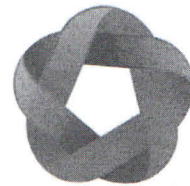




WE SUPPORT



ADPACK

**Adpack Limited Communication on Progress (COP) From: May 2013 to:
May 2014**

Statement of continued support by the Managing Director (MD)

20/6/2014

To our stakeholders:

I am pleased to confirm that Adpack Limited reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Saheel Shah

Managing Director



Company name: Adpack Limited

Sector: Manufacturing

Number of employees: 140

Contact person: Eric Malinda

Address: P.o Box 57020 00200

Email: eric@adpacklimited.com

Phone: +254733487090

Brief description of nature of business

Adpack Limited is a privately owned world-class manufacturing company located in Athi River town, just outside Nairobi, Kenya.

Our commitment to meeting your unique packaging needs, at very competitive prices, is adhered to every step of the way; from the strategic location of our manufacturing facility, the sourcing of the highest quality raw materials to the use of the latest German technology and processes for the production of cement bags and the adherence to the highest quality standards in the world

Adpack Limited is fully geared to support all packaging needs.

- **Products**

- We manufacture all types and colours of laminated, unlaminated, printed and unprinted woven sacks in various sizes e.g. 5kg, 10kg, 25kg, 50kg, 70kg, 90kg etc...
- We also sell full length of fabrics for wrapping, covering or general use
- Our total capacity is 5 million bags per month

- **Adpack Ltd has several key advantages**

- **Best in class GERMAN machinery** – quality is of the highest standard.
- **Focused and highest quality production**



- We consistently manufacture high quality products for several industries
- **We are KEBS certified**; and we adhere to the even stricter global quality control and testing standards set by *the Deutsches Institut für Normung (German Institute for Standardization)* – the highest in the world.
- We use only the highest quality raw materials – globally sourced from the world's leading producers
- We test and control for quality at every stage of the manufacturing process from Production, Packaging to delivery of the products. We use both automated and manual inline quality verification systems at all levels of the production process to ensure that only right products are delivered
- **In-depth knowledge of polymers**
 - Adpack's core team has an in-depth knowledge of polymer chemistry with extensive training from several internationally recognized centers of polymer expertise such including the Polymer Training & Innovation Centre in the UK.

VISION AND MISSION STATEMENT

Adpack Ltd vision is to be the number one East African woven polypropylene packaging products supplier

Adpack Ltd's mission is to relentlessly pursue excellence in packaging production through investments in people and technology



Human Rights Principle

Human rights are interdependent and interrelated. They are universal because everyone is born with and possesses the same rights, regardless of where they live, their gender or race, or their religious, cultural or ethnic background. They apply to all Adpack family equally, and all have the right to participate in decisions that affect them within the workplace.

Universality: Human rights are *universal*. All employees everywhere in Adpack are entitled to them.

Interdependence and Interrelatedness: Human rights are *interdependent* and *interrelated*. Each one contributes to the realization of a person's human dignity through the satisfaction of his or her developmental, physical, psychological needs. The fulfilment of one right often depends, wholly or in part, upon the fulfilment of others.

Equality and Non-discrimination: All employees are equal as human beings and by virtue of the inherent dignity of each human person. No one, therefore, should suffer discrimination on the basis of race, color, ethnicity, gender, age, language, sexual orientation, religion, political or other opinion, national, social or geographical origin, disability, property, birth or other status as established by human rights standards in Adpack.

Participation and Inclusion: All employees have the right to participate in and access information relating to the decision-making processes that affect them at work.

Accountability and Rule of Law: Adpack management is answerable for the observance of human rights. In this regard, adpack have to comply with the legal norms and standards enshrined in human rights instruments. Where they fail to do so, aggrieved rights-holders are entitled to institute proceedings for appropriate redress before top management.

L ADPACK EMPLOYMENT POLICIES

EQUAL EMPLOYMENT OPPORTUNITY

Adpack Ltd is an equal employment opportunity employer. Employment decisions are based on merit and business needs, and not on race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, weight, religion, creed, physical or



mental disability, marital status, veteran status, political affiliation, or any other factor protected by law.

EMPLOYEE BACKGROUND CHECK

Prior to making an offer of employment, Adpack Ltd may conduct a job-related background check. A comprehensive background check may consist of prior employment verification, professional reference checks, education confirmation, and credit check.

CRIMINAL RECORDS

When appropriate, a criminal record check is performed to protect Adpack Ltd.'s interest and that of its employees and clients.

ANNIVERSARY DATE

The first day an employee reports to work is his or her official anniversary date. This anniversary date is used to compute the following benefits:

- Vacation/Leave days
- Other benefits as appropriate to employee's designation

PERSONNEL RECORDS AND ADMINISTRATION

The task of handling personnel records and related administration functions at Adpack Ltd has been assigned to the Human Resources Department. Personnel files will be kept confidential at all times and include some or all of the following documents:

- National ID
- Passport and Work permit
- Personal records and employment related medical records
- Other information as necessary

CHANGE OF PERSONAL DATA

Any change in an employee's name, address, telephone number, marital status, dependents, or insurance beneficiaries, or a change in the number of tax withholding exemptions, needs to be reported in writing without delay to the Human Resources Department.



SAFETY

The safety and health of employees is a priority. Adpack Ltd makes every effort to comply with all workplace safety requirements. Each employee is expected to obey safety rules and exercise caution and common sense in all work activities.

BUILDING SECURITY

Each and every employee must follow the building security rules and regulations. Employees are not allowed on Adpack Ltd property after hours or outside of shift hours without prior authorization from their supervisor.

PERSONAL PROPERTY

Adpack Ltd assumes no risk for any loss or damage to personal property and recommends that all employees have personal insurance policies covering the loss of personal property left at Adpack Ltd premises

HEALTH-RELATED ISSUES

Employees who become aware of any health-related issue should notify their supervisor of health status as soon as possible.

EMPLOYEE REQUIRING MEDICAL ATTENTION

Employees should report all work-related injuries and accidents immediately to their supervisors.

VISITORS IN THE WORKPLACE

For safety, insurance, and other business considerations, only authorized visitors are allowed in the workplace. When making arrangements for visitors, employees should request that visitors enter through the main reception area and sign in and sign out at the front desk.

WEATHER-RELATED AND EMERGENCY-RELATED CLOSINGS

At times, emergencies such as severe weather, fires, or power failures can disrupt company operations. In such instances, Executive Staff will decide on the closure and Human Resources will provide the official notification to the employees.



Implementation

Adpack description of concrete actions to implement Human Rights policies, reduce Human Rights risks and respond to Human Rights violations.

Examples:

❖ Inclusive and participatory dialogue

Participation is a key principle for human rights work. While it is usually the employees who initiate the baseline study, all stakeholders should be invited to contribute to it.

❖ The content of the baseline study

To focus on problems that are recurring or reveal structural problems. Our baseline study guidelines:

1. Review the status of ratification and reservations and take note of the findings and recommendations of Human Rights from our employees.
2. Assess the functioning of the law enforcement system in the company.
3. Evaluate efforts to provide human rights education.
4. Analyze the conditions for other human rights complaints mechanisms to verify whether their mandates are adequate in terms of competences, resources and independence in accordance with the Adpack Principles.
5. Map out how responsibility for human rights implementation is distributed between employees cooperation and coordination.
6. Identify obstacles faced in their working environment and opportunities for constructive dialogue with management.

❖ Human rights indicators as a tool

Indicators within this scheme look how complaints of human rights violations are handled and whether policies for human rights promotion exist. Statistics and other information indicating the prevalence of human rights violations are added to the analysis.



❖ **Data collection; This is done through our suggestion box**

Relevant and reliable data is a pre-condition to using human rights indicators as an assessment tool for our swift action as a company.

Measurement of outcomes

All of Adpack departments have 'stretching targets' which are aspirational targets for certain KPIs. The performance of all departments is monitored continually and reported monthly to the management.

These KPIs are used to assess current performance, make comparisons with previous performance and help managers respond when targets are not being met. For instance, following investigations, an explanation for narrowly missing the staff training target or hygiene target.



Labor Principles

Adpack upholds the freedom of association and the effective recognition of the right to collective bargaining.

The company upholds the elimination of all forms of forced and compulsory labour. We also uphold the effective abolition of child labor and elimination of discrimination in respect of employment and occupation.

ADPACK POLICY ON CHILD WORKERS

According to International Labor Organization (ILO), Child Labor represents hazardous forms of work that disrupt the healthy development of a child. Child labor can limit or damage the physical, mental, social or psychological development of children and undermine a child's right to childhood, development and education. The company recognizes its responsibility to take an effective role in reducing child labor and will thus actively conduct age related searches so as to ensure that the Company does not employ any person deemed by local or international laws, conventions or regulations to be a child in any capacity in any industrial operation under its control.

Implementation

Concrete actions taken by Adpack to implement labour policies, reduce labour risks and respond to labour violations.

Examples:

- ❖ Our constant use of the suggestion box, grievance mechanisms taken to avoid and take care of any violation.
- ❖ We raise awareness by training our employees on labour laws and rights by holding regular Union meetings with the government stakeholders.
- ❖ Adpack has ensured that health and safety of all employees is ensured by placing health policies and warning signs inside and outside the company premises that helps the employees by reminding them on hazards to avoid, what to do in case of fire and general instructions in case of an accident.
- ❖ We allocate responsibilities to our employees for the allocation of responsibilities for the protection of labour rights within our organization.



Environmental Principles

Adpack as a company supports a precautionary approach to environmental challenges by undertaking greater initiatives i.e. tree planting, environmental maintenance like recycling to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies.

Assessment, Policy and Goals

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities).
Description of policies, public commitments and company goals on environmental protection.

Examples

- Assessment of the environmental footprint and impact of your company
- Written company policy on environmental issues, including prevention and management of environmental risks
- Policy requiring business partners and suppliers to adhere to the environmental principles
- Describe specific goals in the area of the environment for the upcoming year

Implementation

Adpack takes concrete actions to implement environmental policies, reduce environmental risks and respond to environmental incidents by carrying out environmental exercises.

Examples

- Awareness raising or training of employees on environmental protection
- Initiatives and programs to reduce waste materials (e.g. recycling) and consumption of resources (Energy, water, electricity, paper, packaging, etc.)
- Activities aimed at improving the energy efficiency of products, services and processes.
- Development and diffusion of environmentally friendly technologies
- Raise awareness among suppliers by asking for the environmental footprint of products or services.
- Environmental management system to identify, monitor and control the company's environmental performance.
- Allocation of responsibilities for environmental protection within our company.



Measurement of outcomes

Adpack monitors and evaluates environmental performance through:

- Reviewing the company's environmental goals
- Analyzing its environmental impacts and legal requirements
- Setting environmental objectives and targets to reduce environmental impacts and comply with legal requirements.
- Establishing programs to meet these objectives and targets.
- Monitoring and measuring progress in achieving the objectives
- Ensuring employees' environmental awareness and competence.
- Reviewing progress of the Environmental Management System and making improvements



Anti-Corruption Principles

Adpack works against corruption in all its forms, including extortion and bribery.

ADPACK ANTI-CORRUPTION POLICY

The Company's reputation for lawful and ethical business relations is important and we require all employees and other business associates, whether employed directly or indirectly (including customers, suppliers, agents, distributors, and others working for or on behalf of the Company), to act professionally and with integrity.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all employees across the Company; each employee is required to avoid any activity that might constitute, lead to, or suggest, bribery and/or corruption activities.

Bribery is an offence within the majority of countries around the world and penalties can be severe. Corrupt acts, wherever in the world they are committed (including those committed by business partners such as agents, distributors or joint venture partners) are taken very seriously within Adpack Limited.

It is recognized that market practices vary from country to country and that it is not always easy to decide what is acceptable from an anti-bribery perspective. The company's anti-bribery policy is not designed to prohibit the acceptance or offer of reasonable and customary gifts and hospitality. However, employees and business associates should bear in mind that transparency is fundamental to maintaining the zero tolerance position of the Company with respect to bribes and other improper payments. The key consideration to remember is that no inducements should be accepted or offered if the intention is to influence the recipient in order to gain or retain a business advantage.

Any employee who is aware of possible bribery and corruption activities should feel comfortable in disclosing such details and further information about the disclosure process can be found within the Company's whistleblowing policy. A commitment has been made within the company to ensure that employees who do come forward with such information are protected to the fullest extent possible.

Assessment, Policy and Goals

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment). Description of policies, public commitments and company goals on anti-corruption.

Examples



- Assessment of risk of corruption and bribery in the company's industry and country (ies) of operation
- Written company policy of zero-tolerance for corruption, bribery and extortion
- Reference to (or statement of support for) the UN Convention against Corruption and other international instruments
- Protocol to guide staff in situations where they are confronted with extortion or bribery
- Policy requiring business partners and suppliers to adhere to the anti-corruption principles
- Specific goals in the area of anti-corruption for the upcoming year

Implementation

Adpack concrete actions to implement anti-corruption policies, reduce anti-corruption risks and respond to incidents.

Examples

- Our suggestion box, grievance mechanisms.
- Awareness raising and training of employees about company's policies regarding anti-corruption and extortion (e.g. mailings, internet, internal communication, etc.)
- Allocation of responsibilities for anti-corruption within the company
- Participation in industry initiative or other collective action on anti-corruption.

Measurement of outcomes.

Adpack ensures zero tolerance when it comes to corruption within the company. Steep measures are ensured to curb any act of corruption i.e. job dismissal and reporting to the relevant authority about any corruption incident. This is actioned after thorough investigations have been carried out by both internal and external authorities to ensure consistency and transparency.

Adpack carries out internal audits to ensure consistency with anti-corruption commitment, including periodic review by senior management.

