



Communication on Progress **Year: 2015**

Statement of Continued Support of the UN Global Compact

STATEMENT OF CONTINUED SUPPORT OF THE UN GLOBAL COMPACT

Lean Energy Solutions Ltd remains committed to adhering and upholding the UN Global Compact principles. We acknowledge our duty and responsibility to the United Nations Global Compact, our organization and the society at large, to continue complying and supporting these ten principles, in regards to Human rights, Labour rights, the environment and anti-corruption.

In this report we have highlighted the measures that Lean Energy Solutions Ltd has taken to uphold these principles and show our support to this initiative.

Yours Sincerely

Dinesh Tembhekar

Managing Director

Company name: Lean Energy Solutions Ltd

Sector: Energy Management sector

Number of employees: Permanent: 40

Contracted: 200

UN Global Compact signatory since: 2007

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Brief description of nature of business

Lean Energy Solutions Limited

Mission

Our mission is to help clients enhance their business competitiveness by providing best practice tools in a cost effective and eco-friendly manner.

Vision

To be the leading manufacturer of Green Energy products; consultancy and project management firm in East Africa.

Lean Energy Solutions Limited is one of the pioneers in Energy Management consultancy services in East Africa and has been involved in Energy & Project management, which includes.

Energy Audits

We endeavor to manage our clients' electricity and alternative fuel needs in the most cost effective way.

Our design philosophy is to pursue optimal energy cost reduction via appropriate technologies, while maintaining central concern for the customer's managerial, product, operational, environmental & aesthetic needs.

We identify the cost-effective options to improve the energy efficiency on all facilities. We carry out thorough energy audits which include the utility systems, energy sources, process and waste

streams and performances/efficiencies of equipment being used. Measures can range from simple insulation to more radical process changes.

Boiler Conversion from Oil fuel fired to solid fuel fired

In line with our mission to help the client to become more competitive, we reduce the cost of steam generation by converting their boilers from oil fired to solid fuel fired on BOOT basis (Build, Own, Operate and Transfer).

We undertake the project of completely transforming client's boiler by installing furnace, pre-heater, ID fan and other accessories. This is ensured through constant supply of the briquettes, firing of briquettes and smooth generation of steam as per client's requirements

Manufacturing of Lean Briqs

Based on our market findings in energy management, we realized the need to have alternative energy for running boilers and that's why we started manufacturing Lean Briqs (Briquettes) from sugarcane bagasse.

Consultancy & Training in Kaizen

In manufacturing, Kaizen provides methodologies or practical tools that reduce inventory, release space, reduce wastage/scrap, increase productivity, reduce the down time, increase morale, improve quality and also increase customer satisfaction.

In office setup, kaizen provides you with effective tools that help you to identify, reduce and eliminate wastes in all areas of your organization especially office and administrative operations.

These wastes include and not limited to;

- People wastes
- Process wastes
- Information wastes
- Asset wastes

Trainings

We provide technical training in various fields which include

- * Energy Management
- * Office & Manufacturing Kaizen
- * Hydraulics and Pneumatics
- * VFD & PLC Trainings
- * Boilers
- * Air Compressors
- * Air conditioning, refrigeration

Scope of this COP

The 2015 COP illustrates the initiative Lean Energy Solutions Ltd has taken to adhere to the principles that govern the UN Global Compact. This is our first COP and it involves how the company respects and values human and labour rights, the environment and the measures we take to address anti-corruption in the company.

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

Human Rights Current

Commitment

Lean Energy Solutions is committed to upholding Human rights in the organization through respecting and supporting Human rights and condemning Human rights abuse in the workplace.

A brief description of our Processes or Systems

We do not encourage child labour and our hours of work are as per the labour laws of Kenya

We ensure fair pay for every worker regardless of race, religion, sex, tribe or nationality.

Activities implemented in the last year.

Our company conducted a comprehensive HR audit to streamline and determine if any abuses were in existence

We also ensure provision of protective clothing and gear for all our engineers and contracted workers who are involved conducting energy audits, and manufacturing lean briquettes.

Measurement of outcomes and value added for our company

Lean energy complies with the Kenyan government's labour laws such as equal pay for all workers and prohibiting human abuse in the workplace.

Activities planned for next year

All employees will be encouraged to join unions and trade movements that front a common bargain

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

We are committed to supporting labour rights in the organization, prohibiting child labour through taking various measures that ensure we do not hire persons under the age of 18 years, and we also ensure diversity in the organization in order to eliminate discrimination in the workplace.

A brief description of our Processes or Systems

In Lean Energy Solutions Ltd labour is on the basis of willing and qualified staff thus eliminating any form of forceful engagement.

As per existing labour laws, we only hire persons who are 18 years and above and we counter-check with relevant government authorities, so as to prohibit child labour

The organization also prohibits biasness of employers based on their race, sex, religion, tribe or any other diversity. Lean energy is an equal employer that promotes diversity in the workplace.

Activities implemented in the last year

We insist on national identification documents that are only issued to persons over 18 years, thus ensuring that we do not promote child labour.

Measurement of outcomes and value added for our company

Engaging adults only as employees ensures that set targets are achieved and business efficiency is maximised.

Labour Rights
Current

Labour Rights Future	<p>Activities planned for next year</p> <ul style="list-style-type: none"> • To continue to actively enhance engagement of adults in all organizational positions • To encourage staff to join trade unions.
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Environment

UN Global Compact principles covered:

- 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

Commitment

The organization ensures that environmental friendly technologies are upheld and that lean energy also upholds various measures in the organization that help to conserve the environment.

A brief description of our Processes or Systems

We have an environmental policy that ensures a zero-tolerance to air emissions through cleaner production. The policy also addresses issues on waste management whereby the main objective is to reduce production wastes to the most minimum level and if possible do value addition to eliminate waste commercially. This objective is achieved through proper selection of suppliers who are quality conscious. The policy also ensures the maintenance of cleaner production processes that is ecologically friendly and effluent-free.

Lean Energy Solutions Ltd upholds environment friendly technologies especially through our products and services; through the conversion of fossil fuels to lean briquettes which are made from sugar cane bagasse, we promote the elimination of air and environment pollution in industrial areas and also the society at large.

Activities implemented in the last year

We introduced a new product called lean makaa which is a bio-fuel that is made by solidifying loose biomass residues into solid blocks. Using lean makaa has many benefits to the environment over ordinary charcoal, fossil fuel and natural firewood as it produces a hot, long-lasting virtually smokeless, odourless, and innocuity fire.

Measurement of outcomes and value added for our company

Through our various products and services promote the conservation of the environment, the organization's profits and productivity have greatly increased, and we also won an energy management award in 2013 known as; The Africa Climate Good Practice Award, 2013.

Environment
Current

Environment Future	<p><i>Activities planned for next year</i></p> <ul style="list-style-type: none"> • To come up with more environmental friendly products and services that will eliminate pollution and help in the conservation of the environment.
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Anti-corruption

UN Global Compact principles covered:

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

**Anti-corruption
Current**

Commitment

Lean Energy Solutions Ltd is committed to curbing corruption in the organization through implementing various measures that discourage this, such as having a policy that prohibits various ways of corruption such as bribery

A brief description of our Processes or Systems

We have a zero-tolerance to corruption policy that is upheld from recruitment, business processes and dealings with government agencies and other partners.

Activities implemented in the last year

Our recruitment processes are electronic therefore we have a digital footprint that enhances audit of processes.

We work with Kenya Association of Manufacturers (KAM) in conducting energy audits and we ensure that all tendering processes and proposals are above board and competitive.

Measurement of outcomes and value added for our company

Our outcomes are measured through our improved profit margins, since there is no funds leakage through corrupt or underhand dealings.

**Anti-corruption
Future**

Activities planned for next year

- To conduct a customer satisfaction survey that will focus on whether any employee or representative of lean energy solutions ltd engaged or tried to engage in corruption.

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

This COP will be made available to our stakeholders through distributing it in our board and regular employee meetings.

Donations, awards

We support the community through our Corporate Social Responsibility to the society whereby, we give books and uniforms to Muhoroni Primary School among other initiatives.

The awards we have received include the following;

Overall Winner- Top 100 Midsized Companies -2013 – 2014:

- Winner- Professional Service Company of the Year

Africa Climate Good Practice Award, 2013:

- Awarded for: Knowledge building; Community participation and inclusiveness; Political ownership; collaboration and approval, Financial sustainability, Achieving co-benefits and balancing trade-off, Building local capacity; Transferability of technology

KIM Annual Business Award 2012:

- Winner- Corporate citizenship & Environmental focus
- Winner- productivity & Quality
- Best in Category- innovation, information & Knowledge management

KIM Annual Business Award 2011:



KIM Annual Business Award 2010



LES group in jubilation after scooping four awards during the KIM KABA awards held on Oct, 19th 2010.

- Overall Winner - Corporate Citizenship and Environment
- 1st Runners Up – SME of the year 2010
- 1st Runners UP – Leadership and Management