

COMMUNICATION ON PROGRESS REPORT – 2017

Company Name:	MABATI ROLLING MILLS LTD
Sector:	INDUSTRIAL METALS AND MINING
No. of Employees:	
UNGC Signatory since:	2006
COE Signatory since:	2012
Contact Person:	JULIUS OCHIENG
Address:	271 – 00204 Athi River
Period covered by this COP	FROM: SEPTEMBER 2016 TO: AUGUST 2017

LEADERSHIP: Statement of Continued Support by the Chief Executive Officer

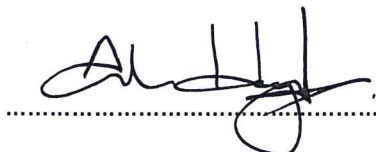
To our Stakeholders:

I am pleased to confirm that **MABATI ROLLING MILLS LIMITED** reaffirms its support of :

- ☒ The Ten Principles of the United Nations Global Compact for corporate responsibility in the areas of Human Rights, Labour, Environment and Anti-Corruption; and / or
- ☒ The principles of the Code of Ethics for Business in Kenya, for corporate responsibility relating to our organization, our shareholders and investors, our products and services, our suppliers, contractors and agents, our society, our state and government, and our natural environment.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the above standards into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Yours sincerely,



Andrew John Heycott
CHIEF EXECUTIVE OFFICER

ORGANISATIONAL GOVERNANCE:

MRM recognizes the importance of Corporate Governance and is committed to uphold high standards. The Company at the epitome is guided by Board of Directors which is responsible for the overall management and is accountable to the shareholders for ensuring that the company complies with the law and pursues highest standards of best practice governance and business ethics.

The Board meets at least four times a year and the directors are given appropriate and timely information so that they are able to maintain full and effective control over strategic, financial, operational and compliance issues.

The business performance of the company is reported regularly to the management and the board, with operational procedures and controls in place to facilitate complete, accurate and timely processing of transactions, including safeguard of assets.

MRM has a resilient policy that has an objective of making a lasting impact in the communities where we do business and within the context of CSR we have undertaken various community development involvement, and a lot of times involving employee participation.

Our business operations and interactions with all Stakeholders are founded on our Vision and Mission statements:

The Vision: To be Africa's premier provider of metal roofing and allied building solutions.

The Mission: To enhance value for all through innovation and best practices.

Value Statement: Safal will strive for highest standards of Ethics, Safety, Compliance & Quality and will be fair and caring towards Employees, Customers, Shareholders, Community, Environment and all Stakeholders.

FINANCIAL SUSTAINABILITY

Purpose

- Mabati Rolling Mills Limited herein referred as MRM is a member of Safal Group whose principal activity is to manufacture and trade in roofing materials. The company has aligned its operation to be efficient, cost effective, and operate on optimum financing mix to ensure best returns on capital employed and optimum profit for Shareholders' benefit.
- MRM has adhered to best financial practices by ensuring its Financial Statements comply with globally accepted accounting standards and portray true and fair view of the company financial position. This is vital to investors and general public.
- The company has ensured that it sustains its performance and be able to settle its obligation as and when they fall due. MRM has ensured that its Return on Equity (ROE) is steady and on increasing trend
- The company as a good corporate citizen has ensured all liable taxes i.e. VAT, PAYE and Custom Duties are accordingly charged and paid to the Government promptly to enable the government raise its revenue.
- MRM has also invested in the well-being of its staff by continuous training in respect to areas of specialisation, enhanced pension contribution for staff, full compliance with

retirement scheme like NSSF and medical schemes for the betterment of its work force. The company also contributes to welfare of community through direct donations and contributions.	
Brief Description of nature of business	
Our company, Mabati Rolling Mills Limited is a manufacturing company specialized in building and roofing solutions that include sheet products and steel system building structures.	
Scope of this COP	
At Mabati Rolling Mills Limited, we uphold all the following 10 Principles of the UN Global Compact:	
Human Rights Principle 1: businesses should support and respect the protection of internationally proclaimed human rights. Principle 2: make sure that they are not complicit in human rights abuses	
Labour Standards 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 labor Principle 5: the effective abolition of child labour Principle 6: the elimination of discrimination in respect of employment and occupation	
Environment Principle 7: businesses should support a precautionary approach to environmental challenges Principle 8: undertake initiatives to promote greater environmental responsibility Principle 9: encourage the development and diffusion of environmentally friendly technologies	
Anti- Corruption Principle 10: businesses should work against corruption in all its forms including extortion and bribery	
Including, Social and Economic Issues	
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
issues/core subjects:	1. Protection of internationally proclaimed human rights/workers' rights, ETC

	2. Complicity in human rights abuses
Human Rights Current	ASSESSMENT, POLICY AND GOALS MRM recognizes fundamental human rights to its stakeholders and Human Resources throughout the conduct of all its business activities.
	POLICIES AND GOALS:
	<ul style="list-style-type: none"> • Our policies make reference to the Universal Declaration of Human Rights and other international standards • Written company policy on respecting Human Rights and preventing potential abuses available in the Code of Ethics • The company has a practising Policy requiring business partners and suppliers to adhere to the principles on Human Rights • Assessment of Human Rights related risks and impact on industry sector • Commitment to the UNGC code of ethics and business conduct
	IMPLEMENTATION Concrete actions: <ul style="list-style-type: none"> • Use of Suggestion boxes • Laid down mechanism on grievance and conflict resolution through office of Ombudsman • HR Barazas held with employees to openly discuss new ideas and concerns. • Responsibility is allocated to all employees to protect Human Rights through being your brother's keeper. • Human Resource policies and procedures, which support Human Rights, are in our intranet which is accessible to all employees and they are given a hard copy too. • HR Training on the company policies to ensure full understanding of the employee rights and the employer's expectations • MRM places emphasis on training and developing the employees to improve their skills and capabilities. • Policies on harassment i.e. sexual, physical, verbal or psychological harassment has been put in place • MRM has developed a Zero-harm initiative where a lot of emphasis has been put on the health and safety of employees and all those who come into the company's premise. • The company has an Employee Relations Committee that addresses any issue that arises in regards to human rights. MEASUREMENT OF OUTCOMES AND VALUE TO COMPANY <ul style="list-style-type: none"> • Currently, we receive about one concern every month in the suggestion box. • The Ombudsman's office has not received any grievance or complaint from the employees. • We have held HR Barazas with a turnout of above sixty employees in attendance.

	<ul style="list-style-type: none"> • Reduction in the number of accidents and injuries in the plant. • Increase in awareness on safety requirements and procedures shown by a number of reports about near misses and safety risks and hazards • Introduction of Alcoblow at the entrance to ensure that there are no accidents in the factory as a result of employees being intoxicated. • No cases of Human Rights violation has been reported. • Introduction to safety briefs which are done on a monthly basis per department. • No cases of discrimination or harassment has been reported. • All employees attend at least one training session in a year • MRM has flexible working hours that allows employees to attend any form of training and realize their plans. <p><i>Examples of outcomes:</i></p> <ul style="list-style-type: none"> • There has been improved communication as a result of the HR Barazas. • There has been improved flow of information due to the use of the suggestion box, HR Barazas. This is both vertical and horizontal flow of information • Interpersonal relations and team work has been enhanced • Increase employee competencies, productivity and performance • Reduced occupational accidents and injuries.
	<p>COMMITMENT</p> <p>MRM Limited is committed to upholding the two principles by protecting, respecting and promoting human rights practices. We acknowledge and uphold the right to life, education, development, security, expression among others. The company is fully committed to the principles of equal opportunities/ equality and diversity in the workplace and regards personal harassment as a discriminatory and unacceptable form of behavior.</p>
	<p>SYSTEMS AND ACTIVITIES</p> <ul style="list-style-type: none"> • Grievance procedures laid down formally, including establishment of Ombudsman office which is an independent office • There is no discrimination on grounds of race, sex, sexual orientation, religion, disability, age, etc • The disciplinary issues are handled in line with the labor statutes and employees are given an opportunity to be heard before action is taken. • Provision of 24 hour security for employees while in the premises. • Provision of PPE's (Personal Protective Equipment) to all staff. • Health and safety policy and committee in place and active, and provision of medical care to staff • The company has continued to adhere to the labour laws of the country, ILO conventions and best practices in the country. • The management is compliant to the collective bargaining agreement agreed in the negotiation with workers delegates. • There is no forced labor in the company and employees work in an environment where they are treated with respect and all their rights and

	<p>privileges recognized.</p> <ul style="list-style-type: none"> • In our endeavor to increase transparency and accountability, our employees are freely encouraged to use the whistle blower policy whenever they observe any unethical conduct by MRM employees or stakeholder. • The company has put in place an Environmental Health and Safety Committee as well as Safety Champions in each department who drive the safety agenda in different functions.
Human Rights Future	<p>ACTIVITIES PLANNED FOR NEXT YEAR</p> <ul style="list-style-type: none"> • Implementation of training plan in compliance with skills matrix. • Implementation of training plan for managers, supervisors and HR department on management skills to ensure no violation of human rights • Continuously provide and improve the environment in which our HR Barazas are conducted with the view of enhancing openness, confidence and trust between participants in these meetings. • More focus on health and safety to ensure nil accidents in the company • More employees to participate in sports and CSR related activities that are currently sponsored by the company.
LABOUR RIGHTS	
UN Global Compact Principles Covered	<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 labor</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>
issues/core subjects:	<ol style="list-style-type: none"> 1) Freedom of association and collective bargaining 2) Forced and compulsory labour 3) Child labour 4) Discrimination and favouritism in employment 5) Health and safety 6) Decent work 7) Talent development

Labour Rights Current	<p>ASSESSMENT, POLICY AND GOALS</p> <ul style="list-style-type: none"> • Labour rights are so relevant in enhancing employer/employee relations through dialogue and other established mechanisms such as collective bargaining Agreements • Employment in MRM is freely chosen and all requirements adhered to such as no forced labour or child labour. The company has establish policies and guidelines that has streamlined recruitment and in the process eliminated any form of discrimination and favoritism and thus making MRM an employer of choice.
	<p>POLICIES AND GOALS:</p> <ul style="list-style-type: none"> • Collective Bargaining Agreements (CBA). MRM has negotiated a CBA with Kenya Engineering Workers Union to define terms and conditions of employment. • The MRM Human Resource policies are public documents available to staff of the company • MRM employees signs contract of employment stating clearly terms and conditions of employment and compensatory levels and related benefits. • MRM on routine and regular basis is audited by government agencies on labor issues. • All policies in the organization are in line with the constitution and the labor laws of Kenya. • The company's recruitment process ensures that all Labour Rights are adhered to. • All our employees have the right to join the various associations as recognized by the Labor Statutes and the Industrial Relations Charter.
	<p>IMPLEMENTATION</p> <ul style="list-style-type: none"> • The company upholds the right of employees to form associations and as such, has signed a recognition agreement with Kenya Engineering Workers Union (KEWU). A clear grievance mechanism has been developed to mitigate and address cases of discipline and just conflict resolutions at work place. • The company has signed industry CBA that is above with the minimum wage order with the view of enhancing the relationship between the union employee and the management. The current CBA the company is operating on, runs for the period 2017 to 2018. • The company has established a pay structure which also factors in the market pay rate and the standard of living in the area. • MRM has a clearly stated recruitment procedure that all prospective employees go through. It eliminates any form of discrimination. • The company adheres the Country's Employment Act in regards to child labour and employment of children. • All employees are issued with a contract of employment that states the

	<p>terms and conditions of employment, which they are required to sign, signifying consent.</p> <ul style="list-style-type: none"> • MRM continuously reviews the SOPs to ensure staff are able to perform their work comfortably. • MRM has a Learning, Training and Development department that ensures that any skill gaps identified are bridged through training. • Proper Health & Safety gear-personal protective clothing is provided for all staff • The Human Resources Manager has been designated to oversee the protection of labor rights within MRM • The company has an Employee Relations Council that constitutes of a representation from management and union. They handle any issues regarding employee relations and labor rights. • MRM has a clearly stipulated policy on no discrimination. • The company operates under the open door policy.
	<p>MEASUREMENT OF OUTCOMES</p> <ul style="list-style-type: none"> • Individual/group daily targets are set by supervisors and continuously monitor performance through task completions and reports generated. • MRM has mid-year and end of year performance appraisals. • Non performing staff are put on Personal Improvement Plan(PIP) and reviews and evaluations done at the end of set periods • MRM is regularly audited and is ISO certified. ISO 14000,ISO 9001:2008 to ensure compliance with all Labour laws • The company has no litigation in regards to Labour Rights Issues • MRM redesigned the offices to an open plan layout that facilitates the open door policy. • The company established a Mother's room in accordance to The Breastfeeding Mothers Bill, 2017. • The company has enjoyed good industrial relations. <p><u>Commitment to Principle 3:</u></p> <p>Systems /Activities</p> <ul style="list-style-type: none"> • Collective Bargaining Agreement for the period 2017-2018 has been reviewed and implemented. <p><u>Commitment to Principle 4 and 5</u></p> <p><u>Systems and Activities</u></p> <ul style="list-style-type: none"> • MRM does not employ persons below the minimum age of 18years. • Employees freely choose to work for MRM and can freely choose to leave employment with the company in accordance with the provisions of employment Act 2007

	<p><u>Commitment to Principle 6</u> <u>Systems/Activities</u></p> <ul style="list-style-type: none"> MRM hires staff based on competency and skills and placement based on ability and we also uphold the Employment Act, 2007 which prohibits discrimination based on gender, race, religion, ethnic background, HIV Status, sexual orientation etc.
Labour Rights Future	<p>ACTIVITIES PLANNED FOR NEXT YEAR</p> <ul style="list-style-type: none"> Ensure all employments standards are upheld by adherence to the labor law. Run on the Collective Bargaining Agreement for the years 2017 and 2018 Review of the HR handbook to incorporate the updated policies Commence negotiations of the 2019 – 2020 CBA Train the ERC Committee Orientation of the new union officials elected in July, 2017.
ENVIRONMENT	
UN Global Compact Principles Covered	<p>Principle 7: Protecting the Environment, Health, Safety and well-being of our employees and all other stakeholders</p> <p>Principle 8: Precautionary approach to environmental challenges</p> <p>Principle 9: Promoting environmental responsibility amongst the workforce</p>
Environment Current	ASSESSMENT, POLICY AND GOALS
	<p>MEASUREMENT OF OUTCOMES</p> <ul style="list-style-type: none"> Annual environmental impact assessments Annual self-audits that are submitted to the government Timely investigations and closure of incidents as they occur Root cause analysis and incident reporting Incident statistics (LTI & MTI) & environmental exceedencies Quarterly internal audits on Environment, Health and Safety System(EHS) Monthly management reviews on Performance of EHS ISO 14000 external audits Continual improvement projects e.g. mitigation and reduction of Hazards at the work place, sustainable and green production

	<p>initiatives—monitoring and control of energy and water consumption and gaseous emissions.</p> <ul style="list-style-type: none"> • Energy audits
	<p>COMMITMENT</p> <ul style="list-style-type: none"> • Protection of the environment in which we live and operate is part of our values and principles and we consider it to be sound business practice. • Caring for the environment is one of our key responsibilities and an important part of the way in which we do business.
	<p>SYSTEMS</p> <p>In this policy statement we commit our company to:</p> <ul style="list-style-type: none"> • Complying with all applicable Kenyan environmental laws and regulations • Upholding highest possible standards of ethics to environmental conservation, sustained manufacturing processes and care on safety of all stakeholders.
	<p><u>Activities</u></p> <ul style="list-style-type: none"> • Solid waste generated from the plant is segregated into solid, plastic and paper. Solid waste is collected by NEMA-licensed contractor for proper disposal while the rest are incinerated. • Hydrochloric acid used in the pickling line is regenerated/recycled instead of being released to the environment • We have an industrial waste management system, where all the waste is collected into a sago tank and chemically treated. The water collected is used for domestic use and watering of plants in the company compound. • We have Environment, Health and Safety Officers and a Safety Committee who are responsible for ensuring that employees are working in a safe and healthy environment. • We participate in Cleaner Production Programs supported by NEMA & National Cleaner Production Centre. • We have modelled Green Parks within our manufacturing units • Tracking of Carbon Foot Print • Mariakani Technical Training Institute runs entirely on solar power in a bid to conserve the environment
Environment Future	<p>ACTIVITIES PLANNED FOR NEXT YEAR</p> <ul style="list-style-type: none"> • Quarterly water & ambient air analyses and noise surveys. • Annual self-assessment and report to NEMA • Quarterly environmental audits • ISO 14000 external audits • Intensive training in waste management to employees • Tri- Annual energy audits • Procurement of new equipment that are environmentally friendly, conserve energy and are safe to use.

	<ul style="list-style-type: none"> • Renovation and sustenance of Effluent/Sewerage Treatment Plants • Rain water harvesting • Increase vegetative cover (Tree planting in the company compounds)
ANTI-CORRUPTION	
UN Global Compact Principles Covered	Principle 10: Business should work against in all its forms, including extortion and bribery
Core subjects/issues:	<ol style="list-style-type: none"> 1) Corruption (including extortion and bribery) 2) Anti-competitive behaviour 3) Fairness to business partners and suppliers
Anti-corruption Current	<p>ASSESSMENT, POLICY AND GOALS</p> <p>MRM does not tolerate corruption in all its forms and other vices. There is commitment to policy, value statement, Global Compact Principles and Corporate Governance Policies that outlaw corruption in the business.</p> <p>POLICIES AND GOALS: MRM'S Value statement affirms the Company policy on anti-corruption:</p> <p>'We do not take shortcuts to ethics, quality; we shall be fair to all employees, customers, the community and environment.'</p> <p>There is a code of ethics and business conduct that is binding to all staff and suppliers. The Human Resource Department has also developed an employee handbook to guide staff operations.</p> <p>IMPLEMENTATION</p> <ul style="list-style-type: none"> • Enforcement of Code of Ethics & Business Conduct, Corporate Governance Policies, HR Employee handbook and the Anti-Corruption Act of Kenya • Adherence to Kenya Bureau of Standards regulations on quality standards • The Legal and Compliance office ensures that the standards and procedures as stated in the employee Code of Conduct and standards in other documents are adhered to. • Stakeholder dialogues are convened as an act of transparency • Transparency of all operations • The company has publicly displayed the employee code of conduct. • Complaints are handled in line with the laid down company policies. • The company has a policy that ensures that prevents employees from receiving gifts from customers and if they do they ought to declare it.

	MEASUREMENT OF OUTCOMES <ul style="list-style-type: none"> • There has been no litigation on the company on any unfair business practices. • No customer has sued the company due to substandard products. • No employee has been charged with being involved in any corruption activity. • Quality assurance team ensure that our products meet the set standards. • Pricing of all our products are standard and similar for all our customers
	OUTCOMES <ul style="list-style-type: none"> • Conducting audits periodically and taking corrective action where the set standards are not met.
Anti-corruption Future	ACTIVITIES PLANNED FOR NEXT YEAR <ul style="list-style-type: none"> • Continuously train employees on the business code of conduct. • Revision of the procurement processes to ensure that they are in line with our business code of conduct and our code of ethics. • Display the business code of conduct in strategic locations. • Ensure that employees have handbooks on the company business conduct and policies
SOCIAL ISSUES	
Core Subjects	1) Social Impact on Local Communities 2) Fairness to customers / consumer protection 3) Product Quality and Safety 4) Respect to business partners
Social 1	Social Impact of MRM on Local Communities
	ASSESSMENT, POLICY AND GOALS <p>The Company's Corporate Policy comprises of Business Concept, Shared Values, CSR, Business Ethics and other fundamental aspects. Under this policy, the company affirms its commitment of seamless integration of marketplace, workplace, environment and community concerns with business operations; and in integration with various stakeholders.</p> <p>MRM seeks to be a good Corporate Citizen in all aspects of its business and operational activities meeting its wider economic, social and environmental obligations, both to employees and to other interest groups including customers, suppliers, investors and the communities.</p>
	MRM COMMITMENTS <ul style="list-style-type: none"> • Among its various commitments, MRM has spelt out its policy seeking

	<p>to engage with Stakeholders and ultimately address mutual concerns and expectations.</p> <ul style="list-style-type: none"> • The approach mainstreams CSR within the company through translating company's commitment into policies that drive its employees, and other stakeholders like suppliers, customers and service providers. • This commitment upholds ethical conduct of business, transparency, legal and compliance, adoption of human rights, environmental conservation, health and safety, and supply chain of the business processes throughout the value chain. • MRM's approach to share its wealth for the improvement of the quality of its employees and their families and the marginalized and vulnerable communities not only where it operates but also anywhere it deems appropriate, including exporting countries. • MRM will exceed legal and regulatory expectation in pursuit of environment protection, and energy conservation at its manufacturing facilities, and in development of products that use fewer natural resources and are environment friendly. • MRM will encourage and recognize its employees for volunteering in the community in the spirit of serving and sharing their expertise and skills.
	<p>SYSTEMS AND ACTIVITIES</p> <p>1. Social Investments</p> <p>a) Mabati Medical Centre</p> <ul style="list-style-type: none"> • We receive and treated more than 40,000 patient visits last year. The five most common diseases treated are Upper respiratory tract infections, HIV/AIDS, Skin infections, Urinary tract infections and Malaria. • The community has access to affordable primary health care as they are charged a nominal fee of Ksh. 350/= for consultation, medicines and treatment. HIV/AIDS patients receive comprehensive health care services consisting of voluntary counselling and testing, ARV drug therapy, feeding program, etc. • Around 3000 positive cases are being treated at present. • We hold free medical camps every year when the patients receive free treatment on that day. 1171 patients attended the free medical camps and around 34 patients underwent free cataract operations conducted by the Lions Club of Mombasa, Pwani. • Regular antenatal and postnatal clinics are held and immunizations done to improve the health of mothers and children. • Diagnostic center was set up in the Mariakani Medical Centre with digital X-Ray machine, Ultrasound and a Lab. This has enabled us to provide quality health care to our local community. <p>b) Mabati Technical Training Institute</p> <ul style="list-style-type: none"> • At the institute poor and needy youth are given employable skills so that they become productive members of our society hence reducing unemployment and poverty.

	<ul style="list-style-type: none"> • Last year 362 did the NITA certified technical courses and around 327 did the computer courses with us. The exams results have been good as we have a pass rate of above 95% and in 2016, 99% of our students passed their exams. • Our students go for attachment in the nearby companies and we do job placement as well. Around 86% of our graduates are able to get a job with three to six months upon receiving their NITA certificate. • The students get on the job working experience as well as the local community places orders with us for metal doors, windows, uniforms and repair of vehicles. In collaboration with the Ministry of Planning and Devolution, we will be giving business start-up kits to 34 graduates of 2018.
	<p>2. Donations and Assistance to the Community</p> <ul style="list-style-type: none"> • We sponsored Starehe Girls School in their annual Walk which aimed at raising funds for educating the less privileged girls • We sponsored the Kenya Hospice Palative Dinner to raise money for • We sponsored the Educate Her Parade that is meant to raise funds to educate underprivileged girls. • We donated roofing sheets to various schools. This is in line with our CSI policy which we focus on education and health of the society. • MRM has sponsored two football teams that represent the company. These teams comprise of young talented men either working for the company or live in the community around the company. • In December last year the company together with its employees donated relief food to save the hunger-stricken people of Milore in Kilifi county. • We fully sponsored the construction of an Ablution block for the Mariakani Police station. • We donated roofing sheets to Taveta pry, Mariakani Pry, Tom Mboya School of Cerebral palsy, J.F Hope School in Kaloleni and Kidutani pry which are in Kilifi, Mombasa and Taita Taveta County. • We sponsored the Mombasa Inter Secondary School debate competition organized by the Lions Club of Mombasa Pwani. • MRM in Partnership with MTTI (Mabati technical Training Institute) sponsored the cultural exhibition at Light academy. • MRM in partnership with the Safaricom Foundation donated food as a Christmas treat to the people of Mariakani community- Kilifi County. • The Mabati Technical Training Institute students participated in the Kilifi Peace Awards Talent Show. • Students from mabati Technical Training Institute donated relief food to the Tsangatsini people of Kilifi County as a way of giving back to the community. • MRM has a welfare scheme where employees donate a percentage of their salary to help the underprivileged in the community.
	<p>MEASUREMENT OF OUTCOMES AND VALUE ADDED FOR OUR COMPANY</p> <ul style="list-style-type: none"> • MRM continued to enjoy mutual harmony with the community, and this was appreciated by opinion leaders in opportune forums. The outlying community was able to access affordable medical services with many

	<p>registering in good numbers (35,000 in a year). This being an increase, denoting appreciation of the service.</p> <ul style="list-style-type: none"> Also youths enrolled in good numbers compared to previous years for skills development.
Social Future	<p>ACTIVITIES PLANNED FOR NEXT YEAR</p> <ul style="list-style-type: none"> Continue to donate roofing sheets to the less privileged schools MMC is to open a maternity wing and a mini-operation theatre. We intend to open the Dental & Eye Clinics in the coming year.
Social 2	Fairness to customers / consumer protection
	<p>ASSESSMENT, POLICY AND GOALS</p> <p>MRM'S Value statement affirms the Company policy on fairness to customers: 'We shall be fair to all employees, customers, the community and environment.'</p> <p>MRM's mission statement also affirms that: 'We shall enhance value for all through innovation and best practices'</p> <p>MRM COMMITMENTS</p> <ul style="list-style-type: none"> Adherence to Kenya Bureau of Standards regulations on quality standards. The Legal and Compliance office ensures that the standards and procedures are stated in the employee Code of Conduct as well as the Company's Standard Operating Procedures (SOP's) are met. The company has a quality team that ensures that the company's product's quality standards are met and customer's complaints on quality are promptly addressed. Enforcement of Code of Ethics & Business Conduct, HR Employee handbook and the Consumer Protection Act of Kenya. As part of our commitment to protect our customers by ensuring quality products we are ISO 9001:2008 certified. We are committed to continuously train roof installers with the view of protecting our customers against any loss resulting from poor installation of the sheets. <p>SYSTEMS AND ACTIVITIES</p> <p>Examples of concrete actions:</p> <ul style="list-style-type: none"> Submission of samples quarterly to Kenya Bureau of Standards to ensure adherence to quality. Standard Operating Procedures e.g. for disposal of scrap are implemented to ensure fairness to all customers. Issuance of warranty for the goods delivered to the customers. The Legal and Compliance Office reviews the Company policies to ensure that they are in line with all statutory Regulations. The Human Resource Department through Barazas sensitize employees on the Company policies. <p>MEASUREMENT OF OUTCOMES</p> <ul style="list-style-type: none"> Conducting audits periodically and taking measures where the set

	<p>standards are not met.</p> <ul style="list-style-type: none"> • The Quality Assurance Team continuously monitor the quality of the products we produce. • Renewal of the ISO 9001:2008 certification. • Having repeat customers and new customers who come to buy from referrals.
	<p>OUTCOMES</p> <ul style="list-style-type: none"> • Harmonious relationship between the Company and its customers • Minimal complaints received from customers on poor quality of goods • Positive feedback from our customers about our scrap disposal system and process, which is fair and transparent. • Positive feedback from customers who have used our trained installers. • Increased number of customers seeking services from our trained installers.
Social Future	<p>ACTIVITIES PLANNED FOR NEXT YEAR</p> <ul style="list-style-type: none"> • Submission of Samples quarterly to Kenya Bureau of Standards for quality inspection. • Training of employees on Customer Service. • Review of all our processes to ensure customers' expectations are met. • Continuously train the roofing installers on how to install the roofs and our various products. • Restructure our customer value proposition
Social 3	Product Safety And Quality
	<p>ASSESSMENT, POLICY AND GOALS</p> <p>MRM does not tolerate short cuts in her mission to deliver Value for Money in metal roofing solution.</p> <p>MRM'S Value statement affirms the Company policy on Quality.</p> <p>'We do not take shortcuts to ethics, quality; we shall be fair to all employees, customers, the community and environment.'</p>
	<p>MRM COMMITMENTS</p> <p>The MRM Quality Policy states a commitment to:</p> <ul style="list-style-type: none"> • Meeting and/or exceeding the needs and expectations of our customers in supply of our Products and Services. • Ensuring the Manufacturing and supply of our products and Services meet legal and other market requirements. • Continually measuring, reviewing and improving our processes, practices and management systems. • Complying with all requirements of ISO 9001:2008 certifications. • Ensuring all Employees and Contractors understand their role with a culture of "doing it right the first time".

	<ul style="list-style-type: none"> Actively promoting a quality first culture, focused on continual improvement.
	SYSTEMS AND ACTIVITIES <ul style="list-style-type: none"> ISO 9001 – 2008 Certification Complying to National and international standards Process quality guarantee through Inspection, research and Laboratory testing for standardization and Product improvement.
	MEASUREMENT OF OUTCOMES AND VALUE ADDED FOR OUR COMPANY <ul style="list-style-type: none"> Monthly market competitiveness surveys Reduction of Seconds and Scrap generation Timely investigation and resolution of Customer claims Quarterly internal audit of Quality Management system ISO 9001 -2008 external audits
Social Future	ACTIVITIES PLANNED FOR NEXT YEAR <ul style="list-style-type: none"> Continuous market surveillance and benchmarking on quality Educate customers on quality and how to identify quality on our products, safe material handling and roofing maintenance.
Social 4	Respect to business partners
	ASSESSMENT, POLICY AND GOALS <p>‘We do not take shortcuts to ethics, quality; we shall be fair to all employees, customers, the community and environment.’</p> <p>MRM’s mission statement also affirms that; ‘we deliver value for money’</p>
	MRM COMMITMENTS <ul style="list-style-type: none"> Enforcement of Code of Ethics & Business Conduct, Corporate Governance Policies and HR Employee handbook The Company forbids any personal benefit given or offered to any employee by a supplier, customer or service provider; in particular, the company does not tolerate any bribes. The Company ensures compliance with the legal statutes and the international standards governing the various aspects of our business The Compliance office ensures that the standards and procedures as stated in the employee Code of Conduct and standards in other documents are adhered to. We protect the privacy and safeguard the confidential information of our employees, customers, service providers and suppliers. Our remuneration structure is competitive in the market. Maximizing our shareholder’s return on investment
	SYSTEMS AND ACTIVITIES <ul style="list-style-type: none"> The Legal Office maintains contracts between the Company and its

	<p>business partners which governs the relationship between the parties.</p> <ul style="list-style-type: none"> • The Legal Office reviews the Company policies to ensure that they are in line with all statutory Regulations. • Assessment and Monitoring of compliance with the Company's Code of Ethics & Business Conduct policy as well as implementing sanctions stipulated in the policy against employees who violate the same.
	<p>MEASUREMENT OF OUTCOMES AND VALUE ADDED TO OUR COMPANY</p> <ul style="list-style-type: none"> • The Company's good reputation has been upheld • Harmonious relationship between the Company and its customers/suppliers or service providers • Minimal complaints received from customers/ suppliers or service providers on misconduct
Social Future	<p>ACTIVITIES PLANNED FOR NEXT YEAR</p> <ul style="list-style-type: none"> • Awareness forums through barazas organized by HR to enlighten employees on their ethical responsibilities as well as the Company Policies • Training employees on customer service. • Training all employees on the products. • Continue training more roofing installers on how to install roofs and our various products.
ECONOMIC	
core subjects/issues:	<ul style="list-style-type: none"> • Good governance (incl. payment of taxes) • Financial sustainability
Economic	<p>ASSESSMENT, POLICY AND GOALS</p> <p>The business performance of the company is reported regularly to the management and the board, with operational procedures and controls in place to facilitate complete, accurate and timely processing of transactions, including safeguarding assets.</p>
	<p>IMPLEMENTATION</p> <ul style="list-style-type: none"> • Set up of Key performance indicators... • Business Review sessions
	<p>MEASUREMENT OF OUTCOMES</p> <ul style="list-style-type: none"> • Through Performance management process • Board reviews
How we intend to make this COP available to our Stakeholders	
<p>We will post it not only on the Global Compact Network Site but also on our Corporate website – www.mabati.com and Trustees website – www.mabatitrust.org; including other channels of communication under our control, and publicize it through our newsletter Mabatitrust.</p>	