

## COMMUNICATION ON PROGRESS

<b>Company Name:</b>	<b>Pathologists Lancet Kenya</b>
<b>Sector:</b>	<b>Medical</b>
<b>No. of Employees:</b>	
<b>UNGC Signatory since:</b>	25/07/2011
<b>COE Signatory since:</b>	
<b>Contact Person:</b>	<b>Peter Murigi</b>
<b>Address:</b>	<b>117 00202 Nairobi</b>
<b>Period covered by this COP</b>	FROM: 2016 TO: 2017
<b>LEADERSHIP: Statement of Continued Support by the Chief Executive Officer</b>	
<p>To our Stakeholders:</p> <p>I am pleased to confirm that Pathologist Lancet Kenya reaffirms its support of :</p> <p><input type="checkbox"/> 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</p> <p><input type="checkbox"/> The principles of the Code of Ethics for Business in Kenya, for corporate responsibility relating to our organisation, our shareholders and investors, our products and services, our suppliers, contractors and agents, our society, our state and government, and our natural environment.</p> <p>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.</p> <p>Yours sincerely,</p> <p>Dr Ahmed Kalebi</p> <p><b>Managing Director and CEO – Pathologists Lancet Kenya</b></p>	
<b>ORGANISATIONAL GOVERNANCE:</b>	
<ul style="list-style-type: none"> <li>➤ Pathologists Lancet Kenya is part of the Lancet Group of Laboratories, originally founded in South Africa and home-grown in Africa to become a leading pathology laboratory service in the continent. We provide vital diagnostic, monitoring and screening testing from routine to specialized and esoteric tests through standalone laboratory facilities and in partnership with other institutions / organization.</li> <li>➤ Committed to providing diagnostic excellence, we at Lancet adhere to international criteria set out according to ISO Standard 15189 in all our service points. Our main laboratory is ISO 15189 certified and accredited by SANAS since 2010, while our key branch laboratories are accredited by KENAS.</li> <li>➤ Pathologists Lancet Kenya has established five significant Corporate Objectives. The first is to Increase revenue opportunities, the second is the Customer relationship management, third is having lean and effective operations, the forth is develop, retain and manage talent and finally Advancing Corporate Sustainability by reducing waste and improving SHE compliance.</li> </ul>	
<b>➤ Brief Description of nature of business</b>	
<ul style="list-style-type: none"> <li>➤ Pathologists Lancet Kenya is an ultramodern, internationally accredited pathology laboratory originally founded in South Africa now with over 65 years of experience.</li> </ul>	

- Our services are offered to doctors and their patients directly, through clinics and hospitals, industrial & corporate sectors, insurances and outreach programs. We also serve clinical trials and research groups, and have engagement with the governmental and NGO agencies through public private partnerships.

#### 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

##### Human Rights Current

##### Assessment, Policy and Goals

Description of the relevance of human rights for the company (i.e. human rights risk-assessment). Description of policies, public commitments and company goals on Human Rights.

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

	<p>their religious beliefs and</p> <ul style="list-style-type: none"> <li>• Necessary support is provided.</li> <li>• There are guidelines to ensure fair resolution of disputes</li> <li>• Manuals have been made available to all staff on sexual harassment</li> <li>• PLK has various fee schedules catering for both high end clientele and the low income earning</li> <li>• There is a code of conduct enforcing employee integrity</li> <li>• Zero tolerance to child labor</li> </ul> <p><b>Implementation</b> Description of concrete actions to implement Human Rights policies, reduce Human Rights risks and respond to Human Rights violations.</p> <ul style="list-style-type: none"> <li>• Suggestion box, call centre or grievance mechanism</li> <li>• Awareness raising or training of employees on Human Rights</li> <li>• Consultation with stakeholders and affected parties</li> <li>• Allocation of responsibilities for the protection of Human Rights within your company</li> <li>• Human resource policies and procedures supporting Human Rights</li> </ul> <p><b>Measurement of outcomes</b> How the company monitors and evaluates performance.</p> <ul style="list-style-type: none"> <li>• We ensure that our clients both internal and external have their right of expression exercised through:</li> <li>• We have questionnaires that are accessible at our reception areas</li> <li>• We have hotlines where our clients or anyone can call and get assisted</li> <li>• We also have suggestion boxes and all these are reviewed and implemented accordingly.</li> </ul> <p>Through these suggestions we are able to measure the outcome.</p> <p><b><u>Commitment</u></b></p> <p>➤ Pathologist Lancet Kenya 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><b><u>Systems and Activities</u></b></p> <ul style="list-style-type: none"> <li>➤ Grievance procedure</li> <li>➤ Discrimination on grounds of race, sex, sexual orientation, religion, disability, age...</li> <li>➤ The disciplinary procedure</li> <li>➤ Provision of 24 hour security for employees while in the premises.</li> <li>➤ PPE's (Personal Protective Equipments) for contractors.</li> <li>➤ Health and safety policy and committee and provision of medical care</li> </ul>
Human Rights Future	<p><b><u>Activities Planned for Next Year</u></b></p> <ul style="list-style-type: none"> <li>➤ Pathologists Lancet Kenya plans to keep upholding its mission of quality service for the benefit of the community at large.</li> <li>➤ PLK has also been expanding, opening its doors to various counties to ensure that our services are available and accessible to all.</li> </ul>

## LABOUR RIGHTS

### UN Global Compact Principles

**Principle 3:** Business should uphold the freedom of association and

<b>Covered</b>	<p>the effective recognition of the right to collective bargaining</p> <p><b>Principle 4:</b> Business should support the elimination of all forms of forced and compulsory labor</p> <p><b>Principle 5:</b> Business should support the effective abolition of child labor</p> <p><b>Principle 6:</b> Business should support the elimination of discrimination in respect of employment and occupation</p>
<b>Examples of issues/ core subjects:</b>	<ul style="list-style-type: none"> <li>• <b>Freedom of association and collective bargaining</b></li> <li>• <b>Forced and compulsory labour</b></li> <li>• <b>Child labour</b></li> <li>• <b>Discrimination and favouritism in employment</b></li> <li>• <b>Health and safety</b></li> <li>• <b>Decent work</b></li> <li>• <b>Talent development</b></li> </ul>
<b>Labor Rights Current</b>	<p><b>Assessment, Policy and Goals</b></p> <p>Description of the relevance of labour rights for the company (i.e. labour rights-related). Description of written policies, public commitments and company goals on labour rights. E.g.</p>
	<p>Policies and goals:</p> <ul style="list-style-type: none"> <li>• Reference to ILO Core Conventions or other international instruments</li> <li>• Written company policies to uphold the freedom of association and collective bargaining and the elimination of forced labour, child labour and employment discrimination</li> <li>• Written policies that clearly state employee rights and responsibilities and their compensation and benefits</li> <li>• Policy requiring business partners and suppliers to adhere to the Labour principles</li> <li>• Assessment of labour-related risks in the industry sector and country(ies) of operations</li> <li>• Specific goals in the area of Labour Rights for the upcoming year</li> </ul>
	<p><b>Implementation</b></p> <p>Description of concrete actions taken by your company to implement labour policies, reduce labour risks and respond to labour violations.</p>
	<p>Concrete actions:</p> <ul style="list-style-type: none"> <li>• Suggestion box, call center or grievance mechanisms</li> <li>• Awareness raising or training for employees on labour rights and policies</li> <li>• Describe how the health and safety of all employees is ensured</li> <li>• Describe how your company prevents discrimination of all kinds and ensures comparable pay for comparable work</li> <li>• Consultation with employees and other stakeholders</li> <li>• Allocation of responsibilities for the protection of labour rights within your organization</li> <li>• Human Resource policies and procedures supporting the Labour principles</li> <li>• Participation in international framework agreements and other agreements with labour unions</li> </ul>
	<p><b>Measurement of outcomes</b></p> <p>Description of how the company monitors and evaluates performance.</p>
	<p>Outcomes:</p> <ul style="list-style-type: none"> <li>• Demographics of management and employees by diversity factors (e.g. gender, ethnicity, age, etc.)</li> <li>• Describe how your company deals with incidents of violations of the Global Compact Labour</li> </ul>

	principles <ul style="list-style-type: none"> <li>• Investigations, legal cases, rulings, fines and other relevant events related to Labour</li> <li>• Periodic review of results by senior management</li> <li>• Specific progress made in the area of Labour during the last reporting period</li> <li>• External audits (e.g. SA 8000)</li> </ul>
Labor Rights Future	<b>Activities Planned for Next Year</b> <ul style="list-style-type: none"> <li>➤ Ensure all employments standards are upheld by adherence to the labor law.</li> <li>➤ Adherence of the collective bargaining agreement set.</li> </ul>

ENVIRONMENT	
UN Global Compact Principles Covered	<b>Principle 7:</b> Business should support a precautionary approach to environmental challenges <b>Principle 8:</b> Business should undertake initiatives to promote greater environmental responsibility <b>Principle 9:</b> Business should encourage the development and diffusion of environmentally friendly technologies
Examples of core subjects / issues:	<ul style="list-style-type: none"> <li>• <b>Precautionary approach to environmental challenges</b></li> <li>• <b>Initiatives to promote environmental responsibility</b></li> <li>• <b>Environmentally friendly technologies</b></li> <li>• <b>Remedial actions</b></li> <li>• <b>Compliance with environmental laws and regulations</b></li> </ul>
Environment Current	<b>Assessment, Policy and Goals</b> Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection.
	<b>Policies and goals:</b> <ul style="list-style-type: none"> <li>• Assessment of the environmental footprint and impact of your company</li> <li>• Written company policy on environmental issues, including prevention and management of environmental risks</li> <li>• Policy requiring business partners and suppliers to adhere to the environmental principles</li> <li>• Describe specific goals in the area of the environment for the upcoming year</li> </ul>
	<b>Implementation</b> Description of concrete actions to implement environmental policies, reduce environmental risks and respond to environmental incidents.
	<b>Concrete actions:</b> <ul style="list-style-type: none"> <li>• Awareness raising or training of employees on environmental protection</li> <li>• Initiatives and programmes to reduce waste materials (e.g. recycling) and consumption of resources (energy, fossil fuels, water, electricity, paper, packaging, etc.)</li> <li>• Activities aimed at improving the energy efficiency of products, services and processes</li> <li>• Development and diffusion of environmentally friendly technologies</li> </ul>

	<ul style="list-style-type: none"> <li>• Raise awareness among suppliers by asking for the environmental footprint of products or services</li> <li>• Environmental management system to identify, monitor and control the company's environmental performance</li> <li>• Allocation of responsibilities for environmental protection within your company</li> </ul>
	<p><b><u>Commitment</u></b> 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> <p><b><u>Systems</u></b> In this policy statement we commit our company to:</p> <ul style="list-style-type: none"> <li>➤ Complying with all relevant environmental legislation, regulations and approved codes of practice.</li> </ul> <p><b><u>Measurement of outcomes and value added for our company</u></b></p> <ul style="list-style-type: none"> <li>➤ Lancet Laboratories has a licensed waste disposal agent. An Energy Conservation Opportunity (ECO) was established with the below adopted.</li> <li>➤ ECO: Lighting.</li> <li>➤ 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.</li> <li>➤ ECO: Lighting – Roof Top Solar Photovoltaic (SPV) system.</li> <li>➤ 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.</li> </ul>
Environment Future	<p><b><u>Activities Planned for Next Year</u></b></p> <ul style="list-style-type: none"> <li>➤ E.g Monitoring of waste disposal to mitigate pollution in form of effluent. Implementation of the ECO projects to cover annual energy cost savings of approximately 23,500 USD in 2016.</li> <li>➤ % Potential savings against 2015/2016 energy cost: 30.21% (Inc SPV)</li> <li>➤ % Potential savings against 2015/2016 energy cost: 14.79% (Exc SPV)</li> </ul>

ANTI-CORRUPTION	
UN Global Compact Principles Covered	<b>Principle 10:</b> Business should work against in all its forms, including extortion and bribery
Examples of core subjects/issues:	<ul style="list-style-type: none"> <li>• <b>Corruption (including extortion and bribery)</b></li> <li>• <b>Anti-competitive behaviour</b></li> <li>• <b>Fairness to business partners and suppliers</b></li> </ul>
Anti-corruption Current	<p><b>Assessment, Policy and Goals</b> Description of the relevance of fair operating practices and anti-corruption for the company (i.e. anti-corruption risk-assessment). Description of policies, public commitments and company goals on fair operating practices and anti-corruption.</p>
	Policies and goals:

	<ul style="list-style-type: none"> <li>• Assessment of risk of corruption and bribery in the company's industry and country(ies) of operation</li> <li>• Written company policy of zero-tolerance for corruption, bribery and extortion</li> <li>• Reference to (or statement of support for) the UN Convention Against Corruption and other international instruments</li> <li>• Protocol to guide staff in situations where they are confronted with extortion or bribery</li> <li>• Policy requiring business partners and suppliers to adhere to the anti-corruption principles</li> <li>• Specific goals in the area of anti-corruption for the upcoming year</li> <li>• Policies on paying suppliers on time</li> </ul>
	<b>Implementation</b> Description of concrete actions to implement fair operating practices and anti-corruption policies, reduce risks and respond to incidents.
	Concrete actions: <ul style="list-style-type: none"> <li>• Suggestion box, call centre or grievance mechanisms</li> <li>• Awareness raising or training of employees about company's policies regarding anti-corruption and extortion (e.g. mailings, internet, internal communication, etc.)</li> <li>• Allocation of responsibilities for anti-corruption within the company</li> <li>• Participation in industry initiative or other collective action on anti-corruption</li> <li>• We have a revised Code of Conduct Policy in line with the Bribery Act 2016 governing employees, clients and suppliers.</li> <li>• Our suppliers have been engaged by filling in an onboarding questionnaire.</li> <li>• The compliance team has engaged in various trainings including training of employees.</li> </ul>
	<b>Measurement of outcomes</b> Description of how the company monitors and evaluates fair operating practices and anti-corruption performance.
	Outcomes: <ul style="list-style-type: none"> <li>• Internal audits to ensure consistency with anti-corruption commitment, including periodic review by senior management</li> <li>• Investigations, legal cases, rulings, fines and other relevant events related to corruption and bribery</li> <li>• </li> <li>• External audits of anti-corruption programmes</li> </ul>
	<u><b>Commitment</b></u> <u><b>Systems and Activities</b></u>  <u><b>Measurement of outcomes and value added for our company</b></u> <ul style="list-style-type: none"> <li>• The company is protected against engaging in unethical practices which may lead to litigations and other related costs that come from corruption and fraud.</li> <li>• Improvement of internal controls systems against fraud and corruption.</li> </ul>

Anti-corruption Future	<b><u>Activities Planned for Next Year</u></b> <ul style="list-style-type: none"> <li>➤ Client and supplier trainings on the company's policy.</li> <li>➤ Introduce electronic billing.</li> </ul>

SOCIAL	
Examples of core subjects/issues:	<ul style="list-style-type: none"> <li>• Fairness to customers / consumer protection</li> <li>• Product safety and quality</li> <li>• Respect to business partners</li> <li>• Impact on local communities</li> </ul>
Social	<b>Assessment, Policy and Goals</b>  <b>Implementation</b>  <b>Measurement of outcomes</b>  <u><b>Commitment</b></u> <u><b>Systems and Activities</b></u>  <u><b>Measurement of outcomes and value added for our company</b></u>
Social Future	<b><u>Activities Planned for Next Year</u></b>

ECONOMIC	
Examples of core subjects/issues:	<ul style="list-style-type: none"> <li>• Good governance (incl. payment of taxes)</li> <li>• Financial sustainability</li> </ul>
Economic	<b>Assessment, Policy and Goals</b>  <b>Implementation</b>  <b>Measurement of outcomes</b>  <u><b>Commitment</b></u> <u><b>Systems and Activities</b></u>  <u><b>Measurement of outcomes and value added for our company</b></u>
Social Future	<b><u>Activities Planned for Next Year</u></b>

<b>How do you intend to make this COP available to your stakeholders?</b> <ul style="list-style-type: none"> <li>➤ We will post it not only on the Global Compact Network Site but also on our website and other channels of communication under our control.</li> <li>➤ We will have the COP posted on our website.</li> </ul>	
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- In our next year's activities, the link for the COP will be shared in our Newsletters.