

SALAMA FIKIRA GROUP LIMITED

UN Global Compact

Communication on Progress 2016

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TABLE OF CONTENTS

INTRODUCTION	4
1. HUMAN RIGHTS PRINCIPLES	5
1.1 Assessment, Policy and Goals.....	5
1.2 Implementation	5
1.3 Measurement of outcomes	6
2 LABOUR PRINCIPLES	7
2.1 Assessment, Policy and Goals.....	7
2.2 Implementation	7
2.3 Measurement of outcomes	7
3 ENVIRONMENTAL PRINCIPLES.....	8
3.1 Assessment, Policy and Goals.....	8
3.2 Implementation	8
3.3 Measurement of outcomes	8
4 ANTI-CORRUPTION PRINCIPLES.....	10
4.1 Assessment, Policy and Goals.....	10
4.2 Implementation	10
4.3 Measurement of outcomes	10



12 May 2016

To our Stakeholders,

Salama Fikira

Communication on Progress on Implementation of the 10 Principles of the UN Global Compact

I am pleased to confirm that Salama Fikira Group 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.

This is our third annual Communication on Progress. In this report, 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 stakeholders using our primary channels of communication.

Sincerely,

Conrad Thorpe OBE
CEO
Salama Fikira



INTRODUCTION

The Salama Fikira Group's operational objective is the provision of risk management and logistic services across Africa, with particular focus on sub-Saharan Africa. We strive to make the Global Compact Ten Principles part of our business strategies and day-to-day operations.

It is our pleasure to present our third Communication on Progress for the period of June 10, 2015 to June 10, 2016. With this document, we aim to make a public disclosure to our stakeholders on the progress Salama Fikira has made over the past year in implementing the ten principles of the UN Global Compact with respect to Human Rights, Labour, Environment and Anti-Corruption, and in supporting broader UN development goals.

1. HUMAN RIGHTS PRINCIPLES

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

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

Assessment, Policy and Goals

Salama Fikira Group Limited (SFGL) continues to embed human rights into the company's operations and culture through compliance with both local and international laws. SFGL strives to ensure that its business activities, and those of its partners and suppliers, are consistent with these principles so as to avoid infringement of the universal human rights.

The company keenly abides by the Kenyan Constitution that was promulgated in 2010, which endorses human rights and equality. In addition to that, the company is a signatory to the International Code of Conduct (ICOC) for Private Security Service Providers, and participation in the steering committee of the UN Global compact through (SFGL) General Manager and Legal Counsel Wambui Kibicho who sits in the committee hence affirming its respect to human rights and the humanitarian law.

SFGL also embraces the Voluntary Principles on Security and Human Rights (VPSHR), designed for companies in the extractive industries. In addition, it has a comprehensive Standard Operating Procedures and Rules for the Use of Force that adhere to universal human rights. The company's employee handbook continues to emphasize on fair treatment of employees and details the reporting procedure for unfair treatment.

Implementation

Human Rights training remains a part of the German Flag State Country regulations training for maritime operations in the company.

To ensure the right to life is protected, the company delivers training on the Rules for the Use of Force (RUF) for all tasks using firearms. The RUF training is delivered as part of the maritime induction training, as part of pre-transit briefs, during refresher annual training, and during pre-project training. Over the course of the reporting period RUF training was provided to 681 personnel, (most received more than one training session).

In order that our employees, contractors and consultants can operate in an environment which ensures their safety and minimising occupational risk, the company attained OHSAS 18001 certification in the year 2014. This policy has been expanded across the company during the reporting period and improved and refined through our reporting feedback.



SFGL continues to implement human rights in its policies, including Occupational Health and Safety Policy, Bullying and Anti-Harassment Policy, Compassionate Leave Policy, Non Discrimination, Equal Opportunity Policy and Grievance and Conflict Resolution Policy.

Measurement of outcomes

The company has had an experience on VPSHR risk assessment as part of a security training course which the company carried out on the staff of a client company. It has also been subjected to audits in respect of VPSHR risk assessment from oil and gas operators who it supports, both onshore and offshore.

To date, SFGL has not been subject to any investigation or legal cases with regards to Human Right violations.

LABOUR PRINCIPLES

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right 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:

Assessment, Policy and Goals

SFGL's employee handbook clearly states the minimum employment age, employee remuneration, grievance and conflict resolution, right to join trade unions, and intolerance of any form of discrimination or harassment.

SFGL supports the International Labour Organisation (ILO) core conventions and complies with local labour regulations.

Implementation

SFGL's continues commitment to its Local Content policy that is created to provide employment and economic development opportunities to local citizens as well as local industries.

SFGL introduced a supplier evaluation procedure that seeks to ensure that the company's partners and suppliers adhere to the same standards of labour practices as does the company. This is done through an annual supplier audit and an evaluation checklist on all new and existing entities within the company's supply chain.

SFGL keenly implements the no discrimination policy and strict measures are put in place to ensure fair treatment of all its employees.

Measurement of outcomes

SFGL's local content currently at 75% compared to 70% in 2014 and 76.9% in 2015. It is important to note that the Local content percentage has been above 70% in the last 2 years.

The company continues to conduct internal audits to identify gaps and near misses so as to ensure total compliance of the policies and procedures.

No children are employed by the company.

To date, SFGL has not been subjected to any legal cases or statutory notices in regards to violation of principles. It does not have any ongoing labour disputes.

ENVIRONMENTAL PRINCIPLES

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

Assessment, Policy and Goals

SFGL is keen on environmental conservation and sustainability and hence undertakes operations that have minimal impact on the environment. This includes putting guidelines in place to ensure proper waste management activities, recycling, and protection of natural resources and reduction of water, air and land pollution.

Implementation

SFGL continues to incorporate internal mechanisms that ensure environmental sustainability and promotion of environmental conscious behaviour among its employees. These measures include:

- Emphasis on SFGL being a paperless company hence reducing the use of paper and saving documents in digital forms.
- Cessation of the use of 500ml water bottles for office consumption and instead using reusable dispenser bottles
- Incorporating environmental responsibility in its Corporate Social Performance such as supporting the Tsavo Trust project which works to secure the country's wildlife and the Rhino Ark Conservation charity that raises funds to protect Kenya's most critical mountain forests.
- Encouraging environmental stewardship among its employees in their behaviour such as minimal use of air conditioners, keeping the lights off unless absolutely necessary, double sided printing when printing is unavoidable, minimal use of colour printing, use of reusable kitchenware, reduction of fuel consumption on company vehicles, recycling and proper disposal of waste.
- Undertaking Dynamic Risk Assessments on each tasks to capture any environmental risks that may be present.
- Travel is under close scrutiny with a particular aim to reduce air travel.

SFGL working towards attaining the ISO 14001 certification on Environmental Management System by the fourth quarter of the year, so as to fully comply with the international law and regulation on environmental sustainability.

Measurement of outcomes

There is a great reduction on operational costs over the last year due to the measures implemented to conserve the environment, such as reduction of fuel costs, electricity and water bills.



Air travel has reduced across the company at 1155 flights to date compared to 1636 flight over the previous reporting period.

SFGL has not had any environmental incident last year and has not been subject to statutory notices or prosecutions.



ANTI-CORRUPTION PRINCIPLES

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

Assessment, Policy and Goals

SFGL upholds to maintain its good reputation through lawful, honest and transparent practices.

The company is aligned to follow the following principles: Kenya Anti-Corruption and Economic Crimes Act, U.S Foreign Corrupt Practices Act, OAS Anti-corruption Convention, OECD Convention on Anti-Bribery, World Bank Anti-corruption standards, U.K. Anti-bribery Law Enhanced and the U.N. Convention on Corruption.

In addition to this, SFGL has a Code of Business Conduct, Anti-bribery and Corruption that sets out its expectations on the conduct of all its employees, consultants, suppliers, contractors, agents and partners. This code is updated annually to ensure compliance.

Implementation

SFGL continues to provide Anti-corruption and Bribery training to employees and consultants through meetings, briefings and distribution of company policy documents on the subject.

SFGL ensures that its suppliers uphold the same notion on anti-corruption and bribery. The company has implemented a supplier evaluation procedure over the year to assess their Anti-corruption and Bribery (ABC) policies. The company requires its subcontractors to contractually abide by SFGL's ABC Policy.

SFGL continues to hold CARP (Corrective Action Report Process) meetings to discuss and review near misses and non-conformities, including bribery and corruption cases as they may be. The frequency of these meetings has been increased from monthly to every fortnight.

Measurement of outcomes

During the past year, SFGL renewed the TRACE certification, an anti-corruption and bribery due diligence process undertaken by TRACE International.

The company Directors received ABC training by Trace International.

ABC aspects continue to be included in the annual supplier questionnaire that is sent to all our suppliers on to evaluate their performance and adherence to anti-corruption and bribery policies.

During the reporting period 90 personnel have undertaken ABC training within the company.



SFGL has not undergone any investigations, legal cases, rulings or any incidents on corruption or bribery.