

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

		<ul style="list-style-type: none"> <li>•Engaged and motivated peer educators due to provision of the refresher training leading to creative HIV &amp; Peer education programs</li> <li>•Safety trainings and audits conducted Annually.</li> <li>•Reduction of incidents and injuries in the workplace due to the safety visual management system within the factory, provision of PPEs, and frequent safety meetings to sensitize staff on safety.</li> <li>•Improved working conditions and reduction of communicable diseases due to provision of free freshly prepared food served under hygienic conditions and provision of clean drinking water and appropriate sanitation facilities.</li> </ul>
<p><b><u>B</u></b> <b>LABOUR RIGHTS</b></p>	<p><b>Principle 3:</b> Business should uphold the freedom of association and 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 labour</p> <p><b>Principle 5:</b> Business should support the effective abolition of child labour</p> <p><b>Principle 6:</b> Business should support the elimination of discrimination in respect of employment and occupation</p>	<p>The Company is committed to the protection of labour rights</p> <p>It is a member of both the Federation of Kenya Employers &amp; the Kenya Association of Manufacturers. Union involvement is undertaken through Engineering &amp; Allied Employers Association while employees are members of the Kenya Engineering Workers Union.</p> <p><b><u>A brief description of our Processes or Systems</u></b> Company is compliant with the set Kenya Labour Laws and upholds guidelines of its membership to the FKE &amp; KAM principles. The company recognizes the Kenya Engineering Workers Union to whom it has a signed Collective Bargaining Agreement. In its continued endeavor to uphold the principles of the UN global, the company documented and communicated both its Labour Policy &amp; Sexual Harassment policy</p> <p><b><u>Activities during period under review</u></b></p> <ul style="list-style-type: none"> <li>•Implementation of the company's Labour and Sexual harassment Policies</li> <li>•Compliance to the Kenya labor laws in regard to all terms and conditions of employment including non-engagement of child labor.</li> <li>•Voluntary Union membership and participation Hence encouraging freedom of association</li> </ul>



		<ul style="list-style-type: none"> <li>•Continued subscription to KAM &amp; FKE ensures regular updates of new developments in matters labor relations</li> <li>•Employment of qualified women to Engineering &amp; management positions upholds non discrimination and equal opportunity for equal qualification</li> <li>•All Unionized staff given equal treatment as per the signed Collective Bargaining Agreement</li> <li>•Non screening on HIV &amp; non-disclosure of status</li> <li>•Monthly meetings between the management and the union held to allow for staff to air views/grievances/communication of policies and procedures</li> <li>• Implementation of a disciplinary procedure that allows employees to be accorded open, fair &amp; just hearings during the disciplinary process with the rights to appeal</li> </ul> <p><b><u>Measurement of outcomes</u></b></p> <ul style="list-style-type: none"> <li>•Empowerment of employees in handling/dealing with cases of sexual harassment as per the guidelines provided in the Company Sexual harassment Policy</li> <li>•Reduction of employee grievances in regards to their terms and conditions of employment due to the company's compliance to the Kenya labor laws in regard to the same.</li> <li>• Improved labour relations due to full implementation of the CBA as negotiated</li> <li>• No discrimination complaints received due to the adherence to the recruitment policy that promotes fairness during recruitment.</li> <li>•Reduction in trade disputes due to the frequent engagement between the management and union whereby any arising grievances are immediately dealt with.</li> </ul>
<b><u>C</u> THE ENVIRONMENT</b>	<p><b>Principle 7</b> Business should support a precautionary approach to environmental challenges</p> <p><b>Principle 8</b> Business should undertake</p>	<p>The Company is committed to having a precautionary approach to environmental issues and ensuring compliance to International standards, prevailing laws and the NEMA guidelines.</p> <p><b><u>A brief description of our Processes or Systems</u></b> Well defined Environmental &amp; Safety policies adequately communicated to all affected by our operations.</p>

	<p>initiatives to promote greater environmental responsibility</p> <p><b>Principle 9</b></p> <p>Business should encourage the development and diffusion of environmentally friendly technologies</p>	<p>A Health and Safety Policy that encourages Safety at work by all our employees, contractors, suppliers, customers and the general public. The Company's Annual Safety Target is ZERO accidents, with communication done to all to ensure this is achieved.</p> <p>Kaizen principles are applied to improve on machine and production efficiencies that promote safety, effective waste management, safe disposal &amp; a clean environment.</p> <p><b><u>Activities During Period Under Review</u></b></p> <ul style="list-style-type: none"> <li>•Recertification to ISO 14001:1996 Environmental Management Systems. Preparation for certification of ISO 14001:2015 ongoing</li> <li>•EMS internal and external audits conducted and implemented</li> <li>•Ensure operation and usage of 30 feet chimney &amp; duct (bag house)</li> <li>•Continuous use of the incinerator in waste disposal.</li> <li>•Participation in Environment Day Activities</li> <li>•Recycling of aluminum waste</li> <li>•Compliance to NEMA regulations ie ensuring licensing of Scrap metal waste transport vehicles</li> <li>•Factory structural works approvals by NEMA &amp; Public Health departments</li> <li>•Reclamation of waste land to farm agricultural land</li> <li>•Use of both the STP &amp; ETP water in the farms</li> <li>•Recycling of the STP water for use in sanitation facilities</li> <li>•Replacement of high energy to power saving lamps</li> <li>•Fire safety trainings and strengthening of the Fire Marshalls team</li> <li>•Provision of glow in the dark uniforms to all employees</li> <li>•Use of translucent sheets to eliminate electricity usage during the day</li> <li>•Annual noise level audits conducted, and recommendations implemented</li> <li>•Annual air pollution audits conducted &amp; recommendations implemented</li> <li>•Participation in Community Cleanup activities</li> </ul>
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<p><b><u>D</u></b></p> <p><b>ANTI-CORRUPTION ETHICS &amp; COMPLIANCE</b></p>	<p><b>Principle 10</b></p> <p>Business should work against corruption in all its forms, including extortion and Bribery</p>	<p>Kaluworks Limited does not tolerate corruption in any form or any other related vices, Integrity and Transparency will always form key components of our corporate core values.</p> <p>The company declares its unwavering support to the global compact principles and corporate governance policies that outlaws corruption, including extortion and bribery in the business.</p> <p><b><u>A brief description of our Processes or Systems</u></b></p> <p>Kaluworks mission as outlined in its Mission Statement and particularly the core values strongly affirms our business stand on corruption.</p>

		<p>The company does not encourage or take any shortcuts in its business operations/dealings. The core values are conspicuously communicated to all staff, potential employees, suppliers, customers, contractors and visitors to the company. The H.R manual on the other hand guides staff operations and behavior, describing action to be taken for non-conformity</p> <p><b><u>Activities During The Period Under Review</u></b></p> <ul style="list-style-type: none"><li>•Adherence to and follow up guidelines prescribed by government agencies e.g. Kenya Bureau of Standards regulations on quality standards.</li><li>•Strict adherence to the FKE &amp; KAM business models</li><li>•Employee induction on the HR Manuals</li><li>•Respect and adherence to the Anti-Corruption Act of Kenya.</li><li>•Vendor accreditation through the ERP –SAP system ensures ethical behavior</li><li>•Use of suggestion and comments boxes for feedback on non-conformances and to highlight best practices.</li><li>•Stern disciplinary action against any employees found to be engaging in corruption or any unethical conduct.</li></ul> <p><b><u>Measurement of outcomes</u></b></p> <ul style="list-style-type: none"><li>•Receipt of Standardization Mark Certificates from Kenya Bureau of Standards confirming compliance.</li><li>•Reduced cases of noncompliance from staff due to ongoing trainings and comprehensive induction process.</li></ul>
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