

HUMAN RIGHTS UN GLOBAL COMPACT PRINCIPLES COVERED		
UN PRINCIPLES		KALUWORKS LTD COMMITMENT VALUE
<u>A</u> HUMAN RIGHTS	<p>Principle 1 Business should support and respect the protection of internationally proclaimed human rights</p> <p>Principle 2: Business should ensure that they are not complicit in human rights abuses</p>	<p>The company recognizes that adherence to fundamental human rights is core to its operations and businesses.</p> <p><u>A brief description of our Processes or Systems</u> The Company's HR manual is based on the prevailing Employment Laws of Kenya which borrows heavily from the I.L.O's Industrial Relations Charter. The manual therefore supports the ILO Conventions on Human Rights at the work place.</p> <p>Also as part of its statement of intent to the protection of human rights, the management and the employee representatives documented, signed and adopted written employee rights to be respected within its operations</p> <p><u>Activities During Period Under Review</u></p> <ul style="list-style-type: none"> •Signing & communicating of the Employee Rights •Enhanced medical covers for self, spouse and children at all levels of staff •Employee health education conducted by Health Insurance providers. •Free medical camp for staff and general public within Mariakani area •Active HIV & Peer education programs within and outside the factory •Safety trainings and audits conducted Annually. •Safety visual management at all areas within the factory •Provision of free personal protective equipment to all staffs •Provision of safety information booklets to all contractors and visitors to the company •Freshly prepared food served under hygienic conditions free of charge to all staff members •Provision of clean drinking water and appropriate sanitation facilities to all staff •Monthly departmental safety meetings held •Annual medical checkups for all employees

<p><u>B</u> LABOUR RIGHTS</p>	<p>Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining</p> <p>Principle 4: Business should support the elimination of all forms of forced and compulsory labour</p> <p>Principle 5: Business should support the effective abolition of child labour</p> <p>Principle 6: Business should support the elimination of discrimination in respect of employment and occupation</p>	<p>The Company is committed to the protection of labour rights</p> <p>It is a member of both the Federation of Kenya Employers & the Kenya Association of Manufacturers. Union involvement is undertaken through Engineering & Allied Employers Association while employees are members of the Kenya Engineering Workers Union</p> <p><u>A brief description of our Processes or Systems</u> Company operates within the set Kenya Industrial Laws and upholds guidelines of its membership to the FKE & KAM principles. The company recognizes the Kenya Engineering Workers Union to whom it has a signed Collective Bargaining Agreement. In its continued endeavor to uphold the principles of the UN global, the company documented and communicated both its Labour Policy & Sexual Harassment policy</p> <p><u>Activities during period under review</u></p> <ul style="list-style-type: none"> •Signing of the company's Labour Policy •Adoption of the Sexual Harassment Policy •Compliance to the labor laws in regard to all terms and conditions of employment including non engagement of child labor •Implementation of a negotiated year term CBA •Full implementation of new wages guidelines •Vacancy announcements and advertisements to promote fairness and non discrimination during employment •Voluntary recruitments as per the HR Manual hence deterring compulsory labor •Empowerment of the Women's Council to promote openness and freedom of association •Voluntary Union membership and participation Hence encouraging freedom of association •Continued subscription to KAM & FKE ensures regular updates of new developments in labor relations

		<ul style="list-style-type: none">•Employment of women to Engineering & management positions upholds non discrimination and equal opportunity for equal qualification•All Unionized staff given equal treatment as per the signed Collective Bargaining Agreement•Non screening on HIV & non disclosure of status•Monthly departmental meetings held for staff to air views/grievances/communicate policies•Employees accorded open, fair & just hearing during any disciplinary process with the rights to appeal
C THE ENVIRONMENT	<p>Principle 7 Business should support a precautionary approach to environmental challenges</p> <p>Principle 8 Business should undertake initiatives to promote greater environmental responsibility</p> <p>Principle 9 Business should encourage the development and diffusion of environmentally friendly technologies</p>	<p>The Company is committed to having a precautionary approach to environmental issues and ensuring compliance to International standards, prevailing laws and the NEMA guidelines.</p> <p><u>A brief description of our Processes or Systems</u> Well defined Environmental & Safety policies adequately communicated to all affected by our operations.</p> <p>A Health and Safety Policy that encourages Safety at work by all our employees, contractors, suppliers, customers and the general public. The Company's Annual Safety Target is ZERO, with communication done to all to ensure this is achieved.</p> <p>Kaizen principles are applied to improve on machine and production efficiencies that promote safety, effective waste management, safe disposal & clean environment.</p> <p><u>Activities During Period Under Review</u></p> <ul style="list-style-type: none">•Recertification to ISO 14001 Environmental Management Systems•EMS internal and external audits conducted and implemented•Improved efficiency of Effluent Treatment Plant•Improved efficiency of Sewage Treatment plants•Controlled air pollution through the 30 feet chimney

<p><u>D</u> ANTI-CORRUPTION ETHICS & COMPLIANCE</p>	<p>Principle 10 Business should work against corruption in all its forms, including extortion and Bribery</p>	<p>Kaluworks Limited does not tolerate corruption in any form or any other related vices, Integrity and Transparency will always form key components of our corporate core values.</p> <p>The company declares its unwavering support to the global compact principles and corporate governance policies that outlaws corruption, including extortion and bribery in the business.</p> <p><u>A brief description of our Processes or Systems</u> Kaluworks mission as outlined its Mission Statement and particularly the core values strongly affirms our business stand on corruption. The company does not encourage or take any shortcuts in its business operations/dealings. The core values are conspicuously communicated to all staff, potential employees, suppliers, customers, contractors and visitors to the company. The H.R manual on the other hand guides staff operations and behavior, describing action to be taken for non-conformity</p> <p><u>Activities During The Period Under Review</u> ●Adherence to and follow up guidelines prescribed by government agencies e.g. Kenya Bureau of Standards regulations on quality standards. ●Strict adherence to the FKE & KAM business models ●Employee induction on the HR Manuals ●Respect and adherence to the Anti-Corruption Act of Kenya. ●Vendor accreditation through the ERP –SAP system ensures ethical behaviour ●Use of suggestion and comments boxes for feedback on non-conformances and to highlight best practices.</p>
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