



SCANGROUP

Communication on Progress Report

December 2014

STATEMENT OF CONTINUED SUPPORT

Hereby enclosed Scangroup's Communication on Progress report, March 2015

Scope of this Communication on Progress

We have progressed in our attempt to abide by the United Nation Global Principles in the areas below:

1. Human Rights – Principle 1 and 2
2. Labor Rights- Principle 6
3. Environment – Principle 8 and
4. Anti Corruption- Principle 10

Operating in a unique environment, it is beyond our reach to have systems and activities in place for all 10 principles that govern the UNGC.

We continue to work within principles that are relevant to our business and the environment in which we currently operate and these are expounded in the pages that follow.

We pledge to continue to improve our implementation of the 10 principles, where applicable in our current state of operation (attached Letter of continued support).

1. HUMAN RIGHTS

Principle 1: Business should support and respect the protection of internationally proclaimed human rights.

And

Principle 2: Businesses should make sure they are not complicit in Human Rights Abuses.

Support and respect of Human Rights has continued to be integral in our company's operations over the years. We have continued to foster close and open working relationship with our employees, suppliers and partners to ensure that the respect of human rights is maintained through all our business operations.

The below are on-going activities that continue to be implemented in line with these principles;

- Provision of health insurance for all employees and their families
- Set working hours for all employees
- Mandatory 21 day leave for all employees
- Providing safe and healthy working environments for all the employees (as per our code of conduct)
- Open door policy to line managers and the Human Resource department for handling of employee grievances Easy access as per our code of conduct (Section; Reporting violations)
- Extension of company loans to employees for additional health care and education if need be

SYSTEMS:

- Open door policy with immediate bosses and Group HR Manager
- Implementation of the Supplier tracking system that checks all our partners/ suppliers to ensure their businesses are aligned with Scangroup's ways of working
- Warnings and eventual termination where needed for employees and suppliers that are non-compliant provisions for the above as stipulated by our code of conduct

2. LABOUR RIGHTS

Principle 6: Businesses should uphold the elimination of discrimination in respect of employee and occupation.

‘Scangroup is an equal opportunity employer,’ (Code of conduct on discrimination).

We continue to employ systems that drive a discriminatory free working environment. We do not discriminate (sex, age, religion and color) in our recruitment, training or promotion of our employees.

The Scangroup has stipulations that discourage harassment (verbal, sexual or otherwise) of our employees.

Our employee base has grown over the past year. We currently have over 600 employees; with over 75 expatriates across our agencies.

SYSTEMS IN PLACE

- Open door policy with immediate managers and the Group HR Manager
- Annual appraisal and employee review system that promotes employees based on merit
- Mandatory WPP Code of Conduct Training

3. ENVIRONMENT

Principle 8: Businesses should undertake initiatives that promote greater environmental responsibility

We continue to partner with likeminded organizations when it comes to the protection of our environment.

Internally, our code of conduct stresses environmental accountability. (Section under Community Partnerships)

Activities that the company has undertaken are as below:

- Recycling of printed paper for internal use (re use, re-use, recycle)
- Introduction of the CHASE system that encourages email briefing and 'soft copy' storage creative collaterals

4. ANTI CORRUPTION

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

“The company has adopted a zero tolerance policy for bribery regardless of any circumstance,” (Scangroup Code of Conduct under Anti Corruption).

All our employees are required to work with integrity in their dealing with both our internal and external customers. We do not allow violation of the law in our dealings by any of our employees and business partners.

SYSTEMS IN PLACE:

The Scangroup Code of Conduct guides our business practices and client dealings by requiring the below from our employees

- Strict abidance to Competition Fair Market play
- Employment of stringent procurement practices with our vendors
- Avoiding situations that could create a conflict of interest with the company or with the law
- Open communication policy with our internal and external partners

ACTIVITIES:

- Mandatory WPP Global Bribery and Corruption awareness training Mandatory WPP code of conduct training for all employees

PARTNERSHIP PROJECTS

In the last year, Scangroup collaborated with the Kenya Society of Anesthesiologists (KSA) and Lifebox Foundation, by providing funding for Pulse Oximeter packages to enhance surgical safety in Kenya.

A Pulse Oximeter monitors the level of oxygen in a patient's bloodstream during surgery and sounds an alarm if it detects an unsafe change in oxygen levels, thus making it one of the most critical tools for making surgery safe. Scangroup will continue to support KSA and Lifebox during 2014.

Scanad, our leading agency also participated in creating creative collateral for the Lamu Cultural Festival – A celebration of both the past and the future that showcases the heart and soul of the Lamu Community.

AWARDS AND DONATIONS

Scangroup through its various agencies won awards at the Loeries International Awards, GongGong Awards in Ghana, Africa Crystal Awards and the Marketers Society of Kenya Awards.