RIOVERN EAST AFRICA LIMITED

ENGINEERING AND CONSTRUCTION DIVISION



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Construction of Roads, Bridges, Buildings, Water and Sewerage Infrastructure

Date: September 13, 2016

United Nations Global Compact

Dear Stakeholders

Re: Statement of Continued Support: Communication on Progress

I am pleased to confirm that Riovern East Africa 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. We will continue to support these principles over the coming years and report annually on our progress.

In this annual Communication on Progress, we describe our actions to integrate the Global Compact and its principles into our business strategy, culture and daily operations. We are also committed to share this information with our stakeholders using our primary channels of communication.

Yours sincerely,

For and On Behalf of Riovern East Africa Ltd

Obi Kigen (MSc.BSc.Civil Eng; RgEng, MIEK)

MANAGING DIRECTOR

The UN Global Compact Initiative

Communication on Progress

Sept 2015 to Sept 2016



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

REAL supports the Universal Declaration on Human Rights and has implemented policies which support the protection of such rights and avoidance of human rights abuses both within the firm and where they may inter-relate with our business activities.

The REAL General Handbook carries a code of conduct that includes policies on business ethics for employees, suppliers and partners that promotes the two principles.

Implementation

The above documents are discussed during new employee orientation, supplier and partner engagement and are readily available on the company intranet site. They include general employment, business ethics and conduct, equal employment opportunity, employee standards of conduct, sexual and other unlawful harassment and violence in the workplace.

All employees of REAL are expected to adhere to these policies, and there is a suggestion/information box for employees and external parties to submit any grievances or complaints to be addressed by senior management.

Measurement

In the past year, REAL has not been the subject of any investigations, legal claims or other action relating to human rights.

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

REAL supports the International Labour Organization (ILO) Core Conventions and acknowledges every employee's right to be a member of a trade union for collective bargaining and employee representation purposes.

REAL has issued policies to all employees and other staff regarding the importance of upholding equal opportunities and the prohibition of discrimination and harassment in the workplace on grounds of gender, race, disability, age, sexual orientation and religion.

Where REAL deals directly with external suppliers, the contract agreements that we sign with them binds all parties to a master agreement that we sign with all of our clients and partners.

All REAL specified suppliers will be expected to comply with our Responsible Procurement Guide. This guide expects that our suppliers do not use child labour or forced labour, are committed to equal opportunities and ensure that employees have the right to freedom of association and collective bargaining.

Implementation

All REAL employees are able and are encouraged to join a trade union of their choice. Further, all employees are expected to adhere to anti-discrimination and equal opportunities policies and confirm annually that they are aware of and adhere to these policies.

Additionally REAL is committed to employment of women, persons with disabilities and other disadvantaged persons. In particular we are encouraging women to train and take up senior positions as and when available including those normally seen as male dominated. These include at the operational level of equipment to decision making positions in the construction process.

Measurement

In the past year, REAL has not been the subject of any investigations, legal claims or other action relating to discrimination of employees in their course and place of work.

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

REAL is committed to continuous reduction in use of fossil fuels, while embracing renewable energy solutions like solar, rechargeable power sources and hydro-electric power.

We have developed a robust process for achieving sustainable construction practices. We are globally recognized for our leadership in application of lean thinking principles, design rationalization and standardization. These involve taking aggressive measures to reduce waste in all operations, minimize amount of material, sizes, components or sub-assemblies; and a construction philosophy requiring the built product to be produced from those materials, components and sub-assemblies remaining after initial design and construction rationalization has taken place.

Implementation

We continuously engage in social, economic and environmental corporate responsibility activities within the community around our projects sites as part of our contribution for sustainable development through economic empowerment and environmental conservation.

Measurement

Our staff, together with communities living along polluted rivers and littered river bank take part in activities to clear debris in initiatives that also educated the communities on the importance of keeping rivers clean at all times. Trees were planted after the clean-up exercises and the locals were encouraged to provide tree seedlings that would be bought by REAL at future tree planting activities. We have also reinstated several borrow pits that supplied quarry material for our construction projects to the satisfaction of the National Environment Management Authority.

ANTI-CORRUPTION PRINCIPLES

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

Assessment, Policy and Goals

REAL recognizes that corruption and bribery are big issues in the construction industry and a major concern in some of the places where we do business. REAL supports the UN Convention against Corruption and has issued policies and procedures regarding standards expected of employees in terms of acceptance of gifts and hospitality tokens and services from clients, suppliers and other partners.

Implementation

The REAL Employee Handbook includes the following policies related to bribery and corruption: Business Ethics and Conduct, Employee Standards of Conduct, Conflicts of Interest, Acceptance of Gifts and Professional Misconduct. All employees of REAL are expected to adhere to these policies. In addition, where REAL has direct dealings with external parties the contract agreements that they sign with us binds them to a standard master agreement that we sign with all of our clients, suppliers and partners.

Measurement

In the past year, REAL has not been the subject of any investigations, legal claims or other action relating to the matters covered by these principles.