Communication on Progress Year: 2016 Statement of Continued Support of the UN Global Compact 5th Sept, 2016 H.E. Ban Ki-moon Secretary – General United Nations New York, NY 10017 USA

Dear Mr. Secretary - General,

I am pleased to confirm that Pathologists Lancet Kenya Limited supports the ten principles of the Global Compact with respect to human rights, labor, environment and anti-corruption.

With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. Inspiration & Solutions will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's effort to implement the ten principles. We support public accountability and transparency, and therefore commit to report on the progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy.

Yours Sincerely,

Dr Ahmed Kalebi

Managing Director and CEO – Pathologists Lancet Kenya

Company name: PATHOLOGISTS LANCET KENYA (PLK) LTD Sector: MEDICAL Number of employees: 186 UN Global Compact signatory since: 25/07/2011 Contact person: Rose Kiragu Address: 117-00202 Email: rose.kiragu@lancet.co.ke Phone: +254703061000

Brief description of nature of business

Pathologists Lancet Kenya is an ultramodern, internationally accredited pathology laboratory originally founded in South Africa now with over 65 years of experience.

We provide high-quality pathology services to the medical and allied sectors, including doctor's clinics, group practice centers, hospitals, other laboratories, researchers NGO's and occupational health.

Scope of this COP

Pathologists Lancet Kenya committed itself to the United Nations Global Compact in July 2011. This commitment includes supporting the UN Global Compact ten principles as well as reporting and communicating annually to its stakeholders on progress made to implement the principles.

It covers the four working areas which include;

- Human rights
- Labor
- Environment
- Anti-corruption

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

Our values define who we are, with a code of conduct that guides us in achieving the standards set for our business through respect and support for human rights.

A brief description of our Processes or Systems

We ensure that human rights are at all times adhered to

- Activities implemented in the last year
 - It is our responsibility as an organization to support a successful and sustainable society through giving quality and credible services.
 - Any form of bribery is highly prohibited. No reports are altered under any circumstance, we have
 - highly automated systems that ensures no illegal alterations are made as well as a team of well
 - Trained and disciplined staff.
 - No external factor outlaws the ethics, integrity and reputation of PLK which is geared towards
 - Providing quality services to anyone who walks to our facilities.
 - We are very keen on the wellbeing of our staff who are given the necessary vaccinations before
 - Starting work. An example of this is the Hepatitis B vaccine among others and also health checks.
 - The company has also ensured all its employees and their dependents have a medical cover.
 - The employees are also given frequent trainings on first aid as well as other emergencies like fire.
 - At PLK, employees are allowed to express themselves in terms of their religious beliefs and
 - Necessary support is provided.
 - There are guidelines to ensure fair resolution of disputes
 - Manuals have been made available to all staff on sexual harassment
 - PLK has various fee schedules catering for both high end clientele and the low income earning
 - There is a code of conduct enforcing employee integrity
 - Zero tolerance to child labor
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Measurement of outcomes and value added for our company

- We ensure that our clients both internal and external have their right of expression exercised through:
- We have questionnaires that are accessible at our reception areas
- We have hotlines where our clients or anyone can call and get assisted
- We also have suggestion boxes and all these are reviewed and implemented accordingly.

Through these suggestions we are able to measure the outcome.

Activities planned for next year

- Pathologists Lancet Kenya plans to keep upholding its mission of quality service for the benefit of the community at large.
- PLK has also been expanding, opening its doors to various counties to ensure that our services are available and accessible to all.

Labor 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 labor

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

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

Current Labor RightsCommitment

At PLK, our staff are our greatest asset. They are the face of our company and justify our good reputation.

We have talented people performing at their best and we bring them together through training to create highest performing teams, who in turn deliver exceptional services to our clients.

Hence we are committed to providing the best possible working environment for our employees

This does not only cover their health and safety but also nurturing them into becoming leaders and positive minded people.

We give people opportunities to develop diverse careers and develop skills as well as grow critically.

PLK LTD does not use forced/compulsory or child labor.

A brief description of our Processes or Systems

Our Human Resource Department is committed to providing quality HR functions. We aim to contribute towards Lancet's business success by providing the following expert services that are done fairly and professionally as well as in accordance with the labor ethics.

- Recruitment
- Organizational development
- Payroll services
- Health and safety
- Human resource support and administration
- Training and development
- Employee wellbeing
- Promotions

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

Future Labor Rights

Activities implemented in the last year

There is a code of conduct on proper dressing while at work for purposes of safety

There is training done regularly on health and safety

Apart from the annual leave for staff, there is a provision for Maternity/Paternity leave days, sick off as well as family days.

PLK ensures that every person employed participates in the application and review of safety and health measures.

There are regular appropriate risk assessments in relation to the safety and health of employees and ,on the basis of these results, adopt preventive and protective measures.

Activities planned for next year

Education scholarships, medical cover, staffs welfare fund to help in the case of a loss of a loved one and social activities.

Future Environment Commitment

PLK fosters the environmental stewardship ethic by embracing broad concepts of impact avoidance and protection of natural resources, minimization, mitigation, restoration and enhancement of natural functions and values.

A brief description of our Processes or Systems

Plants within the organization to create an aspect of biophilia

All computers and lights are shut down when not in use to conserve energy

There are procedures in place to reduce paper wastage.

Activities implemented in the last year

An Energy investment grade audit was done by the Kenya Association of Manufacturers. An overview on

PLK's Energy consumption in year 2014/2015 analyzed the correlation of monthly electricity consumption with production.

Measurement of outcomes and value added for our company

- An Energy Conservation Opportunity (ECO) was established with the below adopted.
- ECO: Lighting.
- Electronic Ballasts for fluorescent tube light, with an annual cost savings of approximately 4,000 USD Replacement of lamps by equivalent LED Lamps with, an annual cost saving of approximately 8,500 USD ECO: Air conditioning. Improved cooling air flow so as to reduce the specific power consumption of the system, with an annual cost saving of approximately 1,000 USD.
- ECO: Lighting Roof Top Solar Photovoltaic (SPV) system.
- SPV systems as a substitute of some portion of the grid electricity. This will consequently reduce electricity purchased from Kenya Power Ltd, with an annual cost saving of approximately 10,000 USD.

Activities planned for next year

• Implementation of the ECO projects to cover annual energy cost savings of approximately 23,500 USD in 2016.

- % Potential savings against 2015/2016 energy cost: 30.21% (Inc SPV)
- % Potential savings against 2015/2016 energy cost: 14.79% (Exc SPV)

Anti-corruption

UN Global Compact principles covered:

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

Future Anti-corruption Commitment

A brief description of our Processes or Systems

Activities implemented in the last year

- We have an Anti-Corruption and Anti-Bribery Code of Conduct document policy.
- We've sent our suppliers the Anti-Corruption and Anti-Bribery Policy document and the Code of Conduct
- We've also established a compliance Committee to oversee the implementation of the above.

Measurement of outcomes and value added for our company

- The company is protected against engaging in unethical practices which may lead to litigations and other related costs that come from corruption and fraud.
- Improvement of internal controls systems against fraud and corruption.

Activities planned for next year

Training of staffs on anti-corruption and anti-bribery policy.

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

Donations, awards

We support the community in various activities among them are:

Charity Events – Raising funds for Cancer Care Patients and participating in Water Rafting Challenges.

Donations to Riara University (CSR)

Donations to GOGO Boys, a Kibera football team (CSR)