



KRYSTALLINE SALT LIMITED

UNITED NATIONS GLOBAL COMPACT

COMMUNICATION ON PROGRESS

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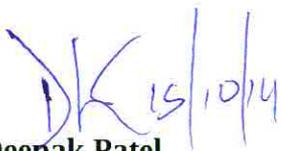
STATEMENT OF CONTINUED SUPPORT

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

We have a strong commitment to responsible business practices and recognize the importance of balancing the interests of all key stakeholders - our consumers, our clients, our employees, and communities in which we work. Since September 2013, as part of our commitment as members of the United Nations Global Compact, we have started engraving the ten principles in our approach to corporate responsibility and business practices, by mapping them on to our policies and enhancing our policies.

By delivering, our first, communication on progress, we are reaffirming our continued adherence to the Global Compact and our voluntary commitment to implement the Global Compact and its ten principles within the firm and to addressing them as a key issue in our dealings with partners.

Sincerely yours,


Deepak Patel
Chief Executive Officer
Krystalline Salt Limited



ABOUT US

Krystalline Salt Limited is the one of the largest salt producer in East Africa. We were established in 1984, primarily as a salt manufacturer, with sales and distribution as a support function. In 2007, we acquired the oldest salt works in East Africa, which had been founded in 1925 by the German investors post independence. Currently, we produce approximately 200,000 Metric Tonnes of Raw Salt annually, with 100% of the raw salt harvested from the warm Indian Ocean. We currently employ over 500 people and about 2000 seasonal workers, during our harvesting seasons.

Vision

To be respected and recognized as a East Africa's leading producer of Quality Edible Salt.

Mission

To be the market leader and consumers first choice of **quality edible premium salt** by striving to provide superior customer service, management efficiency by employee empowerment and lowering cost of production by leveraging technology and use of best practices.



HUMAN RIGHTS

Krystalline Salt recognizes that Human Rights are an integral corporate citizenship and we respect and support the Universal Declaration of Human Rights.

The first two principles of the UN Global Compact, which are derived from the Universal Declaration of Human Rights, are;

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

Principle 2: Business should make sure that they are not complicit in human rights abuses.

Krystalline Salt has established code of conduct and core values which are consequently rooted in our company culture. **Our culture** is about fostering respect for all, which means all our stakeholders, from our employees, local community, our consumers, customers and suppliers. We are guided by three pillars

1. **Respect for all** – Respect and work as a team with all stakeholders
2. **Continuous improvement** – challenge ourselves daily to improve our operations
3. **Communication** – effective and constant communication to strengthen the respect among all stakeholders and continuously improve at all levels.

We expect all our staff to project the following **values**

1. Integrity, Passion & Ownership
2. Evolution through continuous innovation
3. Service excellence through efficiency and consistency
4. Commitment to quality and safety

We recognize our obligation to conduct our activities in full knowledge of and compliance with the requirements of all regulatory and statutory legislations.



We support human rights of our staff through the following actions:

- Maintaining a safe working environment.
- Treating employees with utmost consideration, respect, dignity and understanding.
- Forbidding use either directly or indirectly of forced/child labour
- Compensating and rewarding equitably based on performance
- We have in place a Medical Clinic for staff within our premises in Gongoni. Other employee in Nairobi and Mombasa have access to a clinic near their locations.



LABOUR

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

Principle 4: **the elimination of all forms of forced and compulsory labour**

Principle 5: **the effective abolition of child labour; and**

principle 6: **the elimination of discrimination in respect of employment and occupation.**

Krystalline Salt applies the above labour principles through the Code of Conduct and our Human Resource Policies. We select and recruit 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. We adhere to the effective abolition of child labour by ensuring that we comply with minimum age provisions of the labour laws.

Krystalline Salt Limited is committed to providing a healthy and safe working environment to all employees. In line with the above policy, we:-

1. create awareness to employees on healthy and safe working procedures through continuous awareness and training. We periodically call OHS experts to train our staff and perform Audit of our process.
2. respond quickly to emergencies by abiding to emergency planning and preparedness procedures.
3. engage in activities that promote occupational health and safety.
4. maintain and continually improve an effective occupational health and safety programme, which meet the requirements of the applicable statutory, legal and regulatory requirements.
5. minimize the occurrence of OHS accidents by identifying hazards and initiating preventive and corrective action procedures appropriately.
6. Routine factory inspections are held to identify possible hazards such as mechanical hazards, chemical hazards, electrical hazards, fire, hot temperatures, bright light and glares, noise,

ergonomic hazards, transport hazards, atmospheric dust (from the surrounding environment) and biological hazards.



Trainings conducted for Occupation health safety, Drug abuse and Sexual harassment



ENVIRONMENT

Principle 7: **Business should support a precautionary approach to environment challenges;**

Principle 8: **Undertake initiatives to promote greater environmental responsibility, and**

Principle 9: **Encourage the development and diffusion of environmentally friendly technologies.**

Krystalline Salt Limited is sensitive to the fact that our operations have an effect on the local and global environment. As a result of this, the management is committed to a program of continual improvement and the prevention of pollution so as to minimize the potential harmful effects of such activities. We have installed eco friendly thermal fluid heater which uses firewood. We use approximately 80,000 trees a year. As we are aware of the long term negative impacts of using firewood, we have embarked on a long term elaborate self sustainability program to grow trees within our own parcel and engage local farmers to grow trees for our operations.

We have engaged over 110 local farmers to grow trees. We have provided the seedlings and continue to provide them water and technical advise. The farmers will sell back the trees for our operations after 4-5 years. We will continue to support them by providing them seedlings for each tree we buy. Further we have allocated over 800 acres within our land for tree planting. Between Sept 2013 to Sect 2014, we have already grown over 350,000 trees. **We aim to grow one million trees by 2017.**



Our guiding principle is to meet, all relevant environmental regulations, laws and codes of practice in order to minimize any adverse environmental effects caused as a consequence of our activities and



products. We support Environmental Conservation, by planting Mangrove trees, Casuarina trees and Eucalyptus trees in collaboration with the Kenya Forest Service (KFS). We use Biomass energy. Wood is a carbon neutral fuel. The carbon dioxide emitted during burning is equal to the carbon dioxide that the biomass absorbed while it was growing. The fuel gases of biomass fuel are the least polluting to the environment compared to fuel oil, diesel, coal and even natural gas. The ash of biomass fuel is also very safe unlike all competing fuels. The ash contains only minerals that were absorbed by the biomass from the soil during its growth. This we can safely return back to the soil as a micro-nutrient fertilizer.



We are also utilizing a lot of biomass that would otherwise go to waste such as Coconut shells and core, Cashew nut shells.

We implement our policies through a coordinated environmental management system. We set targets and goals to improve our environmental performance. The company maintains that a primary part of its corporate environmental strategy is to sustainably manage waste and to recycle materials wherever possible. This leads to effective waste management and efficient resource management in all departments.



ANTI CORRUPTION

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

Krystalline is committed to conduct our business fairly, honestly and without improper influence. We are guided by our code of conduct and our core values. **Integrity being our first and most important core value.**

In 2013 our key management team participated in seminars and forums organized by the Global Compact to bring visibility on ways to fight corruption. We have started developing our Ethics policy, which we aim to launch in the 1st Quarter of 2015, with a training program.

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

We pride ourselves by giving back to our local communities and the less privileged through our **Corporate Social Responsibility** program. We recognize that our social, economic and environmental responsibilities to the community are integral to the business and this is demonstrated through our actions

We have contributed to education by constructing a primary school in Marereni, in our neighboring community to boost the levels of basic education. We continue to contribute annually to the same in form of school furniture and books. Additionally a water tank was also provided. Currently there are 1780 students.



We invite university students to visit our Solar harvesting process and the refinery process to give them an education experience.





We contributed to health, by building the only Maternity ward in the Magarini constituency. We continue to provide annual medical kits to the medical Clinic. We have plans of opening another Clinic in 2015 for children.



We are in the planning stage of an internship program to create employment opportunities to new graduates. Currently we have engaged almost ten education institutes and in 2015, we will partner with these institutes and hire annually over 20 new graduates in our internship program.

We have partnered with Talanta Kenya, who organized a Christmas event for almost 3000 homeless Children. Children were brought together in an open and conducive environment, to enjoy nature, play and share a meal. We sponsored and additionally provided the highlight of the day...the Christmas CAKE!

We have partnered with Girl Child Network with the objective of changing lives of as many girl-child and women, as we can, to encourage them to educate and become independent. We have partnered with them to support them in their medical clinics around Kenya.





In 2013, The 'watoto pamoja' event was held by **Therapies for Kids**. Krystalline Salt sponsored the event which was a great success. Over 350 families with children with disability came to the event. The kids were give an opportunity to play and express themselves without being subjected to stigma as they normally do in society.



We invested in a mineral plant in 2013, which provides water to all its staff. Additionally, the local community has been provided access to the same water. Over 10,000 people collect the mineral water per month for free.



We also built a dam , which serves about 10,000 villagers in nine villages namely Midodoni A and B Mandokeni, Kadzuhoni, Dodoma, Msambweni, Karimapaka and Mbuyu wa kombo. Daily animals are seen drinking water and many villages daily come to collect the water.





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

THANK YOU

