

UNITED NATIONS GLOBAL COMPACT NETWORK

COMMUNICATION ON PROGRESS

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CONTENTS

| | |
|---------------------------------|----|
| Introduction | 3 |
| Statement of Continued Support | 5 |
| Executive Summary | 6 |
| Human Rights | 7 |
| Labour | 8 |
| Environment | 9 |
| Anti-Corruption | 10 |
| Corporate Social Responsibility | 11 |

INTRODUCTION

MISSION STATEMENT

Our operations are based on the manufacture of edible oils, margarine, baking powder, detergent powder, laundry and toilet soaps and glycerine.

We aim to lead the market in terms of quality and performance of our products and customer service.

VISION STATEMENT

Kapa is committed to being the 'Benchmark Company' for quality products in Africa.

COMMITMENT STATEMENT

Kapa focuses on 'value for money'. We aim at providing our customers with premium quality consumer goods at competitive prices while operating in an environmentally sensitive and socially responsible manner. All our processes and procedures are of the highest quality, designed to give results of premium quality. The mechanics and techniques behind our processes and procedures give zero allowance for error therefore producing high quality products and ensuring quality consistency.

ABOUT US

The name 'Kapa' is an acronym derived from the title 'Karanja Packers' which was established in the late 1960's as a salt packaging and baking powder manufacturing company. Karania Packers grew steadily and within a short time, ventured into producing cooking fats, edible oils, detergent powder, margarine, glycerine and luxury bath soaps. As a result, it now became known as Kapa Oil Refineries Ltd. Kapa showed its commitment to innovation by being the first manufacturing company to introduce packing of cooking fats in reusable plastic containers, a norm that all cooking fat manufacturers now follow.

In 2003, Kapa cemented its commitment to quality by being certified the prestigious ISO 9001:2000 award for its 'Quality Management Systems' in the manufacture of cooking fats, edible oils, margarine, baking powder, laundry soaps and glycerine. Kapa is proud to be the first Company in the manufacturing sector to be HACCP UK certified for its edible oil processes.

Kapa's products are now trusted household names, not only in Kenya, but throughout East, Central, West and Southern Africa, as we export our diverse range of products to over 18 African countries serving the EAC, COMESA and SADC markets.

CEO'S STATEMENT

It is with great enthusiasm that I express our unwavering support for and commitment to the United Nations Global Compact and its 10 principles in the areas of Human Rights, Labour Rights, the Environment and Anti-Corruption. We, at Kapa Oil Refineries Limited, are committed to making a difference by implementing these principles as part of our strategy and embed the same in our business culture and day to day operations.

As part of our first COP we enclose a brief description of our organization and actions we have taken over the past year to support the Global Compact's 10 principles.

When each of these three elements of vision: concern for; excellence, people and the wider environment is present, business is transformed from a tool for making profits into a creative, humane experiment for improving life.

Nitin Shah

Chief Executive Officer

Kapa Oil Refineries Ltd.

EXECUTIVE SUMMARY

Since signing up for the UNGCNK, Kapa has taken steps to address the 10 principles in the areas of Human Rights, Labour Rights, the Environment and Anti-Corruption. This document has been prepared as a Communication on Progress (COP) and addresses the five broad areas of Human Rights, Labour, Environment, Anti-Corruption and Corporate Social Responsibility.

HUMAN RIGHTS

Kapa recognizes that its most treasured assets are the employees and is committed to achieving the business objectives through the employees. We believe that our success is a direct result of our employees operating the business in such a way as to provide a worldwide competitive advantage.

The Company recognizes its obligation to conduct its activities in full knowledge of and compliance with the requirements of the Employment Act and other statutory legislations.

Kapa supports human rights of its staff through the following actions:

- Compensating and rewarding equitably based on performance.
- Maintaining a safe working environment.
- Treating employees with utmost consideration, respect, dignity and understanding.
- Forbidding use either directly or indirectly of forced/child labour.
- By allowing employees to exercise freedom of association through signing a Recognition Agreement with a Trade Union and engaging in Collective Bargaining Agreement.
- Kapa has in place a Medical Clinic for staff and the surrounding community.

LABOUR

Kapa is an equal opportunity employer and advertises vacancies in the organization publicly. In line with the Global Compact elimination of discrimination in respect of employment and occupation, we, believe in selecting and recruiting candidates into the organization based on qualifications, experience, skills, competence and aptitude. We provide training and opportunity for growth in an enabling environment.

It is the Company's policy not to use, be complicit or benefit from forced labour in compliance with the elimination of all forms of forced and compulsory labour. Terms and conditions of service are openly negotiated and laid down in the employment contract.

Kapa adheres to the effective abolition of child labour by ensuring that it complies with minimum age provisions of the labour laws.

ENVIRONMENT

Kapa consistently employs sound environmental practices.

These include:

- Setting up an Effluent Treatment Plant for treatment of effluent discharge emanating from its factories which is then either discharged into the public sewer or recycled and used in the production plants.
- Construction of a 13Km sewer line in partnership with other industries, for proper handling of effluent discharge from the industries.
- Recycle of paper and plastic waste.
- In the current year, we are planning to substantially reduce our carbon emissions by substituting use of fossil fuel for biomass briquettes.

ANTI CORRUPTION

Kapa takes zero tolerance approach to corruption and is committed to conducting its business fairly, openly, honestly and without improper influence.

Every employee is responsible for ensuring that the company business is undertaken with utmost integrity with respect but not limited to fraud and extortion, bribery, facilitation payments, gifts and entertainment, interaction with third parties, government and public officials, charitable contributions and sponsorships, political donations and conflict of interest.

The Company is committed to reporting any cases of corruption and other forms of dishonesty to the relevant authorities and cooperating with the authorities in facilitating legal actions against those involved.

CORPORATE SOCIAL RESPONSIBILITY

Kapa recognises that its social, economic and environmental responsibilities to the community are integral to the business and this is demonstrated through actions:

- Being a consumer health driven company, Kapa believes in the manufacture of safe and healthy edible products. Unlike other cooking fats, oils and margarines in the market, Kapa products are NON-HYDROGENATED. All our cooking fats and cooking oils are free of hydrogenation thus making them heart friendly, cholesterol free and beneficial to the health and well-being of all consumers.
- To alleviate Vitamin A deficiency in Africa, Kapa fortifies all its edible oil products.
- Kapa contributed a great deal to the construction of a primary level school in the neighbouring region to boost the levels of basic education of the surrounding community.
- Kapa makes monthly donations of its edible oils and soap products to various children and old people's homes.
- Kapa, through its charitable organization 'The Karania Foundation', recently built an old age persons home in Runda, Nairobi to cater for the old destitute.
- The charitable organization awards sponsorships to needy students in support of their education and also provides funding for medical cases for families who cannot afford specialised health care.

The Company plans to continue conducting sustainable CSR activities for the benefit of its surrounding communities.



Kapa Oil Refineries Ltd.
Bright Ideas, Better Products.



In addition to the above, the organization has developed elaborate organizational policies on the areas of Anti-corruption, Human Resource (broadly), Environment and Corporate Social Responsibilities among others to guide the organization and its employees in addressing the functions.