



Communication on Progress Year: May 2014 – May 2015

Statement of Continued Support of the UN Global Compact

I am pleased to confirm Tropical Heat's continued support of the UN Global Compact and Global Compact Network Kenya. We have been a signatory since the year 2008 and Tropical Heat remains committed to the ten principles, which has served as a consistent guide in our business sphere. Human rights, Labour, Environment and Anti-corruption principles have been entrenched in our various policies and procedures and we endeavour to implement them in our day to day operations. We will continue to support all the ten principles and communicate the best practice to our employees, stakeholders, suppliers, business partners and the community we live in.

Yours Sincerely,

Nilesh Shah Chairman 18th May 2015

Company Name:

Tropical Heat (Deepa Industries Ltd)

Sector:

Food Manufacturing Industry

Number of employees:

225 Employees

30 Casuals

UN Global Compact Signatory Since: 2008

Contact person:

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Brief description of nature of business

Tropical Heat is now officially a registered business name for Deepa Industries Ltd.

Established in 1973, Tropical Heat was set up as a small cottage industry by two entrepreneurs who wanted to give Kenyans the best in 'home made' snacks and spices. Today, Tropical Heat has over 250 employees in East Africa and is one of the leading manufacturers of spices, seasonings and snacks in the region, with a strong brand and reputation for quality products.

We have a specialist team that manufactures a vast range of spices and snacks. The spices include pure spices, herbs, seasonings, masalas and salts. The snacks include a range of potato crisps, ethnic snacks, Kenyan chevda, peanuts, rice cakes and extruded snacks. Our manufacturing processes are fully automated in a hygienic factory, which is also HACCP and the first to be ISO22000 certified in this sector and region.

Our markets are local, regional and international (with an established presence in 14 countries including Uganda, Tanzania, Rwanda, DRC, Burundi, UK and the USA).

The company prides itself on quality, hygiene and customer service. Our philosophy is continuous Improvement.

Our quality promise

Tropical Heat spices and snacks are manufactured with the highest degree of attention to quality and safety. As we pride ourselves in the quality of our products, our commitment to quality is fundamental in all our activities.

The Management is committed to providing a safe and hygienic work environment that minimizes and eliminates the risk of product contamination through implementation and effective management of ISO 22000: 2005 Food Safety Management Systems. This ensures that food safety hazards are evaluated and controlled through process evaluation, inspection and verification.

In our pursuance for safe food production and distribution, Tropical Heat is bound to the relevant customer requirements, statutory hygiene legislation, codes of practice within the food industry, environmental management laws and the Occupational Health and Safety Act, 2007.

Effective implementation and adherence to food safety and quality practice is achieved through ensuring that all employees are competent, sufficiently trained and actively involved in the application of food safety principles in their duties and through continuous improvement.

Our Products





















Scope of this COP

Human Rights

- Principle 1: Business should support and respect the protection of internationally proclaimed human rights
- Principle 2: Business should ensure that they are not complicit in human rights abuses

Labour Rights

- Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4: Business should support the elimination of all forms of forced and compulsory labour
- Principle 5: Business should support the effective abolition of child labour
- Principle 6: Business should support the elimination of discrimination in respect of employment and occupation

Environment

- Principle 7: Business should support a precautionary approach to environmental challenges
- Principle 8: Business should undertake initiatives to promote greater environmental responsibility
- Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

Anti-corruption

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

Human Rights

Human Rights

UN Global Compact principles covered:

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

Principle 2: Business should ensure that they are not complicit in human rights abuses

Commitment

Tropical Heat respects and supports the international proclaimed human rights and ensures that all employees respect the law on human rights and they are not complicit in human rights abuses. The company respects, promotes and protect the bill of human rights act stated in the constitution of Kenya.

Process/Systems

- We are an equal opportunity employer and all employees are treated equally without discrimination.
- The company complies with the occupational safety and health act laws of Kenya. We have a nominated a team of 21 staff members as the health and safety committee, whose main objective is to ensure safe working environment for all employees. The team also ensures that the health and safety policy is implemented. Both internal and external audits are conducted to ensure all hazards are identified and eliminated.
- We provide everyone with suitable personal protective clothing depending on the core duty or task at hand.
- The company provides employees with adequate water supply for both drinking and sanitation purpose.
- All employees are entitled to annual leave, maternity leave, sick leave, and paternity leave as stipulated in the Kenyan Employment Act.
- The company provides out-patient medical cover for all permanent and contracted employees. This done by two of best medical providers in the country.
- Our employees' drive, skill, insight and experience are essential towards meeting our clients' needs and growing our businesses. In this regard, we offer soft education loans to our employee who would like to improve or acquire more knowledge and skills. Also, employees are granted flexible working hours to accommodate schooling programmes.
- There is a disciplinary policy/procedure in place to ensure fairness while dealing with disciplinary matters. This also ensures that company policy and procedures are followed.
- Employees are given contracts, code of conduct, hygiene rules and employment manual on time coupled with an induction programme that includes organizational Health and Safety training. This ensures that they are aware of the company rules, procedures and regulations.

- We have a company SACCO fully managed by staff, with a total of 90 registered members, which supports them financially by providing loans (emergency, normal and education). This also promotes a saving culture.
- There is a proper organisation structure in place to enhance communication channels in the company. The official languages within the company premises are Kiswahili and English for effective communication.
- Tropical Heat provides 24 hours proper security for all employees within the premises.
- Performance appraisals are conducted annually for all employees to monitor and evaluate individual performance, identify training needs as well as to ensure fairness in promotions, recognition and rewarding. The company has introduced a new performance management tool known as Balanced Score Card (BSC) which aims at improving the performance management systems.

Measurements

- Improved 360 degree feedback in the company
- Improved human rights practises
- Proper handling of grievance procedures
- Improved working conditions for all our employees

Human Rights Future

Activities planned for next year

Develop a committee to continuously champion the UN Global compact ten principles implementation in the organisation (General).

Train all employees on the bill of rights act and the UN Global Compact human rights principle (promote awareness).

Labour Rights

UN Global Compact principles covered:

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

Principle 4: Business should support the elimination of all forms of forced and compulsory labour

Principle 5: Business should support the effective abolition of child labour

Principle 6: Business should support the elimination of discrimination in respect of employment and occupation

Commitment

Tropical Heat is committed to the UN Global Compact labour rights principle. The company also complies with the labour laws of Kenya under the Employment ACT 2007.

Process/Systems

- The company upholds the freedom of association and recognise the right to collective bargain. We have employees who are members of the Bakery Confectionery, Food Manufacturing and Allied Workers' Union Kenya and COTU. All employees are treated equally regardless of their union membership status.
- Unionised employees are allowed to hold meetings to discuss any matters arising and the shop steward escalates their issues to the union secretary general and also to the company management. There is a current collective bargaining agreement which the company adheres to while addressing issues relating to employee terms and conditions of service.
- The company engages professional bodies such as Federation of Kenyan Employers (FKE) whilst dealing with labour related issues.
- Tropical Heat is against all forms of forced and compulsory labour, during the recruitment process we ensure that the terms and conditions of services is clearly stated to the selected candidates and also a clear job description is issued to all employees.
- The company supports the effective abolition of child labour. Anyone below the age of 18 years cannot be employed. Before commencing employment, it is the responsibility of the Human Resources Manager to ensure that employees provide all the statutory documents (National Identification Card, NHIF card, NSSF card, Good conduct certificate and KRA Pin Certificate).
- Tropical Heat promotes and guarantees equality to all its employees. We are an equal opportunity employer and we strive to eliminate discrimination of all forms in our business practises. All employees are treated equal irrespective of race, sex, religion, disability, age, marital status and health. The company's rigorous recruitment policy ensures that there is transparency throughout the hiring process.
- Tropical Heat ensures that the working environment is safe and healthy working conditions maintained for all its employees, the company complies with the Occupational Safety and

Health Act (OSHA) 2007. There is a Safety and Health committee whose main objective is to make sure that the factory and other places of work are safe and that all employees are trained on OSH policy and regulations. The team meets quarterly to discuss any issues related to the employees' safety and health. Internal audits are conducted quarterly whilst external audits are conducted annually; the last audit was done in November 2014.

• The company and the safety and health committee team ensures that all employees use the appropriate Personal Protective Equipments (PPE's) while at their work stations.





- The company has pinned safety and health policy and food safety policy on all the notice boards
- We are committed to resolving all employee grievances that arise in a timely and effective manner.
- The company has 21 staff members trained on first Aid and also more than 20 staff members trained on Fire Marshal. We have First aid boxes located in different place within the factory.
- The company has trained 170 staff members on the Occupation Safety and Health policy. Also, we ensure that the food handler's medical test is done to all employees semi annually.
- Tropical Heat values its employees; hence has come up with various activities for staff
 motivation and wellness. The company holds a monthly ceremony whereby employees are
 recognised for exemplary performance.
- This year's Valentine's Day, we had a fashion show contest for all the ladies and the winner was awarded with a gift hamper and flowers.

Staff wellness and motivation activities

Staff ladies contestants for Miss Valentines Tropical Heat





Staff monthly birthday celebration





Monthly employee of the month recognition ceremony



Measurements

- Good employees –management relationship
- Improved work productivity
- No legal cases reported in the past one year
- Reduced number of major and minor accidents within the company.

Activities planned for next year

- Conduct labour rights training/awareness to all our employees
- Train all the staff on Occupational Safety and Health Policy
- Train more staff members on First Aid and Fire Marshal.

Labour Rights Future

Environment Current

Environment Principle 7: Business should support a precautionary approach to environmental challenges

UN Global Compact principles covered:

Principle 8: Business should undertake initiatives to promote greater environmental responsibility

Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

Commitment

Tropical Heat commitment to support environmental management goes far beyond our premises. We fully support the UN Global Compact principles on environment, we maintain precautionary approach to environment challenge, and also we have undertaken initiatives to promote environmental responsibility.

- Tropical Heat is aware of the environmental challenges that the world is facing and has come up with initiatives that are more sensitive to our environment. These initiatives include the increase use of biodegradable materials, campaigns for a more efficient and responsible use of our resources and an active participation in "green" local initiatives, such as environmental clean ups and tree planting. We are committed to promoting these activities in order to reduce our carbon footprint and contribute to the continued health of our planet and its sustainable development.
- The company is keen to ensure that materials procured and used in production do not pose any health risks. To track our performance in the sourcing, we annually audit our suppliers to ensure that they adhere to standards that support our food safety and quality policy.
- We are innovating methods for improved process performance to reduce costs during manufacturing.
- The company operates under stipulations of the National Environment Management Authority (NEMA). We follow up with NEMA as well as the County Authorities in ensuring that our environment standards are acceptable. Our commitment to addressing environmental challenges in our supply chain is demonstrated by our annual NEMA self audits that have been sub-contracted to Bureau Veritas Certification Limited.
- The solid wastes generated from the plant are segregated into solid, nylon and paper. Solid
 waste is collected by NEMA licensed contractor for proper disposal while the rest are
 recycled.
- Our waste contractors also have to abide with NEMA and the Nairobi County Council requirements before being engaged
- Tropical Heat minimises energy use in all its office through a switch off policy. All employees are encouraged to switch off light whenever they are out of the office.

- KAIZEN concept is one of our main practice that ensures waste reduction, and all employees are trained and encouraged to practice the 5s concepts. This is an ongoing training programme and implementation of 5s and autonomous maintenance has assisted in distinguishing value and non-value adding activities.
- The food handlers and occupational health checks are carried out periodically.
- We have an annual maintenance programme for all our machines and equipment to ensure effective reduction of waste, efficiency at all times and continuous manufacturing operation.
- We focus on reducing the amount of energy and water that our factory consumes, through energy and water efficiency measures. In the upcoming factory project we are looking at improved building design, and considering renewable energy options.
- Energy audits are currently underway (to be completed by end of May, 2015) and we will share the recommendations and action taken in the next COP.

Measurements

- Reduced environment pollution
- Cultivate good relationship with adjacent community
- No occupational disease reported in the workplace

Environment Future

Activities planned for next year

- Participate in environmental awareness events
- Action Energy Audit recommendations
- Collaborate with organizations that support green initiatives.

Anti-corruption Current

Anti-corruption

UN Global Compact principles covered:

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

Commitment

Tropical Heat respects and supports the fight against corruption in all its forms, including extortion and bribery.

- The company complies with the laws and regulations on anti-corruption. To affirm our commitment to fighting graft and corruption, honesty and integrity are embedded as some of the core values that all employees have to comply with. The company does not condone any form of bribery, corruption and/ or extortion.
- Employee confidentiality is highly maintained, which encourages employees to disclose any information that may lead to criminal offense or endanger the health and safety of employees. A whistle blower procedure is in place to protect employees from any form of victimization, harassment and/or prejudice.
- We have a stringent evaluation process practiced by the procurement and quality assurance team in selecting and qualifying new suppliers of raw materials and service providers.
- Tropical Heat has a 'no-cash handling' policy for customers who wish to buy goods within the factory's premises. All customers are required to pay for the goods via a mobile money transfer (Mpesa). This is to helps curb cases of collusion, extortion, and bribery.
- We do not request unjustifiable discounts and/ or compensation from any suppliers when selecting suppliers or making decisions on prices during purchasing affairs.
- Through ISO 22000:2005 the company is able to screen for qualified suppliers that satisfactory meet the standards of the company. Deepa Industries sincerely deals with applicant suppliers wishing to be partners, by providing each with an impartial and fair opportunity to enter, regardless of nationality, region or size, and responds to unsuccessful suppliers by stating specific reasons.
- Open door policy is one of the company practices, with high confidentiality guaranteed. Employees are encouraged to report any unusual practice that goes on in the company to the management. Also we have a suggestion box in place; this is to promote openness in the organization.
- Our recruitment policy guarantees transparency and it is the responsibility of Human Resources Manager to ensure the recruitment procedure is not compromised.
- The current collective agreement provides guidelines on matters of wages, terms and conditions of service. This ensures that integrity is upheld.

Measurements

- Reduced number of disciplinary cases
- A list of evaluated suppliers has been established who deliver products that meet our requirements in terms of delivery, efficiency, reliability, quality, terms and pricing, and enable the purchasing department minimize the raw and packaging material returns.
- Internal audits for stock taking are carried out on a monthly basis, a report is prepared on the same to ensure accountability, transparency and traceability in the company's business practices.

Anti-corruption Future

Activities planned for next year

- Create more awareness on anti-corruption laws and regulations to all our employees.
- Establish an ethics committee to handle all corruption related cases and ensure integrity and honesty are upheld in the organisation.

How do you intend to make this COP available to your stakeholders?

We will post it on the Global Compact Network site and on the Tropical Heat website so that suppliers, associates, distributors and consumers can also access it easily. We will also circulate on our intranet to all our staff members.

Donations, awards

Tropical Heat aims to improve the quality of life for people in the community around them, embraces the responsibility for its actions and encourages a positive impact through its activities on the environment, employees, consumers, communities and stakeholders.

The company supports and participates in different programs that promote the communities' social wellbeing. In addition, Tropical Heat strongly supports employee volunteering and our people are passionate about offering their time to worthy social development initiatives. The company also encourages employees to participate in non-profit sporting events and we donate snacks and other foodstuff to local non-profit organizations, including children's homes, orphanages, schools, hospices and temples.

Cana children rescue center







Tropical Heat Staff Participate in the Mater Heart Run



DONATION SCHEDULE FOR MAY 2014 - APRIL 2015		
ORGANISATION	DONATIONS	
Kenya Red cross society	21 cartons of assorted yum yum crisps	
Paradise Community Center	15 cartons of foil crisps of assorted flavors and 2 cartons of banana crisps	
Virgin Money Giving	Visa card	
Mater Heart run	Cheque	
Jalaram Temple	Dhana jeera 500g-1 outer, Cumin whole 500g-2outers, Turmeric 500g-1 outer, Tea masala 100g-2 outers, cinnamon 500g-1 outer and cumin ground 500gms outer.	
Amara charitable trust	Cheque	
Makindu Temple	Turmeric ground 4 x 500g and Cumin whole 4 x 500g	
Ruben Center	18 cartons of banana crisps	
Ruben Center	Chevda normal 400g- 1 outer, chevda sugar free 400g-1outer and 2 packets of	
Shayma Temple	Chilli salted banana crisps	
Raj Yoga	Salted Crisps 400g-10 cartons	
Brahma Kumaris	1sack of raw potatoes, Styrofoam cups 250ml-1000pcs,white plates 7s wrapped-1000pcs,round white plates-1000pcs,200ml natural glasses-10,000pcs and table spoons loose packing 2,000pcs.	
Vidyarthi Sammelyan	80 outers of 70gs masala sticks	
Pangani Mosque	1 outer of Pilau masala 4 x 500g, 1 outer Tea masala 4 x 500g, 2 outers of pilau masala 12 x 10g and 2 outers of Tea masala 12 x 10g	
Pangani Mosque	3 outers of Tea masala 12 x 10g, 3 outers of ginger 12 x 10g and 1 outer of pilar masala 12 x 50g	
Shady Gardens Montessori	300 pieces of yum yum crisps	
Brahma Kumaris	Cheque	
School fees	Cheque	
Imani Rehabilitation agency	5 cartons of Tomato crisps 12 x 200g, 3 cartons of Chilli lemon Crisps 12 x 200g, 2 cartons of cheese & onion crisps 12 x 150g and 1 carton of assorted crisps 12 x 150g.	
Jalaram Temple	Dhana jeera 500g-1 outer, Cumin whole 500g-1 outers, Turmeric 500g-1 outer, Tea masala 100g-2 outers, cinnamon 500g-1 outer and cumin ground 500gms	
Vision sisters	2 cartons Chilli lemon crisps 12 x 150g, 5 cartons of Chilli lemon crisps 12 x 200gms, 3 cartons of Tomato crisps 12 x 200g and 210 pieces of broken banana	
Shelter children's Home	219pcs of broken banana,3 cartons of assorted crisps 30g,5cartons of assorted crisps 100g,2 cartons of assorted crisps 50gs and 1 carton of salt & vinegar crisps 100g	
Go economic empowerment programme	4 cartons of cheese & onion crisps 150gs, 2 cartons of assorted crisps 150gms,2 cartons of Chilli lemon crisps and 5 cartons of assorted crisps 50gms	
Dira youth intiative	2 cartons of assorted 30gms,3 cartons of assorted 50gms and 264 pieces of broken banana	
Naromoru girls secondary school	Cheque for school fees	
Kalaniketan shishunj	5 cartons of broken banana crisps(120 pieces in a carton)	
Nairobi Hospice(KNH)	2150 pieces of broken banana crisps	
Friends of Karura	Cheque Dhana jeera 500gm 1 outer, cumin seeds whole 500gm 1 outer, turmeric 500gm 1 outer, tea masala 100gm 2 outers, cinnamon 500gm 1 outer, cumin	

Makindu Temple	Turmeric ground 500g 1 outer and Cumin whole 500g 1 outer
Rupal Chandaria	2 sacks of broken crisps 20kgs, 3 cartons of extruded snacks 349 pieces
Paradise Community Center	50Kgs of corn grit flour and 60Kgs of broken rice
Lion Club Nairobi Huru	Cheque
Brahma Kumaris	1 outer of Mixed herbs, 1 outer Basil herbs and 1 outer Oregano 120g each
Visa Oshwal Community	Cheque for Diwali fund
Magodo children's home	275kgs of corn grit flour
Jewell Souls Hope Foundation	4 cartons of Broken banana, 3 bags Jumbo corn puffs (Cheese flavour), 3 bags Jumbo corn puffs (Tomato flavour) and 100kgs of Corn Grit flour.
Paradise Community Center	Corn Grit flour 16bags of 25kgs and 20 cartons of Banana Brunch
Stream tree school	Corn Grit flour 8 bags of 25kgs
Imani Rehabilitation Agency	Corn grit Flour 10 bags of 25 kg each and Salt & Vinegar 200g of 6 cartons.
Sidai Children Homes	Corn grit flour 4 bags @ 25 kg and Salt & Vinegar crisps 200 g of 5 cartons
Peace Junior School	Corn grit flour 25 kg @ 1 bag, Broken rice cakes 5.95 @ 2 bags and 5 cartons of 150g banana brunch
Nyumbani Childrens home	Corn grit flour 4 x 25 kg , Banana Brunch 5 cartons @ 150g and broken rice cakes 5.95 @ 2 bags
Thika Wax Works	3 bags of tomato flavor extruded snacks and 2 bags of salt flavor extruded snacks
Karura trust	corn grit 4 x 25 kg
Kenpoly Manufacturers Ltd	Cheque
Elena Magoni Friends of children	12 cartons of Banana crisps @ 150g, Broken rice cakes 5 kg and Jumbo corn puffs 2 bags @ 5kgs
Nairobi Hospice(KNH)	7 cartons of Banana brunch@ 150g, 4 bags of corn puffs 5 kg, 2 cartons of broken matoke and 3 bags of broken crisps 2 cartons of Banana broken, 5 bags of corn puffs @ 5kg, 4 bags of Broken
Magodo children's home	crisps @ 20kg, 2 cartons of Banana brunch @ 150kg and 1 bag of broken rice cakes @ 5kg
Paradise Community Center	1 carton of Banana Broken, 4 bags of corn puffs @ 5kgs, 4 bags of broken crisps, 2 cartons of Banana brunch and 1 bag of broken rice cakes @ 5kg
Tropical Heat National Rankings	Cash through Mpesa
Bethsaida Community Centre	2 cartons of Banana broken, 4 bags of corn puffs, 3 bags of broken crisps, 3 cartons of banana brunch, 1 bag of broken rice cakes and 53kg of corn grit flour.
Shelter children's Home	6 cartons of Broken Banana
Ruben Center	3 cartons of banana broken, 6 bags of corn puffs, 4 bags of broken crisps,2 cartons of Banana brunch and 2 cartons of unsalted rice cakes
Vision sisters	14 cartons of Broken matoke, 12 bags of Broken crisps @ 20kg, 6 bags of Corn puffs @ 5kg and 6 cartons of banana brunch @ 150g
Cana childrens rescue centre	3 bags of broken crisps @ 20kg, 2 cartons of broken matoke and 1 bag of broken rice cakes@ 5kg
Egonomic	2 bags of Corn puff tomato flavour, 8 bags of broken crisps and 3 cartons of broken matoke.
Shelter Children's home	Cheque
Paradise Community Centre	6 cartons of broken matoke crisps@ 150 pcs each
Cana children's home	5 cartons of broken matoke @ 120pieces, 2 cartos of banana broken matoke and 10 pieces of matoke of jain
Magodo children's home	12 cartons of broken matoke
Vision Sisters	8 cartons of broken matoke crisps @ 120 pieces and 32 pieces of Chilli crisps 500g

Star of hope children's home	6 cartons of broken matoke Chilli, 5 cartons of broken matoke salted,10 pieces of matoke Jain 500g and 5 pieces of Chilli crisps 500g
Rotary Club	20 cartons of broken matoke crisps and 5kg bags of extruded matoke crisps
Paradise Community Centre	7 cartons of broken matoke, 3 bags of 5kg each of broken rice cakes and 2 bags of broken crisps each 20 kgs
Jewellery Foundation	4 cartons of broken matoke, 2 bags corn puff tomato 5kg each and 1 bag of corn puff BBQ flavour of 4.3 kg
Canai children's home	4 bags of corn puffs 5kg each,3 bags of broken rice cakes, 100pcs of Ninja corn puffs,25kgs of dawaat basmati rice,20ltrs of rina cooking oli,4pcs of 500g tea leaves,1 carton of always ultra 16x 8, 2 bales of pembe flour and 20kgs of Mumias sugar,
Women for cancer	Cheque
Jalaram Temple	Dhana Jeera 4 x500g-1 outer, Cumin whole 4x 500g-1 outer, Turmeric 4x 500g-1 outer, Tea masala 6 x 100g 2 outers and matoke jain chevda 500g-35pcs
Makadara Constituency	10 outers of exotic snacks 6x 200g