

KENYA BIXA LTD COMMUNICATION ON PROGRESS

By Laban Kiptoo Business Manager Food Colors: Period covered: 4th FEB 2016 to Feb 4th 2017

It is my pleasure to reassert herewith the renewed commitment of Kenya Bixa Ltd, as members of the UN Global Compact, to support the Ten Principles of the UN Global Compact pertaining to Human Rights, Labour Law, Environmental Protection and Anti Corruption initiatives. We also wish to express our clear determination to advance these principles in our sphere of influence, and our commitment to mainstream them into our corporate strategy, business culture and operational practices.

We are furthermore committed to report openly and publicly on this topic, and to inform our employees, business partners and customers about our performance.

In this perspective of accountability and transparency, we report publicly on the results of our initiatives in favour of a sound enforcement of the Ten Principles of the UN Global Compact via our Communication on Progress published every year. Please find attached our 2016 Communication on Progress.

David Kisa

General Manager

1.0 HUMAN RIGHTS

- Kenya Bixa Ltd still has a human resource policy, which in accordance with the Universal Declaration of Human Rights, details employees' rights and resources within the organization.

The policy includes guidelines related to professional ethics, best management practices as well as other clauses that aim to protect employees and external parties in the conduct of daily operations.

The Company revises this document on a continuous basis, to ensure that it follows the organization's growth path, reflects encountered experiences and issues and contains timely and accurate provisions for the protection of its stakeholders.

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IMPLEMENTATION

- Kenya Bixa Ltd, in its labor contract, guarantees a culture of openness, honesty and transparency. Staff are encouraged to discuss issues encountered in the work place so as to find adequate solutions and prevent similar situations from happening in the future.

The Human Resources department is responsible for receiving employees' issues and suggestions to improve the overall quality of the work environment, while respecting privacy.

HR will then commit to resolve the issues are resolved in conformity with the country's laws and Universal Human Rights principles.

MEASUREMENT OF OUTCOMES

- To date, the Company has not encountered major incidents of Human Rights violation, due to senior management frequently reassessing the Company's policies and ensuring that its employees and stakeholders are treated fairly and equally. Kenya Bixa also encourages its external partners to follow its steps and act ethically in the work place which contributes to a healthier business environment and fewer cases of violation.
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- In the year 2016 there was a calendar of staff meetings with union members where issues were discussed openly.
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2.0 LABOUR

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- Kenya bixa Ltd recognizes the importance to provide an organizational culture based on respect and trust. As a result, the Company benefits in terms of productivity and growth.

The Human resource policy clearly states employee rights and responsibilities and their compensation and benefits.

IMPLEMENTATION

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- Kenya Bixa has written guidelines to ensure that Labor Rights are respected and in case of violation, resolved with the best interest of the neglected party at heart. Below are a few examples of implementation measures taken by the Company:

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- Employees are aware of their rights and responsibilities;
 - Complaint/suggestion system is in place allow effective communication between top management and the staff.

• MEASUREMENT OF OUTCOMES

- Human Resources and senior management work in hand to ensure that all employees are given access to the same resources and treated equally in the work place.

Kenya bixa ltd is proud to encourage freedom of speech and diversity in the work place, having employees from different regions, religious and educational backgrounds.

The 2016/2017 collective bargaining agreement for improvements of staff welfare has already been signed and implemented and all employees are happy.

4. ENVIRONMENT

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- Kenya Bixa Ltd is an a company is focused on sustainable, low-carbon and clean technology initiatives.

IMPLEMENTATION

- Kenya Bixa Ltd business solutions aim to find innovative ways to fight climate change and raise awareness among the population.
 - There is in place selected Environmental and health Safety Champions who monitor and sensitize staff of Safety at work place
 - Accidents are Monitored every Month and analysis are shared with the departments
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- Company has put in place simple guidelines to reduce energy consumption in the work place and raise awareness among its stakeholders. Examples are:
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- - Windows shut when using air conditioning;
 - Turn off lights, air conditioning, computer equipment, including desktops, upon leaving the office;

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- The Company has purchased a steam dryer to replace the Existing Fuel Dryers this in turn reduces the use Diesel Fuel.

MEASUREMENT OF OUTCOMES

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- The Company has put in place a fertilizer plant that utilizes Poultry waste and the Waste from the Factory to produce 10.5 T of Organic fertilizer per day
 - We also have a biogas plant that produces 120M³ of methane Gas per day which is utilized in steam production to replace Firewood and Diesel
 - There was Nil major accident in the year 2016 with only 2 minor injuries which is an improvement from year 2015

4.0ANTI-CORRUPTION

In order to avoid violations, the Company holds a strict zero-tolerance policy for corruption and bribery. The Human resource Policy, available to all employees, contains the Company policy and protocol to follow in the incidence of corruption and bribery violation. In case staff is confronted to situations where corruption and bribery are likely to take place, the Company's protocol provides guidance on how to react and report this type of violation.

IMPLEMENTATION

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- The selection of business partners and opportunities is done through a competitive bidding process, based on transparency and fairness, as to encourage market competitiveness and avoid corruption. Additionally, the Company works with an online platform where employees' work and responsibilities can be tracked, allowing senior management to closer monitor projects and the way business is conducted with external parties.
 - All tenders are done by a Tender Committee and results are published openly

MEASUREMENT OF OUTCOMES

- As a result of the Company's policy, all employees are made aware of consequences related to corruption and bribery violations. Senior management ensures that junior and mid level employees are not put in situations where they can prove guilty or victim of such violations.