

UNITED NATIONS GLOBAL COMPACT (UNGC)

REPORT

ON

COMMUNICATION ON PROGRESS FOR

BIDCO AFRICA LIMITED

2016/2017



Happy. Healthy Living

STATEMENT OF CONTINUED SUPPORT OF THE UNITED NATION GLOBAL COMPACT

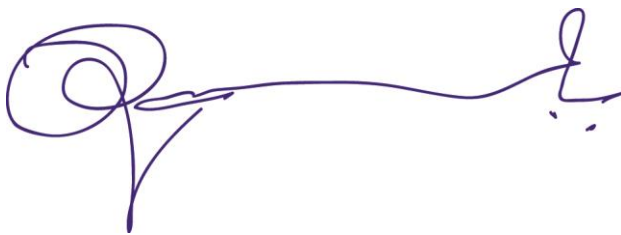
I am pleased to reaffirm that Bidco Africa Limited continues to be a strong supporter of the United Nations Global Compact principles of upholding high standards of Human Rights, Labour Rights, Environmental practices and Anti-corruption.

We are committed to ensuring that our daily operations, principles and policies are strongly aligned to all the ten principles of the UNGC which we believe in. Bidco remains very keen on our sustainability initiatives which we are undertaking through strategic actions. We ensure that all our stakeholders at various levels of engagement live up to a sustainable future through our quality products that enhance happy healthy living.

As a company, we are at a take-off and very interesting phase when we are undergoing massive growth and expansion, in line with our goal of grabbing, growing and sustaining the number one market share in Africa by 2030. Time is fast-ticking and this has seen us enter into new markets to make our goal a reality. Consequently, this grows our supply chain by creating more job opportunities which eradicate all forms of poverty in line with the Sustainable Development Goals (SDGs). In addition, the company has embarked on a journey towards world class sustainability where we involve all employees and our key stakeholders. We are committed, live and align our business strategy towards achievement of the SDGs.

Through this report, we are able to transparently communicate with all our stakeholders on various levels of engagement with them which reaffirms our commitment to the Global Compact Network COP policy.

Sincerely Yours,

A handwritten signature in purple ink, consisting of a large, stylized 'T' followed by a long horizontal stroke and a small flourish at the end.

Thiagarajan Ramamurthy (TRM)
Group Chief Executive Officer

Name: Bidco Africa Limited

Sector: Manufacturing

Number of employees: 1800

UN Global Compact Signatory since: October, 2009

Contact Person: Dr.T.Vijayakumar

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Brief description of BIDCO's nature business

Bidco Africa Limited is East Africa's leading manufacturer of Fast Moving Consumer Goods (FMCG) and marketer of edible oils and fats, margarine, hygiene and personal care products and animal feeds.

Founded 32 years ago, Bidco is a home-grown company and has, over the years, become home to most of Kenya's loved brands that aim to spread the goodness of mother-nature.

With our high quality products, Bidco aims to grab, grow and sustain the number 1 market share in the African markets by the year 2030. This is to be achieved through our ethical and sustainable growth. The company is currently undergoing massive expansion and growth by introducing more brands in the product categories where we are in and also entering into new markets.

We are an agri-business enterprise that believes in inclusive growth while maintaining our soil-to-pan philosophy. We do this through our agricultural transformation agenda by engaging small holder farmers through an off-take contract.

We are also extremely customer centric organization and will continue to consistently strive to offer our consumers the best value in the market. Putting our customers first has been met by Bidco's investment in constant innovation of its products to best meet the customers' needs.

Scope of this COP

This report covers all the activities, initiatives and measures put in place to ensure full compliance and implementation of the UNGC principles in the last one year. It also addresses the

progress that the company has made in addressing and meeting the SDGs that are in line with the nature of our business.

In the different areas of the principles, Bidco's management also have mechanisms of measurement of the results against the set goals in line with UNGC's Human Rights, Labour, Environment and Anti-corruption policies.

THE BIDCO WAY

Why Bidco Exists

These are the core values that inform the way Bidco conducts various engagement initiatives with our various stakeholders in a move to remain a world-class corporate. These, put together, forms the Bidco Way.

Ethos

Our ethos is Happy Healthy Living. This is why we exist; why we work; why we produce; why we sell and why we are a family. This is both our inspiration and aspiration; it is our DNA and number one operating procedure. All our operations, actions, words and values spring from the idea of Happy Healthy Living. This is our true value. Our ethos informs our attitude; our approach to work and to each other. We will be positive and passionate just want to be happy and healthy.

Integrity

At Bidco, our words match our actions - we do what we say. We live up to what we commit ourselves to. We keep our word and we do what is right.

Teamwork

Alone we are weak; together we are strong. We are a unit; we rise and hopefully never fall as one. It is not important who is right or who gets the credit but what gets done. That is the reality at the Gemba.

Passion

Bidco is an environment of inspiration where we Make A Difference (MAD). Our passion for what we do and who we are sets us apart; it is the secret ingredient in the Bidco Way. We come to Bidco because we want to and not because we have to.

Respect

Egos are not welcome at Bidco. Diversity is one of our biggest assets and critical strengths. We are polite to each other always; We listen to each other and ideas are always welcome. We treat each other the way we would like to be treated.

Excellence

At Bidco we are in constant pursuit of ‘the best.’ We will seek to exceed standards. Excellence is more than an event; it is a continuous and conscious activity and a part of us.

Trust

Working and excelling together requires a strong bond between all of us; a bond of reliability. If we cannot rely on each other to do what is expected of us - we will not meet our goals. We are all counting on each other-let us play our part in the story of Bidco which is really our story.

Empowerment/Leadership

At Bidco we are all leaders. We are all on a journey of exploring our leadership potential and becoming the best we can. All of us are empowered to make choices and decisions.

Human Rights

UN Global Compact Principles covered:

Principle 1: Business should support and respect the protection of internationally

Proclaimed human rights

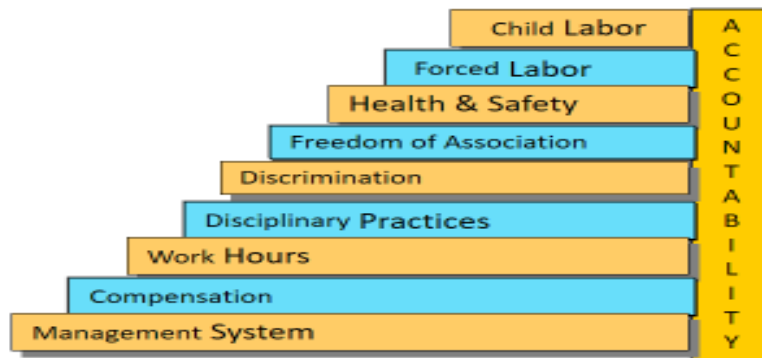
Principle 2: Business should make sure that they are not complicit in human rights abuses

Current Commitment.

Bidco Africa aims to enhance Happy Healthy Living across all its stakeholders in their engagement. All the staff are assured of a safe working environment free of any harm and working conditions that champion a healthy lifestyle. This, we do, in affirmation of our support of the Universal Declaration of Human Rights.

We document, effectively implement and maintain an Integrated Management System that meets the requirements of all applicable legislation, supports and respects the protection of internationally proclaimed human rights. We have all systems go for a safe working environment for all our staff as well as visitors to the company. We have implemented SA 8000 Management system as below:

BIDCO'S Efforts towards protecting human rights



A brief description of our Processes, Policies or Systems

1. Child Labour

- a. Minimum work age for employment is 18 at Bidco Africa Limited.
- b. Age verification during recruitment is mandatory for all new recruitments.
- c. Procedure for remediation of Children if found in supply chain is also established.

2. Forced Labour

- a. No forced or compulsory labour in Bidco.
- b. No requirement to deposit or lodge of identity documents.
- c. Employees have the right to leave after working hours.
- d. Employees free to resign from job.
- e. Human trafficking/illegal immigrants are prohibited.
- f. We have also established a procedure for monitoring Labour Rights in the supply chain.

3. Health & Safety

- a. Safe and healthy working environment is ensured.
- b. A senior management staff appointed for health & safety Issues.
- c. Adequate safety training provided for staff.
- d. A system to detect, avoid or respond to safety threats in place.
- e. Clean bathrooms & potable water and PPE ensured.
- f. New expectant mothers risks identified and assessed.
- g. Procedures for differently abled people in place.
- h. Work-life balance and virtual office/flexi hours initiated.

- i. We identify, effectively control and strive to eliminate situations likely to cause injuries to persons or be hazardous and cause damage to assets. This is done through frequent inspections and maintenance of the machines, offices and the factory areas to prevent any causes of accidents.
- j. Bidco records all accidents and/or near misses and investigates these to determine if preventive action is required to prevent further accidents.
- k. There are clear and operational procedures that are followed and maintained in cases of accidents. The same is communicated to the Board of Directors (BOD) and both corrective and preventive measures put in place.
- l. We regularly measure our performance and review this policy periodically in order to continually improve our Occupational Health and Safety Management System ensuring that it remains relevant and appropriate to our organization.
- m. Progress and any developments on changes to the policy are maintained and filed in either soft or hard copies and kept accessible for any reference on the same.
- n. We encourage the full participation of our employees and other stakeholders in matters concerning Occupational Health and Safety.
- o. To this effect, there are negotiations and collections of suggestions that are collected during meetings held from time to time.
- p. All the relevant information is communicated by ways of newsletter, intranet, Management Review process, staff and employee meetings, bulletin boards, email and verbally.

Activities implemented in the last year

All our employees are at free will to engage in self-building social activities that the company activities takes part in. These include community outreach programs, wellness activities and Social Responsibility Investments.

Some of these engagements include sports activities, health checks, financial management services as well as investment solutions. All staff are also engaged in initiatives such as church visits, visit to children homes and rehabilitation centers.

Nationhood

As part of the rights and freedoms of every employee, 2017 saw all members of staff given opportunity to exercise their democratic right of choosing leaders of their choice during the General Elections.

The Bidco Family spirit was kept alive and during the period, staff came together to sing the national anthem as a sign of unity, regardless of their political affiliations.



Bidco staff assemble to recite the Kaizen Pledge and sing the National Anthem.

The Bidco Africa Sports Day

In July 2017, over 1500 members of staff came together to have fun during a day that was marked with sports competitions and other challenging activities. It brought together the spirit of unity among the staff who interacted with one another regardless of their positions, departments nor ethnic backgrounds.



Bidco chairman Vimal Shah takes part in the cycling competition during the Staff Sports Day.



Staff take part in the Annual Sports Day and winners were crowned and walked away with prizes.

Employees Wellness Health Week

Every year, the management together with a group of staff known as Wellness Champions, set aside a wellness week when hospitals and other service providers come over to the company to provide health checks, financial literacy and investment solutions to staff at no charges. The staff undergo routine checks such as weight, height, body mass index, blood pressure, blood sugar, HIV screening, kidney, diabetes and cancer checks.





Employees taking part in the annual health week where routine and special checks were done.

Measurement of outcomes and value added for our company

- After the staff engagement activities, there has been a notable increase in productivity and output per employee. This is as a result of the boosted morale of the employees.
- Our stakeholders, including employees, industry bodies and government authorities have demonstrated satisfaction in the OHS policy and its implementation.
- A new project on signage and education campaign across all departments on our Occupational Health and Safety Policy has led to less cases of accidents and occupational hazards since preventive measures have been put in place.

Human Rights Future

Activities planned for next year

- We are getting our SA 8000 Management system certified in the year 2018 by Social Accountability International.
- More employee engagement and stakeholder engagement programs are planned in the coming year.

Labour Rights

UN Global Compact Principles covered:

Principle 3: Business should uphold the freedom of association and effective recognition of

the right to collective bargaining

Principle 4: Business should support the elimination of forced and compulsory Labour

Principle 5: Business should support the effective abolition of child Labour

**Principle 6: Business should support the elimination of discrimination in respect of
Employment and occupation**

Current

At Bidco Africa, everyone stands an equal chance of getting employed to the company. All current staff and job applicants have equal opportunities provided by the company.

The policy ensures that no applicant shall be discriminated on the grounds of their race, gender, colour, religion, belief, marital status, nationality or ethnic origin.

Bidco Africa remunerates employees fairly and pays above the minimum gazette wage. Our employees are free to join the union(s) of their choice.

Bidco supports trade Unions and worker representatives are elected in all functions. Formal Trade Union is available at Bidco. Parallel means of free association are also in place. No discriminations against Union representatives and members.

Bidco entered into a successful collective bargaining agreement with the unionized employees which has been implemented and ongoing.

A brief description of our Processes, Policies or Systems

- The Company does not treat an employee or job applicant less favorably for any reason relating to their disability.
- Bidco does not utilize or promote forced or child Labour of any kind. The company adheres strictly to country laws governing Labour standards. Employees should all be over 18years.
- Bidco aims to attract and retain skilled employees and enhance the life/work balance of each individual. The group offers its staff a range of benefits including a pension scheme, health insurance as well as maternity and paternity leave amongst others.
- Employees are frequently offered personal development and training programs designed to enhance their skills.
- Bidco regards direct or in direct discrimination, victimization and harassment. All breaches of this principle are regarded as a serious disciplinary matter and are subject to Company's Disciplinary procedure.
- We ensure that people living with HIV or AIDS are given the same rights, benefits and opportunities as people living with other life – threatening conditions. We have thus put in place a HIV/AIDS Policy to ensure it is clear and observed.

- Bidco cares for the employees' nutrition and healthy eating habits, and thus we have an in-house Cafeteria which provides free food to all employees.



Bidco staff are guaranteed of meals at no cost while on duty

Collective Bargaining Agreement (CBA)

All staff have freedom to join the union which champions their rights and privileges in the working environment. In 2017, the unionized members arrived at an agreement which was signed between the union and the management.





Kenya Chemical Workers Union officials, staff and the Group CEO signing a 2-years CBA in early 2017.

A comprehensive annual training calendar has been established and competency trainings imparted to all employees.

2017 Trainings Plan & Budget Estimate										
S R · N O	Status	CATE GORY	M o n t h	DATE S OF TRAIN ING	NAME OF THE COURSE	TRAINER (S)	TARGET GROUP	# OF TRAI NEES	ES TIM AT ED AM NT	ACTU AL AMN T
1	Closed	Manag ement Staff	J a n u a r y	Jan - Feb 2017	360 DEGREES KPIS & MONTHLY PMS IMPLEMENTATION	EDWIN GATHON DU	SUPERVIS ORS/TLS/ HODS	43	-	-
2	Closed	Manag ement Staff + Shopfl oor		JANU ARY	SAFETY AND ENVIRONMENT AWARENESS TRAINING	SAFETY OFFICER	EMPLOYE ES in GEMBA	36	-	-
3	Closed	Stude nts on Attach ment		17th JAN 2017	INDUCTION / CAREER GROWTH AT WORKPLACE (ATTACHMENT STUDENTS)	EDWIN GATHON DU	STUDENT S	45	-	-
4	Closed	Manag ement Staff + Shopfl	F e b r	FEBR UARY	SAFETY AND ENVIRONMENT AWARENESS TRAINING	SAFETY OFFICER	EMPLOYE ES in GEMBA	52	-	-

		oor	u a r y							
5	Closed	Huma n Resou rce Staff	M a r c h	14th - 17th FEB 2017	EMPLOYEE WELFARE & LABOUR LAWS	ACCADE MY OF CERTIFI ED HR PROF	HR TEAM	3	160 ,00 0.0 0	-
6	Closed	Manag ement Staff + Shopfl oor		15th - 17th MARC H 2017	FIRE SAFETY (ELIANTO)	DOMAIN MANAGE MENT SYSTEM S LTD	ELIANTO	50	240 ,00 0.0 0	172,00 0.00
7	Closed	Manag ement Staff + Shopfl oor	A p r i l	APRIL	SAFETY AND ENVIRONMENT AWARENESS TRAINING	SAFETY OFFICER	EMPLOYE ES in GEMBA	36	-	-
8	Closed	Manag ement Staff		15th - 17th MAY 2017	ISO 14001:2015 INTERNAL AUDITORS DOCUMENTATION TRAINING	DOMAIN MANAGE MENT SYSTEM S LTD	ELIANTO	25	232 ,00 0.0 0	-
9	Closed	Manag ement Staff		15th, 16th & 18th	IMPROVING OPERATION EFFICIENCY FOR SUPERVISORS & ABOVE	SREERA M - AURA TRAININ G LTD	SUPERVIS ORS/TLS/ HODS	90		
10	Closed	Manag ement Staff		17th MAY 2017	MAD PROJECT TRAINING	DR. TVK	EMPLOYE ES	51	-	-
11	Closed	Shopfl oor		Monthl y	FSMS ISO 22000:2015 INTERNAL AWARENESS TRAINING	KENNED Y SIMBA & DAVINE KWAMB OKA	SHOPFLO OR	30	-	-
12	Closed	Manag ement Staff + Shopfl oor	M a y	31st May - 1st May 2017	EMERGENCY PREPAREDNESS & FIRE SAFETY (THIKA)	UNIVERS AL WORK HEALTH AND SAFETY CONS	SAFETY COMMITT EE	50	240 ,00 0.0 0	-
13	Closed	All Emplo yees		22nd - 24th	KRA ITAX TRAINING & ONLINE RETURNS	KRA OFFICIAL S	ALL EMPLOYE ES	300	-	-
14	Closed	Manag ement Staff + Shopfl oor		22nd - 24th	SAFETY AND ENVIRONMENT AWARENESS TRAINING	SAFETY OFFICER	EMPLOYE ES in GEMBA	36	-	-
15	Closed	Manag ement Staff		MAY	ISO 9001:2015 INTERNAL AUDITORS DOCUMENTATION TRAINING	BUREAU VERITAS KENYA	ISO INTERNAL AUDITOR S	50	250 ,00 0.0 0	-
16	Closed	Shopfl oor		MAY	PERFORMANCE & PRODUCTIVITY TRAINING (PACKING SECTION)	NICHOLA S SIELE / EDWIN GATHON	ALL EMPLOYE ES	250	-	-

						DU				
17	Closed	Shopfloor		MAY	FINANCIAL MANAGEMENT	ORACLE CONSULTANTS	ALL EMPLOYEES	50	120,000.00	-
19	Closed	Management Staff	J u n e	JUNE	IMPROVING OPERATION EFFICIENCY FOR SUPERVISORS & ABOVE	SREERAM - AURA TRAINING LTD	SUPERVISORS/TLS/HODS	90		
20	Closed	Executive Drivers		JUNE	DIFENCIVE DRIVING	AA DRIVING SCHOOL	EXECUTIVE DRIVERS	10	250,000.00	-
21	Closed	Utility Team		JUNE	BOILER EFFICIENCY & OPERATIONS	CENTURION SYSTEMS	ENGINEERING	25	300,000.00	-
22	Closed	Management Staff + Shopfloor		JUNE	SAFETY AND ENVIRONMENT AWARENESS TRAINING	SAFETY OFFICER	EMPLOYEES in GEMBA	36	-	-
23	Closed	Management Staff		JUNE	EMPLOYEE RELATIONS & HANDLING GRIVIENCES	NICHOLAS SIELE / EDWIN GATHON DU	ALL EMPLOYEES	50	-	-
24	Closed	Shopfloor		Monthl y	FSMS ISO 22000:2015 INTERNAL AWARENESS TRAINING	KENNEDY SIMBA & DAVINE KWAMBOKA	SHOPFLOOR	30	-	-
25	Closed	Human Resource Staff		JUNE	IHRM CPD TRAININGS	EXTERNAL	HR TEAM	12	250,000.00	-
26	Closed	Management Staff + Shopfloor		JUNE	FIRST AID TRAINING (NAKURU)	UNIVERSAL WORK HEALTH AND SAFETY CONS	ALL EMPLOYEES	50	240,000.00	-
27	Closed	Shopfloor		JUNE	KAIZEN PROMOTION & 6K COMPLIANCE (REFINERY SECTION)	EDWIN GATHON DU	ALL EMPLOYEES	60	-	-
28	Closed	Management Staff + Shopfloor	J u l y	JULY	SAFETY AND ENVIRONMENT AWARENESS TRAINING	SAFETY OFFICER	EMPLOYEES in GEMBA	36	-	-
29	Closed	Management Staff		JULY	IMPROVING OPERATION EFFICIENCY FOR SUPERVISORS & ABOVE	SREERAM - AURA TRAINING LTD	SUPERVISORS/TLS/HODS	90		
3	Closed	Instru		JULY	INSTRUMENT	AFRICA	INSTRUM	30		

0		mentat ion Team			CALLIBRATION TRAINING	CENTRE FOR CORPOR ATE STUDIES	ENTATION TEAM		250 ,00 0.0 0	-
3 1	Closed	Shopfl oor	Monthl y		FSMS ISO 22000:2015 INTERNAL AWARENESS TRAINING	KENNED Y SIMBA & DAVINE KWAMB OKA	SHOPFLO OR	30	-	-
3 2	Closed	Manag ement Staff	JULY		OCCUPATIONAL HEALTH & SAFETY COMMITTEE TRAINING	KAILEYS CONSOR TIUM LTD	SAFETY COMMITT EE	50	200 ,00 0.0 0	-
3 4	Closed	Shopfl oor	JULY		PERFORMANCE & PRODUCTIVITY TRAINING (DETERGENT SECTION)	NICHOLA S SIELE / EDWIN GATHON DU	ALL EMPLOYE ES	200	-	-
3 5	Closed	Manag ement Staff + Shopfl oor	AUG		SAFETY AND ENVIRONMENT AWARENESS TRAINING	SAFETY OFFICER	EMPLOYE ES in GEMBA	36	-	-
3 6	Closed	Manag ement Staff	AUG		IMPROVING OPERATION EFFICIENCY FOR SUPERVISORS & ABOVE	SREERA M - AURA TRAININ G LTD	SUPERVIS ORS/TLS/ HODS	90		
3 7	Closed	Manag ement Staff	AUG		EMPLOYEE RELATIONS & HANDLING GRIVIENCES	NICHOLA S SIELE / EDWIN GATHON DU	SUPERVIS ORS/TLS/ HODS	30	-	-
3 8	Closed	Shopfl oor	Monthl y		FSMS ISO 22000:2015 INTERNAL AWARENESS TRAINING	KENNED Y SIMBA & DAVINE KWAMB OKA	SHOPFLO OR	30	-	-
3 9	Closed	Manag ement Staff + Shopfl oor	AUG		FIRST AID TRAINING - THIKA	MEDSWI FT CONSUL TANTS LTD	FIRST AIDERS THIKA	50	150 ,00 0.0 0	-
4 0	Closed	Engine ering Team	AUG		MECHANICAL SEALS	EAGLE BURGMA NN - RONNIE DON	FITTERS	25	200 ,00 0.0 0	-
4 1	Closed	Manag ement Staff + Shopfl oor	SEPT EMBE R		SAFETY AND ENVIRONMENT AWARENESS TRAINING	SAFETY OFFICER	EMPLOYE ES in GEMBA	36	-	-
4 2	Closed	Huma n Resou rce Staff	SEPT EMBE R		IHRM CPD TRAININGS	EXTERN AL	HR TEAM	12	250 ,00 0.0 0	-

43	Closed	Management Staff	SEPT EMBER	PREVENTIVE MAINTENANCE TRAINING	INTERNAL	ENGINEERING	25	-	-
44	Closed	Shopfloor	Monthly	FSMS ISO 22000:2015 INTERNAL AWARENESS TRAINING	KENNEDY SIMBA & DAVINE KWAMBOKA	SHOPFLOOR	30	-	-
45	Closed	Engineering Team	SEPT EMBER	INSTRUMENTATION & AUTOCAD, PLC & ELECTRICAL EQUIPMANTS	EXTERNAL	ENGINEERING	25	200,000.00	-
46	Closed	Management Staff	SEPT EMBER	PERFORMANCE IMPROVEMENT	NICHOLAS SIELE / EDWIN GATHONDU	ALL EMPLOYEES	50	-	-
47	In progress	Management Staff + Shopfloor	OCTOBER	SAFETY AND ENVIRONMENT AWARENESS TRAINING	SAFETY OFFICER	EMPLOYEES in GEMBA	36	-	-
48	In progress	Management Staff	Monthly	FSMS ISO 22000:2015 INTERNAL AWARENESS TRAINING	KENNEDY SIMBA & DAVINE KWAMBOKA	SHOPFLOOR	30	-	-
49	In progress	Management Staff + Shopfloor	OCTOBER	QUALITY ASSURANCE & BEST PRACTICES	INTERNAL	QA ANALYSTS	20	-	-
50	In progress	Shopfloor	OCTOBER	PERFORMANCE & PRODUCTIVITY TRAINING (SOAP SECTION)	NICHOLAS SIELE / EDWIN GATHONDU	ALL EMPLOYEES	200	-	-
51	In progress	Management Staff	OCTOBER	EMPLOYEE RELATIONS & HANDLING GRIVIENCES	NICHOLAS SIELE / EDWIN GATHONDU	SUPERVISORS/TLS/HODS	30	-	-
52	Scheduled	Management Staff + Shopfloor	NOVEMBER	SAFETY AND ENVIRONMENT AWARENESS TRAINING	SAFETY OFFICER	EMPLOYEES in GEMBA	36	-	-
53	Scheduled	Shopfloor	Monthly	FSMS ISO 22000:2015 INTERNAL AWARENESS TRAINING	KENNEDY SIMBA & DAVINE KWAMBOKA	SHOPFLOOR	30	-	-
54	Scheduled	Human Resource Staff	NOVEMBER	IHRM CPD TRAININGS	EXTERNAL	HR TEAM	12	250,000.00	-

55	Scheduled	Management Staff	NOVEMBER	ENERGY MANAGEMENT SYSTEMS ISO 50001	DOMAIN MANAGEMENT SYSTEMS LTD	ENGINEERING	60	250,000.00	-
56	Scheduled	Engineering Team	NOVEMBER	PLANT HEAT EXCHANGERS	EXTERNAL	FITTERS	30	150,000.00	-

Non-Discrimination

- Nondiscrimination is practiced with respect to hiring, remuneration, access to training, promotion, termination based on race, national or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions and age.
- No discrimination at all at Bidco.
- No interference with individual rights to observe tenets or practices.
- No form of worker harassment allowed.
- Gender equality policy is in place.

Labour Rights Future

Activities planned for next year

- Bidco continues its growth and expansion which is in line with the goal of getting into new industries and product categories. This is already increasing the number of direct employees and growing Bidco's supply chain.
- Bidco plans a full impactful incorporation of a working and operational industrial training calendar. This is already ongoing and the results have been impressive.

Environment

UN Global Compact Principles covered:

Principle 7: Business should support a precautionary approach to environmental

Challenges

Principle 8: Business should undertake initiatives to promote greater environmental

Responsibilities

Principle 9: Business should encourage the development and diffusion of environmentally

Friendly technologies

Environment Current Commitment

Bidco Africa understands that its activities occasionally affect the environment and the communities in which we operate. It is, therefore, the company's responsibility to manage these impacts and control them to the bear minimal possible.

A brief description of our Processes, Policies or Systems

- Bidco is committed to protect the Environment. We are certified for ISO 14001, Environmental Management System
- We are totally dedicated to preventing pollution in order to assure protection of human health and the environment and are committed to achieve its continual improvement through the effective operation of the environmental management system.
- Whereas there are compliance and regulatory laws, we have our own set standards that we abide by in cases where the existing are inadequate.
- We run an effluent treatment plant to treat our waste to ensure that we recycle water for other uses such as cooling and watering lawns. In so doing, we minimize our resource consumption and improve our environmental performance.
- Our policies are constantly reviewed to ensure that the activities, products and services are appropriate to nature and have no adverse impacts on human health and the environment.
- Our environmental policy is communicated to all the stakeholders promptly and made available at all stages and levels of our engagement.

Effluent Treatment Plant (ETP)

The company has invested in a state-of-the-art effluent treatment facility which will see the amount of water used in all processes reduced by half. The high technology plant has automated systems that is able to recycle already-used water which is, instead, used for other purposes such as cleaning and in the washrooms.

Similarly, water that is to be discharged undergoes thorough clean-up through the plant before it is released. All checks are done and the effluent elements are in full compliance with the National Environmental Management Authority (NEMA).

Environmental Clean-up

The company cares for the cleanliness and hygiene of the community where the operations are. In the belief of not just doing good but also being good, staff took part in environmental clean-up and creating awareness to the community on the need to observe cleanliness at all times.



Part of Bidco staff take part in the clean-up exercise in Thika town.

‘SAVE WATER TOWERS’ PROJECT

Bidco, together with a number of stakeholders, kicked off a 5 years ambitious project dubbed ‘Save Water towers and started at ’ Ndakaini Dam, in Murang’a County in Kenya which is one of the largest dam in Kenya supplying up to 80% of the water consumed in Nairobi and its environs.

Over the years, the water levels in the dam have drastically reduced as a result of the destruction of the water catchment areas hence affecting the lives of the people depending on the water as a result of frequent water rationing.

The project seeks to plant up to 1 million Bamboo trees at the various Aberdare water catchment areas in order to conserve the environment as well as improve the supply of water. The project has brought together other stakeholders such as Nairobi City Water and Sewerage Company (NCWSC), Kenya Forestry Service (KFS), Kenya Forestry Research Institute (KEFRI), Africa Plantation Capital (APC) and the Ministry of Water, Environment and Natural Resources.

The first phase of the project was launched in May 2017 in an event that brought together the management and staff of all the key stakeholders and officially opened by the Cabinet Secretary for the Ministry of Water, Environment and Natural Resources Judy Wakhungu.



Ministry of Water, Environment and Natural Resources Cabinet Secretary Judy Wakhungu, Bidco Chairman Vimal Shah, Bidco CEO Thiagarajan Ramaurthy and Director of Africa Plantation Capital Kevin Karoki planting Bamboo seedlings at Ndakaini Dam.

Environment –Future Activities planned for next year

- We plan to participate in more tree planting activities in an effort to help conserve the environment.
- The Bamboo project is a major area of focus for the company and it plans to bring more stakeholders to help realize the goal at the end of five years.

Energy

- Bidco activities are all centered on ensuring Energy efficiency in realizing responsible Consumption with minimal or no wastage.
- Our daily energy use and consumption is recorded and monitored which helps enhance Efficiency.
- We have invested in energy efficient machinery and equipment such as the LED bulbs that save on efficiency and cost of power.
- Bidco runs a Co-generation plant that uses bio-waste to generate its own power. This helps in conserving the environment and reducing the wastes. Recently, Bidco has started contracting farmers to grow Bamboo which it will eventually use for its energy use. The crop is a source of renewable energy and is environmentally friendly and is easy to grow.
- The company has established a sound Energy Management System leading to a proactive environmental preservation and the highest degree of efficient utilization of energy.
- We also train our staff to ensure competence in energy efficiency and conservation on a day-to-day operational basis.
- Bidco also complies with the Energy Act 2006, the Energy (Energy Management) Regulations 2012 and other statutory requirements governing energy efficiency.

Accordingly, we have an energy policy statement that is communicated to all our stakeholders such as the employees, government regulatory bodies, energy suppliers through platforms such as the website, notice boards, working areas and in reports on energy.

- We are totally dedicated to minimize energy consumption through continual improvement in energy conservation through effective energy management systems practiced at every level and the involvement of every employee/member of the Bidco Family, without exception.

- We benchmark our performance continuously against the best in the world, review energy targets periodically in order to improve our energy performance and eliminate wastage.
- We monitor, record and evaluate the consumption of energy and enhance efficiency through re-designing and implementation of energy efficient programs.
- We regularly conduct internal and external energy audits to identify areas of improvement as also to ensure total compliance with our energy policy.
- We review our energy policy whenever the need arises due to technological advances or policy changes to ensure that our activities and processes conform to best practices.
- We communicate our Energy Policy to employees and all our stakeholders.

Activities planned for next year

- Bidco has implemented an Energy Management System in compliance to the ISO 50001 standard.
- To continue with its plans on effective energy use and environmental conservation, Bidco plans to fully implement the use of Bamboo as an effective source of renewable energy in the co-generation facility.

Anti-corruption

UN Global Compact principles covered;

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

Current Commitment

- We remain committed to implementing the 10th principle of anti-corruption and ensuring its total elimination in all its forms, including extortion and bribery.
- We are in the process of implementing ISO 37001 Anti-Bribery Management System.

A brief description of our Processes or Systems

- Bidco has rolled out a Code of Ethics booklet to all its staff and stakeholders who have signed a commitment form to follow all that is defined in the code.
- We have clearly demarcated governance structures that all employees are aware of and that have the full backing of the management.
- We have guidelines and policies on anti-corruption. Corruption remains an offence in Bidco and the offence is punishable by termination and prosecution.
- We also have a policy in place to curb any conflict of interest and to ensure that all tenders are analyzed and opened before a panel to ensure transparency and accountability.

Activities implemented in the last year

The Bidco Africa Code of Ethics launch and implementation

As reported in the previous year, Bidco made public its Code of Ethics which clearly outlines what is expected from all stakeholders in the cause of carrying out business with the company.

The company acknowledged that working together to enhance Happy Healthy Living across Africa recognized the need to put down the values in a guiding document that can be referred to during the day-to-day activities. It became a guide to dealing with each other and not a substitute for good decision making and affirmed commitment to living according to the ethos, principles and values.

The launch was done in a ceremony that saw the Chairman of The Kenya Private Sector Alliance (KEPSA) Nick Nesbitt endorse the move. Other stakeholders such as customers, bankers, insurers, distributors, the media and staff were also present to witness the occasion.

The code which can be found on this [link](#) from the website sets the standards by which the stakeholders are expected to conduct themselves and their operations. The code, which applies to all stakeholders, covers among other subjects, the use of corporate funds, conflict of interest and even protection of company information.

It celebrates a broad diversity in culture, language and working practices but nevertheless applies to all irrespective of cultural and geographical differences.

Why a Code of Ethics

It is an expression of all the values and an instrument of self-regulation that outlines the rules and regulations that every Bidco stakeholder must follow to uphold the company's ethical standards.

It guides on how to resolve ethical dilemmas and provide contact information in case of any questions and concerns.

Business Ethics

The code has become an authoritative guide which determines what is expected of all stakeholders and how to judge a misconduct.

It discusses among other issues, Confidentiality & Non-disclosure of information, use of Information Technology, Privacy, Anti-corruption, Protecting Bidco's property. Occupational Health and Safety, Environmental Protection, Integrity, Respect, Fair Treatment, Sustainability, Fair Competition, Responsible Marketing, Conflicts of Interest, Business and Financial Records, Bribery and Confidentiality of Information.

As a result, a proper working committee to bring the code to life is in place. It allows any stakeholder to make a report anonymously through email (ethics@bidcogroup.com) or through a hotline number (+254 67 282111).



KEPSA Chairman Nick Nesbitt and Bidco Chairman Vimal Shah open the ribbon to officially launch the Bidco Africa Code of Ethics.





Various Bidco stakeholders present during the company's launch of the Code of Ethics.





Bidco employees being trained on the essence of the Code of Ethics.

Code of Ethics for supply chain

- Bidco has established and implemented Bidco Supplier Conduct Principles (BSCP) and an Agreement on responsible Business Conduct (ABC).
- The BSCP and ABC are made mandatory for all suppliers, vendors and partners of Bidco.
- The Bidco Supplier Conduct Principles covers the following areas:

Non-negotiable conduct requirements

RELATIONSHIP WITH NATIONAL LAW

1. Human Rights.
2. Labour standards.
 - a. Freedom of association and the right to collective bargaining.
 - b. Forced labour.
 - c. Child labour.
 - d. Non-discrimination.
 - e. Employment conditions.
3. Health and Safety.
4. The environment.
5. Prohibited Business practices.

- a. Corruption and other prohibited business practices.
- b. Gifts, hospitality and expenses.
- c. Money laundering.
- d. Competition.

The Agreement on responsible Business Conduct has the following Process requirements:

- a. Implementation, monitoring and follow-up of BSCP.
- b. Cascading of requirements.
- c. Transparency and inspection rights.
- d. Notification and remediation at own cost.
- e. Sub-supplier termination.
- f. Right to sanctions.

The Bidco Supplier Conduct Principles has been developed based on the guidelines from OECD, UN (including ILO), EU and Kenyan Government as below:

- Local law.
- UN Global Compact's ten principles.
- UN declaration on Human Rights.
- UN declaration on rights of the child.
- ILO core conventions.
- Supplementary ILO conventions (OHS, employment conditions etc.)
- The Rio Declaration on Environment and Development.
- The UN Convention against Corruption.

Measurement of outcomes and value added for our company

We conduct persistent supplier monitoring as below:

- Systematic risk assessment of Suppliers and Sub-suppliers.
- Annual Supplier Self Assessments by a wide number of Suppliers and Sub-suppliers.
- Regular Self-assessment of suppliers used in connection with RFQs.
- Announced and unannounced visits and inspections to Suppliers and Sub-suppliers, prioritized according to risk.
- Supplier improvement plans.
- Systematic Supply chain follow-up and risk reduction.
- Measured by Supply Chain risk KPI.

All employees are ever sensitized on the need to adopt practices that are free of corruption in line with the code of ethics adopted by the company.

The company has put in place systems that ensure transparency so that any possible conflict of interest is eliminated.

Employees being employed are vetted and an assurance that they have a clean track record is done.

Bidco has invested in technology that lays down proper accountability chains and systems that can be easily tracked down to the finer detail.

The company has brought on board skilled manpower to its internal audit department that is able to do proper checks and balances on all activities.

Donations and awards

Bidco supports the community in various activities. Among them are:

- An Education Trust Fund from which it gives scholarships to bright but needy students in High schools, colleges and universities nationwide.



Bidco Africa Chairman Vimal Shah handing over University and Secondary school Education sponsorship letters to two bright but needy students and their mother offered a job from a poor family in Kiandutu slum in Thika, Kiambu County.

- We are a champion of entrepreneurship with programs that empower the youth and the entire community with ideas and concepts that can give them platforms of income generation.



Irene Ngatia (centre) of Lomas Cooperative in Nakuru County where she has incorporated the youth into Bidco Agribusiness program.

- Every month, the company delivers donations to several children homes, institutions and homes that house the aged with products for their day-to-day use.
- The company supports education and programs that support the same through participation in construction of structures such as libraries, classrooms, kitchens and latrines.



Part of Bidco staff donating sports equipment to a local school.

- We believe in being a socially responsible corporate and have such investments that touch directly to the members of the community.



Bidco Founding father Mr. B. D Shah and director Mr. Dipak Shah handing over a donation to the First Lady Margaret Kenyatta in her initiative to support the Kenya Red Cross avert food crisis.

COMMITMENT TO SUSTAINABLE DEVELOPMENT GOALS (SDGs)

SDGs are closely intertwined with the principles of the UNGC. Bidco fully cognisant of this fact has embarked on a journey towards world class sustainability where we involve all employees and our key stakeholders. We are fully committed and live by 13 of the 17 SDGs. Bidco employees and the stakeholders are regularly educated on our sustainability initiatives. A few sustainability initiatives are summarised below:

1. Weekly briefings on sustainability initiatives to all employees
2. Bidco Supplier Conduct Principles
3. Agreement on Responsible Business Conduct
4. Code of Ethics
5. Sustainability goals and action plans
6. Rewards and recognitions for achieving sustainability goals
7. Making A Difference (MAD) in Sustainability projects
8. Suppliers sustainability assessments
9. Supplier self-assessment questionnaire
10. Sustainability as part of contract requirements
11. Supplier certifications on Sustainability and international references

To enhance adherence to the UNGC principles and commitment to SDGs, Bidco has been accredited to the following management systems

1. ISO 14001 – Environmental Management System
2. ISO 22001 – Food Safety Management System
3. OHSAS 18001 – Occupational Health and Safety Management System
4. ISO 9000 – Quality Management System

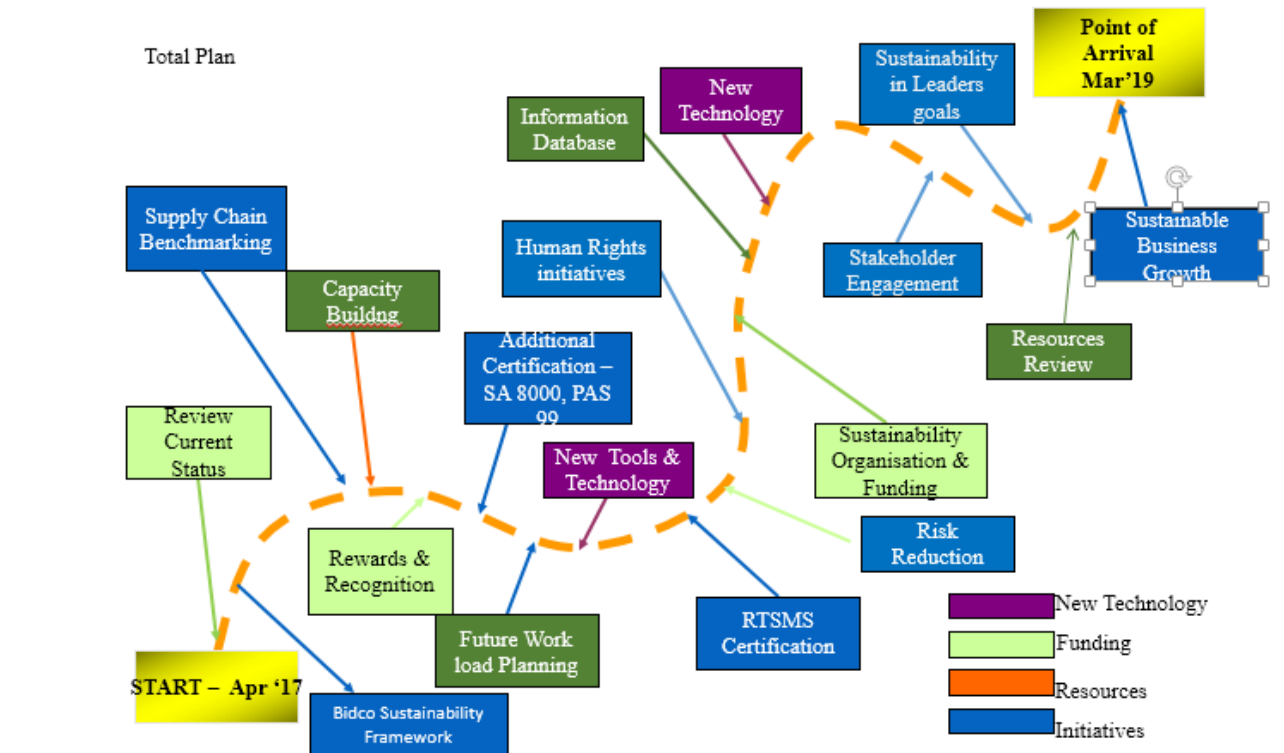
We have also implemented the following additional management systems and will be certified in the year 2018

1. ISO 50001 – Energy Management System
2. SA 8000 – Social Accountability Management System
3. ISO 37001 – Anti Bribery Management System

ISO 39001 – Road Traffic Safety Management System.



2 YEARS ROAD MAP TO SUSTAINABILITY



How do we intend to make this COP available to our stakeholders?

This Communication on Progress will be published internally on our intranet as well as on the Company website. Furthermore, excerpts of it will be shared with the relevant and necessary for the sake of implementation of a number of policies mentioned.