this COP available to your stakeholders?

We at Complast would like to make COP report made available to all our stakeholders.

- We shall include this report as part of our website.
- We shall also want the COP uploaded to the UN Global Compact Website.
- Copy of the COP will be available to our Customers and Suppliers on request.
- Issues highlighted form part of reports to the directors and shareholders.

Donations, awards

We support the community in various activities among them are:

We firmly believe in corporate social responsibility.

- We support and promote sports; activity we have supported and will continue to support next year are:
 - Watamu Triathlon – We have supported this event for the last consecutive 3 years.
- Donation of foods stuffs to schools and less privileged members of community amounting to US\$20,000/-.

Awards:

Received Award for the KPMG Top 100 Companies. No. 89.

