



## Communication on Progress Year: 2010

### Statement of Continued Support of the UN Global Compact

I am pleased to confirm that Mabati Rolling Mills Ltd supports the ten principles of the United Nations Global Compact in respect to Human Rights, Labour rights, the environment and Anti-corruption. With this communication, we express our intent to support and advance those principles within our sphere of influence. We commit to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company and undertake to make a clear statement to our employees, partners, clients and to the public of this commitment.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our effort to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact Network, and annually thereafter according to the Global Compact COP policy.

Sincerely Yours

**Kaushik Shah**

**Sector: Manufacturing – (offers roofing solutions)**

**Number of employees: 1138**

**UN Global Compact signatory since: 2006**

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#### Brief description of nature of business

- MRM manufactures metal roofing sheets and processes metal coils.

#### Scope of this COP

This report indicates actions that Mabati Rolling Mills Ltd has taken to implement the Global Compact principles during previous years as well last year when it joined the United nations Global Compact. It also indicates where the company management has undertaken specific steps to implement and then measure the results of actions in different areas. Precisely, this report covers all the four areas of CSR namely; environment, labour, human rights and anti-corruption.



UN Global Compact principles covered:		<p><b>Principle 1: Business should support and respect the protection of internationally proclaimed human rights</b></p> <p><b>Principle 2: Business should ensure that they are not complicit in human rights abuses</b></p>
Human Rights Current	<p><i>Commitment</i></p> <p>We are committed to Principle 1 and 2. We support and respect internationally proclaimed human rights</p> <p><i>A brief description of our Processes or Systems</i></p> <ol style="list-style-type: none"> <li>1. We advertise all jobs through, intranet, local or international press</li> <li>2. Recruitment is based on skills and competence.</li> <li>3. Recruitment processes are standardized in HR policies.</li> <li>4. We are equal opportunity employer</li> <li>5. We recognize freedom of association and employee representation</li> <li>6. We have established dialogue platforms to resolve any areas of potential misunderstanding.</li> <li>7. We hold regular CBA negotiations and reach agreement regularly every two years.</li> <li>8. Informed workforce that volunteered freely for VCT to combat spread of HIV infection</li> <li>9. Held workshops to inform, bond and commit employees to promote best workforce relations practices</li> </ol> <p><i>Activities implemented in the last year</i></p> <ol style="list-style-type: none"> <li>1. Concluded a new Collective Bargaining Agreement</li> <li>2. Completed 6 HIV/AIDS projects</li> </ol> <p><i>Measurement of outcomes and value added for our company</i></p> <ol style="list-style-type: none"> <li>1. Harmonious, informed and enthusiastic workforce for high performance</li> <li>2. Absence of misunderstanding and labour action for consistence in work performance</li> </ol>	
	<p><i>Activities planned for next year</i></p> <ol style="list-style-type: none"> <li>1. Best practices in recruitment</li> <li>2. Benchmarked practices in developing pay structures</li> <li>3. Dialogue with employees to feel perception and respond positively to good suggestions for improvement</li> <li>4. Adhere to the labour laws</li> <li>5. Adhere to the ILO charter</li> </ol>	



<b>UN Global Compact principles covered:</b>		<b>Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining</b>  <b>Principle 4: Business should support the elimination of all forms of forced and compulsory labour</b>  <b>Principle 5: Business should support the effective abolition of child labour</b>  <b>Principle 6: Business should support the elimination of discrimination in respect of employment and occupation</b>
<b>Labour Rights</b> <b>Current</b>	<i>Commitment</i> <ul style="list-style-type: none"><li>• We are committed to the tenets of Principle 3. We have a recognition agreement in place that expires 31st December 2010</li><li>• We regularly negotiate and settle labour agreements.</li></ul>	
	<i>A brief description of our Processes or Systems</i> <ol style="list-style-type: none"><li>1. Employees have freedom to hold elections within the provisions of their constitution.</li><li>2. Management engage with the workers' representatives on monthly basis</li><li>3. The company has allowed employees to speak out their mind regarding management issues</li><li>4. The entire workforce is invited to annual lunch with management and Board directors</li><li>5. We function on open door policy where any employee has the opportunity to raise issues of concern to him/her with management</li></ol>	
	<i>Activities implemented in the last year</i> <ol style="list-style-type: none"><li>1. Reviewed jobs through a job evaluation process using a consultant, with an aim of.....</li><li>2. Engaged workforce to discuss the jobs</li><li>3. Established a Industrial Council to handle all matters of concern to employees</li></ol>	
	<i>Measurement of outcomes and value added for our company</i> <ol style="list-style-type: none"><li>1. Enthusiasm in work performance evidenced by .70% staff satisfaction level. (Synovade Survey rating</li><li>2. Reduction in number misunderstandings and labour disputes</li><li>3. Reduced absenteeism</li><li>4. Improved productivity</li><li>5. Minimised down time</li><li>6. Improved interpersonal relations with internal and external stakeholders</li></ol>	



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<b>Labour Rights Future</b>	<ol style="list-style-type: none"><li>1. Deepen engagement with employees through dialogue.</li><li>2. Carry out employee perception survey</li><li>3. Respond to issues raised by employees within the framework of labour standards</li><li>4. Engage employees in high performance Continue with the HIV/AIDS activities through peer group educators</li><li>5. Establish recreational facilities for employees, including a sports centre</li></ol>
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## Environment



should support a precautionary approach to environmental challenges	
should undertake initiatives to promote greater environmental	
UN Global Compact principles covered:	responsibility  Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

Environment Current	<p><i>Commitment</i></p> <ul style="list-style-type: none"><li>We are committed to Principles 7, 8 and 9. We have an Environmental Health and Safety Policy and we are fully engaged to the EHS principles</li></ul> <p><i>A brief description of our Processes or Systems</i></p> <ol style="list-style-type: none"><li>We have an EHS policy in place</li><li>We have a team that drives the EHS agenda</li><li>We monitor the EHS activities through monthly reports</li><li>We participate in tree planting and water conservation</li><li>We ensure our operation emissions and effluent are environmental friendly through monthly reports</li></ol> <p><i>Activities implemented in the last year</i></p> <ol style="list-style-type: none"><li>Reviewed the EHS policy and came up with recommendations aimed at.....</li><li>Planted trees (how many)</li><li>Installed rain water harvesting tanks</li><li>Participated in the 2010 lion campaign</li><li>Established a production line to produce light steel structures for roofing to mitigate use of trees for roof trusses</li></ol> <p><i>Measurement of outcomes and value added for our company</i></p> <ol style="list-style-type: none"><li>Planted trees are nurtured to maturity through provision of water through irrigation any value-addition to company?</li><li>Rain water harvested from the roofs is used for irrigation</li><li>Raised consciousness of employees to wildlife conservation.</li></ol>
	<p><i>Activities planned for next year</i></p> <ul style="list-style-type: none"><li>Continue with the current activities</li></ul>
<b>Anti-corruption</b>	
UN Global Compact principles covered:	Principle 10: Business should work against corruption in all its forms, including extortion and bribery



We are committed to this principle in full.	
<b>Anti-corruption Current</b>	<p><i>A brief description of our Processes or Systems</i></p> <p>One of our value statements is to take no shortcuts to quality and to fully adhere to the provisions of the law</p> <p><i>Activities implemented in the last year</i></p> <ol style="list-style-type: none"><li>1. Held dialogue sessions with employees, suppliers and customers to emphasise the values of fully complying with quality standards and provisions of the law.</li></ol> <p><i>Measurement of outcomes and value added for our company</i></p> <ol style="list-style-type: none"><li>1. <i>Zero tolerance to corruption</i> These sound like commitment statements</li><li>2. <i>Complete adherence to the provisions of the law</i></li><li>3. <i>Promoting high quality standards</i></li></ol>
<b>Anti-corruption Future</b>	<p><i>Activities planned for next year</i></p> <ol style="list-style-type: none"><li>1. <i>Zero tolerance to corruption</i></li><li>2. <i>Complete adherence to the provisions of the law</i></li><li>3. <i>Promoting high quality standards</i></li></ol> <p>Same comment as above</p>

### able to your stakeholders?

1. Disseminate through KAM
2. Communicate to employees through quarterly news letter
3. Communicate to other stakeholders through roadshows

### Donations, awards

We support the community in various activities among them are:

1. Save the lion campaign
2. Provide space for NGS promoting community development programs
3. Support development of health care programs – now building and hospital at Mariakani which will also accommodate VCT unit
4. Provide education for sex workers
5. Provide software navigation skills to community members.
6. Standard Chartered Nairobi Marathon
7. Donate to disaster pools
8. Build community schools
9. Provide technical and vocational education through own MTT Institute at Mariakani
10. Discounted sells to schools, hospitals and other community development projects.
11. Introduce technology that mitigates excessive use of trees particularly in house construction
12. Support low cost housing projects countrywide
13. Introduce Kaizen principles to other organizations and government departments
14. Support good governance in organizations and government departments
15. Participate in all for a that enlighten, educate and promote best practices
16. Support KAM activities