

NAMM PHARMACEUTICALS COMPANY LIMITED

ANNUAL COMPANY REPORT COMMUNICATION ON PROGRESS (COP)

FROM: OCTOBER 2013 TO: OCTOBER 2014

CONTACT PERSON

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STATEMENT OF CONTINUED SUPPORT

16/12/2014

To Our Stakeholders (United Nations Global Compact):

I am pleased to confirm to you that Namm Pharmaceuticals Company 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.

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 primary channels of communication.

Yours Sincerely

Dr. N. Ngeera

Chief Executive Officer

Namm Pharmaceuticals

Human Rights Principles

Namm Pharmaceuticals Company Limited supports and thus respects the internationally proclaimed human rights in all its operations. In this, it has upheld these rights in its various sectors of its interventions. Equity is a virtue that runs through the company's framework and all the employees both men and women have been treated the same at workplace and also other social amenities provided by the company.

Women workers are particularly vulnerable to exploitation and especially at work places. In Namm Pharmaceuticals Limited for example, there are about 20 female working in different projects. In support of the human rights for this target group, the company has improved the policies that deal with cases of sexual harassment, maternity leaves, overcrowded housing, low pay, and other conditions.

The company has also provided the employees and the local communities with schooling, water projects, AIDS awareness, and other health and social programmes. This has enhanced the participation of both the workers and the communities in development initiatives apart from their normal duties.

Implementation

The company has often embraced human rights as a way to improve on the service delivery in all its operations. This has been characterized by the following;

1. Use of suggestion boxes where all the workers are supposed to air out their grievances.
2. Timely training sessions in regard to human rights to the employees. This has not only improved in human rights awareness at the work place but has also ensured that the workers are enlightened on issues to do with their rights.
3. There has been an improved departmental consultation in matters of decision making which has also made a smooth running of the company.
4. Allocation of responsibilities has also been done in indiscriminative manner.
5. There has also been a policy set aside by the company which has also been geared towards enhancing human rights. E.g. health covers for the employees, timely home leaves, and maternity leaves e.t.c

Measurement of Outcomes

The company has a central networking unit in which all the employees can air out their grievances. This platform doesn't expose an individual once they report any case. This makes it easier for the officials to understand the situation on the ground.

After thorough investigation, violators of human rights are usually served with warning letters.

Labour Principles

Based on international conventions designed to provide a single set of standards for employees across diverse cultures and regulatory environments, Namm Pharmaceuticals Limited Labour Principles span our operations, covering every Namm Pharmaceuticals employee in every Namm Pharmaceuticals business unit.

The principles ensure decent and fair labour conditions for all our people and provide systems and processes for employees to raise concerns about their workplace. We believe they help reduce the risk of workplace disputes, and they enhance our ability to attract the talent we depend on in our various sectors of intervention.

The Labour Principles in Namm Pharmaceuticals Limited reflect our commitment to the UN Global Compact, covering collective bargaining, discrimination, child labour and forced labour, as well as health, safety and security, working hours, compensation and fair procedures.

Measurement of Outcomes

As a supplement to internal reporting of employee concerns about possible violations of laws or group policies, the group offers a whistle-blower networking unit system hosted by a third-party service provider. This system allows employees and external parties to report alleged violations of laws or group policies, including discrimination and harassment to the service provider, which sends the reports to the group's central legal and audit departments.

Environmental Principles

Namm Pharmaceuticals Limited makes environmental issues a genuine priority and incorporates proper environmental protection measures at all levels of operations ensuring that facilities are operated, maintained and customized in compliance with national and international laws, regulations and environmental standards.

Assessment, Policy and Goals

Namm Pharmaceuticals Limited is committed to protecting the health and safety of all individuals affected by our activities; including our employees, contractors and the public. Namm Pharmaceuticals Limited will provide a safe and healthy working environment, and will not compromise the health and safety of any individual. Our goal is to have no accidents and mitigate impacts on the environment by working with our stakeholders, peers and others to promote responsible environmental practices and continuous improvement.

Measurement of outcomes

- Namm Pharmaceuticals Limited is committed to environmental protection and stewardship.
- Namm Pharmaceuticals Limited recognizes that pollution prevention, biodiversity and resource conservation are key to a sustainable environment, and will effectively integrate these concepts into our business decision-making.
- All employees are responsible and accountable for contributing to a safe working environment, for fostering safe working attitudes, and for operating in an environmentally responsible manner.

Anti-Corruption Principles

At Namm Pharmaceuticals Limited, the way we do things is just as important as what we do. Of course, we want to be the best in our industry. We also want to create a workplace where each employee achieves the highest business and personal standards, and where everyone feels proud of our company and the job which he or she does.

Namm Pharmaceuticals Limited has initiated some core values which are but not limited to: Accountable, Customer Focused and Team Driven. These values guide how we work every day. We bring these values to life in the way we perform, giving our best effort every day, being accountable for what we do, delivering on our commitments to each other and to our customers, setting objectives, meeting our goals, and working together to achieve business results. A core objective of our Company is creating a winning and inclusive culture that drives results.

Assessment, Policy and Goals

By working as an employee at Namm Pharmaceuticals Limited, you are representing the Company to our customers and everyone else you come into contact with. As laid out in our Code of Business Conduct, you are expected to adopt the highest standards of professional and personal behavior and demonstrate Respect, Integrity, Good judgment, Honesty and Trust, the Right Way, in all your actions, no matter what the circumstances. One of the guiding principles of the Code of Business Conduct is 'complying with anti-corruptions laws'. The Anti-Corruption Policy extends on this principle, and is applicable to all employees and everyone whom we do business with, including agents, representatives, consultants, independent contractors and anyone acting on behalf of Namm Pharmaceuticals Limited. If you have any questions regarding Namm Pharmaceuticals Anti-corruption Policy, please contact your local Legal Officer or the Ethics and Compliance Office.

Implementation

This policy outlines acceptable and non-acceptable behaviors to ensure compliance with anti-corruption laws, such as the Kenya Ethic and Anti-Corruption Commission. This includes compliance with all laws, domestic and foreign, prohibiting improper payments, gifts or inducements of any kind to and received from any person, including officials in the private or public sector, customers and suppliers.

Facilitation payments are not allowed. If you are unsure whether certain payments represent facilitation payments, please contact the Ethics and Compliance Office at Namm Pharmaceuticals Limited.

Measure of Outcomes

You must follow the company's processes and adhere to the system of internal controls around supplier selection. Supplier selection should never be based on receipt of a gift, hospitality or payment. When supplier selection is a formal, structured invitation for the supply of products or services (often called a 'tender'), it is most important we maintain documentation supporting our internal controls. In the public sector, such a tender process may be required and determined in detail by law to ensure that such competition for the use of public money is open, fair and free from corruption.

A tender process includes an invitation for other parties to make a proposal, on the understanding that any competition for the relevant contract must be conducted in response to the tender, no parties having the unfair advantage of separate, prior, closed-door negotiations for the contract where a bidding process is open to all qualified bidders and where the sealed bids are in the open for scrutiny and are chosen on the basis of price and quality. You are not allowed to make political contributions from Company funds without authorization.

Contributions made by the company to community projects or charities need to be made in good faith and in compliance with our Code of Business Conduct, this Anti-Corruption Policy and all relevant to the company's policies and procedures. Expenses must never be hidden or purposefully misclassified.

All business units must maintain an effective system of internal control and monitoring of our transactions. Certain monitoring controls are identified in our policies, specifically regarding approval of travel and entertainment expenses. It is your responsibility to be knowledgeable of control procedures and ensure compliance. If you want to ask a question about the requirements in this policy or are concerned that an anti-corruption violation is occurring or has occurred, report it immediately to one of the following the company's legal office.