



KRYSTALLINE SALT

COMMUNICATION OF PROGRESS

UNITED NATIONS GLOBAL COMPACT

OCTOBER 2017 – SEPTEMBER 2018

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STATEMENT OF CONTINUED SUPPORT

KRYSTALLINE SALT LTD.

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Our Ref: NBI/KSL/10SEP2018-5029

10th September, 2018.

H.E António Guterres,
Secretary- General,
United Nations,
New York, NY 10017
USA

RE: STATEMENT OF CONTINUED SUPPORT.

We are pleased to restate that Krystalline Salt Limited reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

We continue to enforce our commitment to responsible business practices and acknowledge the importance of balancing the interests of all our stakeholders-our consumers, clients, employees, and communities in which we work. Since September 2013, as part of our commitment as members of the United Nations Global Compact, we have continued to engrave the ten principles in our approach to corporate responsibility and business practices, by mapping them onto and enhancing our policies.

We are reaffirming our continued adherence to the Global Compact and our voluntary commitment to implement the Global Compact, its ten principles and the SDGs within the firm and to addressing them as a key issue in our dealings with partners.

Yours sincerely,
for **Krystalline Salt Limited**

A handwritten signature in black ink, appearing to be 'DK', followed by the date '10/09/18' written in a similar style.

Deepak Patel
Chief Executive Officer.

Directors: Mr. K. K. Patel, Mrs. D. K. Patel, Mr. D. K. Patel

INTRODUCTION

Krystalline Salt Limited is one of the largest salt producers in East Africa. It was established on 20th February 1984, primarily as a salt manufacturer, with sales and distribution as support functions. It took almost a decade of hope, struggle, dedicated staff and mostly patience to harvest our 1st batch of salt.

In 2007, we achieved a milestone. We acquired Mombasa Salt Works (formerly called Fundisha salt, the oldest Salt works in Kenya, started by Germans in early 1920). This allowed us to have a very strong presence within East and Central Africa. Our desire to embrace and adapt to new state of the art technology has kept us well ahead.

In 2011, we invested in a new refinery that uses bio-thermic fluid heaters. This reduces our carbon footprints and at the same time has seen our production rate grow over the years.

Since 2012, we have planted over 1 million trees which placed us as the First Runners-up in the category of Best Industry Players in Tree Growing and Forest Conservation nation-wide in 2017.

In 2015, we invested in the largest solar hybrid system in Kenya with a capacity of 991kWp that produces 1.6GWh of clean electricity annually.

Our Head Office is in Nairobi, Kenya. Our Salt works, refinery and packing operations are located 20 KM from Malindi town in sub towns namely Gongoni and Marereni, all on Malindi- Lamu road. Our Sales and Distribution operations are carried out from Changanwe, Mombasa. We have Distribution Depots in Nairobi and Malaba.

Our products are Kaysalt Premium, Kaysalt and Habari. Currently they are available in Kenya, Tanzania, Uganda, Rwanda, Burundi, DR Congo, North Malawi and South Sudan.

As a means of recognition and paying tribute to our exceptional products and services, all our three brands have been featured in Superbrands volume five of 2018 as some of the East Africa's strongest and most valuable brands. This has recognized our efforts in developing powerful and trusted household names from very humble beginnings. This is a great achievement to us since it is strengthening the position of our brands, adding to their prestige and placing them above other brands in the market.

SALT is
S - Surreal,
A - Adaptive,
L - Legendary,
T - Tasty

Superbrands

Superbrands

AN INSIGHT INTO MANY OF EAST AFRICA'S STRONGEST BRANDS VOLUME FIVE

AN INSIGHT INTO MANY OF EAST AFRICA'S STRONGEST BRANDS VOLUME FIVE

KAYSALT PREMIUM

HABARI

Krystalline Salt Limited is one of the largest salt producers in East Africa. Our Head Office is based in Nairobi, Kenya. Our Salt works, refinery and packing operations are located in 20 kms from Malindi town in sub towns namely Gongoni and Marereni, all on Malindi Lamu road. Our Sales and Distribution operations are carried out from Changanwe, Mombasa. We have Distribution Depots in Nairobi and Malaba. Currently our products are available in Kenya, Tanzania, Uganda, Rwanda, Burundi, DR Congo, North Malawi and South Sudan.

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Our greatest assets are our employees, we have a total of 695 employees, additionally we employ 2000 seasonal workers.

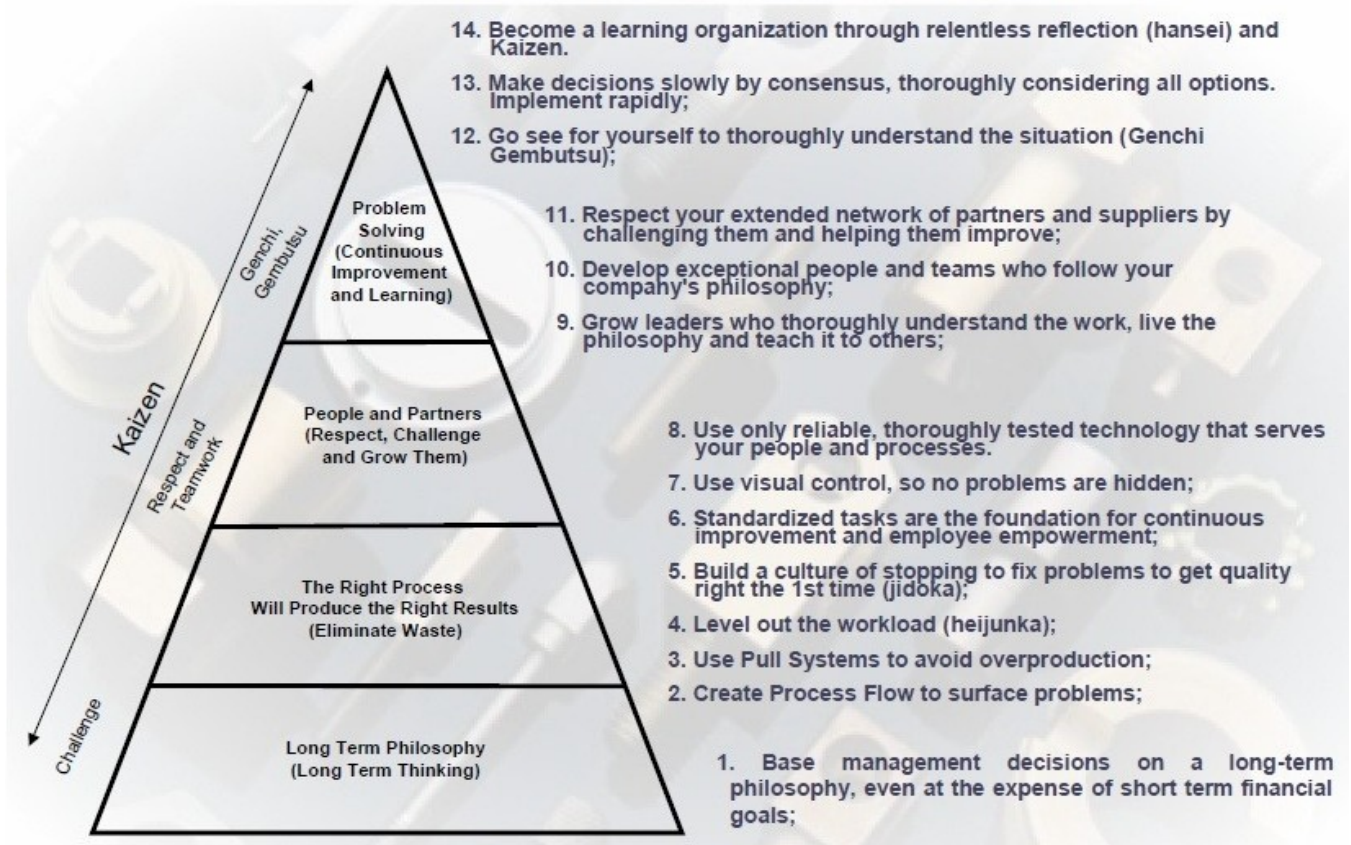
We take pride in our commitment and to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti- corruption. Our Corporate Social Responsibility (CSR) Projects are also in line with the Seventeen Sustainable Development Goals (SDGs).

Krystalline Salt has established a code of conduct and core values which are profoundly rooted in our company culture based on the 14 management principles. Our culture is about fostering respect for all, which means all our stakeholders, from our employees, local community, our consumers, customers to our suppliers. We are guided by three pillars

- ◆ Respect for all – Respect and work as a team with all stakeholders
- ◆ Continuous improvement – challenge ourselves daily to improve our operations
- ◆ Communication – effective and constant communication to strengthen the respect among all stakeholders and continuously improve at all levels.

We expect all our staff to project the following values

- ◆ Integrity, Passion & Ownership
- ◆ Evolution through continuous innovation
- ◆ Service excellence through efficiency and consistency
- ◆ Commitment to quality and safety



Source: Toyota Way, Liker

HUMAN RIGHTS

At Krystalline Salt Limited, we recognize and are committed to respect the universally accepted human rights through out our operations, supply chains and business relationships. As a corporate citizen, we are convinced that respect for human rights is key in achieving peaceful and inclusive societies.

Principle 1: Business should support and respect the protection of internationally proclaimed human rights; and

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

As stated earlier, one of our key value, as rooted in our Kay-way Culture is fostering Respect for All. We respect and work as a team with all our stakeholders which include employees, local community, government, consumers, customers and suppliers.

We comply to the internationally proclaimed human rights as our minimum standards.

We engage in the various activities and programs under the below categories as means of supporting, respecting and protecting human rights:



Launch of the 2017 Kenya National Commission of Human Rights (KNCHR) audit report by KNCHR Chairperson, Kenya Association of Manufacturers (KAM) CEO, Salt sub-sector members, National and County Government Leaders among other key stakeholders

a. For local community

We continue to conduct regular meetings with the local communities through their representatives, the Corporate Social Responsibility (CSR) Committee. These forums have been of great benefit to both the community and us since we are able to find solutions to emerging concerns, get feedback on our operations and activities as well as create a platform for consultation and involvement of community in our activities.

- We have also supported the training of the CSR Committee and the community at large on their constitutional rights. Similarly, we have initiated and supported other trainings on the legal processes and requirements that affect our co-existence with the local community like land acquisition and ownership and environmental care.
- We have provided and maintained adequate access roads through our salt works that enable the local community to access the ocean and other neighboring areas. Fishermen are also able to access the ocean and carry out their activities.
- We also initiated and accomplished various CSR Projects that address human rights and basic needs this past year. We have constructed a modern out-patient block at Marereni Dispensary, construction of a multi-purpose hall at Marereni Secondary school and construction of two (2) classrooms at Mapimo Boys Secondary school. More information on CSR projects can be found in Chapter six of this report



A monthly Community Feedback meeting that brought together Community CSR Committee members for each salt company, KAM Liason & Executive Officers, All Salt Companies' Directors and Representatives and Executive Officers (EO) including the CEO for Kenya Association of Manufacturers as was held in Marereni.

- The Kenya National Commission on Human Rights (KNCHR) made an official launch of an audit report for all the salt manufacturing companies on the 7th June, 2018. This audit, done in 2017, was based on the 17 Findings and Recommendations of a Public Inquiry into allegations of human rights violations arising from the activities of salt manufacturing companies report, done by the same commission in 2006.
- The findings were based on land titling and adjudication, eviction, compensations and resettlement of squatters, intimidations by police, working terms and conditions, labor policies and standards, environment and CSR projects. Recommendations were therefore made for salt companies, government agencies, communities and other stakeholders to address these matters. As established in the 2017 audit, all the 17 findings and recommendations had been effectively implemented by the salt companies and were being sustained as is necessary.

“This audit established that concerted efforts have been taken towards resolving the alleged human rights violations. As a result of the public inquiry recommendations, a Salt sub-sector Working Group was formed with the general objective of the members to become self-regulating while maintaining the highest standards of business ethics based on the 17 findings and recommendations.” KNCHR 2018 Report

- The 2017 audit extensively covered land adjudication and titling, clean healthy environment and right to clean water, labor standards and working conditions, relocation and compensation, corporate social responsibilities and community liaisons. From this audit, there were four (4) new Findings and recommendations for implementation by the salt companies, government agencies and other stakeholders.
- We continue to practice due diligence process by informing local community prior to establishing or commissioning of any project and integrating views or concerns raised prior to implementation. This is achieved through the Environmental Impact Assessment and Environmental Audit reports which engages stakeholders.



Squatters Committee Chairman addressing members; squatters following the proceedings of the meeting; one of the squatters representative addressing the County National Land Commission Coordinator, Fundissa Senior Chief and Kenya Association of Manufacturers Executive Officer

b. For employees

We treat our employees with ultimate respect knowing that they are our greatest asset. We protect and respect their rights in the following ways:

- From the findings of our employees satisfaction survey conducted in 2017, we found out that only 56% of our employees were confident that they know their rights as provided in the constitution of Kenya. We have therefore included educative and informative facts during our monthly trainings. For example, currently the employees know the obligations and responsibilities of their employer as well as theirs in matters related to workplace safety and environmental management; they also understand the management procedures for handling work-related injuries as laid out in the governing laws.
- As mentioned before, the KNCHR audit also covered labour standards and working conditions of our employees. As presented in the audit report:

“A total of 16 employees were interviewed. The workers confirmed the following: They have been trained on health and safety, Kaizen (improving their working skills), and first aid. One of the employees was taken to Naivasha for an exchange program on usage of solar energy. They requested for a training on Human rights. They are provided with safety gears and have been trained on how to use them. There are structures put in place to enhance working relationship i.e work as team. Problems are solved within appropriate time. They did not indicate any cases of sexual harassment. They described their work environment as conducive and that they are remunerated according to experience and nature of work.”

LABOUR

As Krystalline Salt Ltd, we uphold and comply to globally and nationally recognized labour laws as our minimum standards. As per the United Nations Principles below, we have developed and implemented a Code of Conduct and Policies to enable us eliminate forced and compulsory labour, child labour, discrimination and promote freedom of association.

Principle 3: Business should uphold the freedom of association and the effective recognition of the rights to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labour

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

By upholding these principles, we have gained employees' trust by creation of a conducive working environment which has increased their morale. We therefore commit to continuous improvement in order to continue enjoying the benefits of compliance.

We have therefore laid out the following programs and activities to support these principles:

a. Employee engagement arrangements

- Employee recruitment is based on qualifications, experience, skills, competence and aptitude. Terms and conditions of service are openly negotiated with the employee and are concisely laid down in the employment contract.
- We adhere to the effective abolition of child labour by ensuring that we comply with minimum age provisions of the labour laws. We only hire candidates with national Identity cards.
- We comply with the Minimum Wage Order, our employees are paid above the minimum wage.
- We review our employees salaries annually, every July. In 2018 the average increment was 8%.
- We award our employees annual bonus. The average bonus awarded for 2017 was 50%.
- We have managed to convert all our casuals to permanent staff. This was to enable them have a sense of job security as well as a decent work and continuous personal growth.
- We have also managed to convert 24 piece rate employees to permanent staff so far in 2018. We intend to convert more piece rate workers to permanent employment.
- We are encouraging more women to join our workforce and we currently have more than 40% of our staff at the refinery being women. We currently have women in all our departments, and 20% women in senior management positions.
- We have managed to provide free gated housing, electricity, security and clean water to all our employees. The employees are further encouraged to maintain kitchen gardens within the gated housing units provided by the company in order to enable them achieve food security at the household level. This has relieved them some financial strain.

c. Other stakeholders

- Together with other salt manufacturing companies, we participate in a Multi-stakeholders consultation forum held quarterly that brings us together with the local community, all the relevant government regulators and authorities, human rights organizations and community based organizations. These forums allows for monitoring and evaluation of progress and also sustenance of milestones already achieved. For example, it is during these forums that we have been able to assign responsibilities and monitor the progress made in closing the 17 recommendations made by KNCHR in the Public Inquiry report of 2006.
- We encourage our stakeholders to constantly engage with us or call for consultative meetings and even initiate investigative processes whenever they feel their rights or the rights of those they represent are being infringed on. This has resulted into collective resolution of conflicts through mediation or arbitration which is faster and consultative.
- We take proactive approach in dealing with any allegations of violations of human rights raised by our stakeholders with the aim of coming up with corrective and preventive measures
- We also had a forum with the United Nations (UN) Working Group on Business and Human Rights who visited Kenya in July 2018 and held series of key consultations with various stakeholder groups including the Private Sector. The Working Group later released their end of mission statement with findings on the state of Business and Human Rights in Kenya following discussions with various stakeholders. The Working Group recognized the mechanism set up by the Salt sub-sector to handle community issues as a good practice.

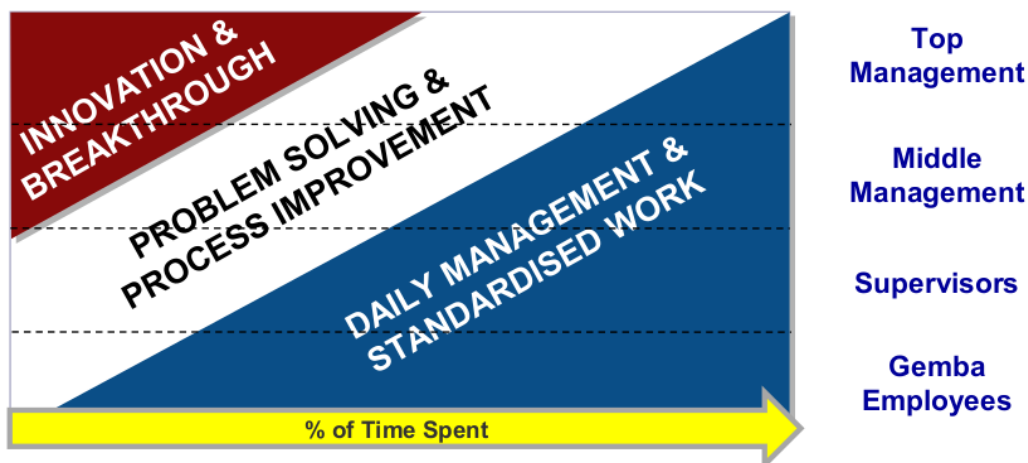
"Some good practices have been observed in the salt sectors where the KAM has set up an independent grievance mechanism for the sector, so that complaints may be made to a separate body rather than to the companies directly" , UN Working Group.

- The Salt sub-sector through Kenya Association of Manufacturers in partnership with Global Compact and the Federation of Danish Industries commissioned a multi-stakeholders dialogue process that is geared towards enhancing the relationship between the salt companies and the host communities. This is not only to give the companies the “social licenses” but also to enable the host communities to air their various concerns and have them addressed in a coordinated manner. Ufadhili Trust was commissioned to provide technical support to this process. A report on Corporate Philanthropy done in Kenya by Yetu Initiative in 2017 featured this initiative as a case study highlighting key lessons and opportunities for Civil Society Organizations (CSOs) to work with private sectors on issues faced by businesses.

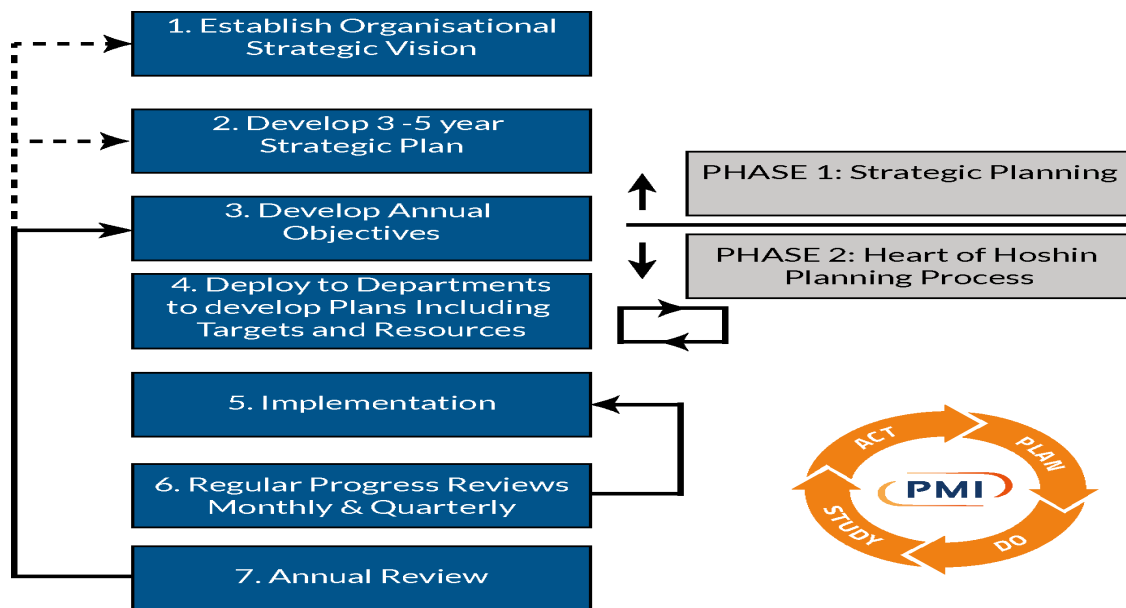
b. Training and opportunity for growth

We give our employees the opportunity to attend various trainings every year. Some of these trainings are statutory requirements while others are done on a need basis. During these trainings and workshops, our employees are encouraged to be innovative and creative and finally given the opportunity to implement their ideas which are geared towards cost reduction, continued improvement and improvement in quality and services. These include:

- Involvement in kaizen projects which aim to achieve certain objectives or solve emerging problems in operations. These projects have motivated employees to realize personal growth and productivity, this is because the kaizen projects are accompanied by trainings and workshops to sharpen the skills of employees. For example, we are currently implementing a project of having the right persons for the right job and of the right quantity. This has enabled us to assess employees' understanding of their jobs, identify training needs and also eliminate the chances of over-working of employees.
- We have introduced Training Within Industry Program that allows employees to train each other on various activities within our operations. This will enable us to have cross-functional teams for operations as well as promote employees growth.
- We conduct First Aid Training annually, Fire safety training after every two years and occupational Health and safety training after three years as statutory requirements. We also provide refresher courses to our employees on a need basis.
- Newly recruited female employees go through a sexual harassment awareness training. This is to inform them that our policy does not tolerate or encourage sexual harassment in the workplace and that they should bring to the attention of management whenever they are faced with such.
- Other Health and Safety Trainings provided include safety inductions for new hires, visitors and clients, continuous departmental trainings for current employees and toolbox talks done before deployment to new working areas. These are as discussed in the next sub-section.
- We have initiated training of our employees on responsible planning and management of their finances in order to enable them realize huge returns from savings, investment and budgeting wisely based on the priorities of life. This covers the management of their salaries plus any other sources of income.
- A team from our management level attended Hoshin Kanri Training at Kaizen Institute in July 2018. Since then the team has been training the other staff on the same. This is about strategic planning and management that will enable us to formulate company's strategic vision and generate long-term objectives and yearly goals for every department and individuals. This also enables every individual to contribute towards the achievement of our vision by having correctly placed priorities. This therefore promotes correct prioritization and distribution of roles to employees at all levels either on innovation and breakthrough, problem solving and improvements or daily management and standardised work as shown below:



Source: Kaizen Flag, Kaizen Institute



Source: Hoshin Kanri, Process Management International Ltd

c. Health and safety arrangements

We are committed to providing a healthy and safe working environment to all employees. To attain this we:

- have developed and implemented procedures for reporting, recording and root cause investigations of personal injuries and near misses in order to implement both corrective and preventive mitigation measures. This has enabled us to attain an average of 7 injuries per month which is a progress made in attaining our objective of reducing the number of injuries from 18 to 3 per month by December 2018. The ultimate aim is to eliminate all personal injuries as is reasonably practical.
- revised our Occupational Health and Safety Policy by assigning responsibilities and providing an all-inclusive health and safety programme that will enable us comply to the statutory requirements. We are currently implementing the policy to evaluate its adequacy,
- create awareness to employees on healthy and safe working procedures through continuous training and provision of adequate supervision,
- implement training programs for our employees, clients and visitors. These include: Safety Inductions for new hires, visitors and clients; Scheduled Ongoing Departmental trainings for current employees based on the jobs they do and lessons learnt from investigation of reported incidents; and Toolbox talks that our employees are given when deployed to new working areas or when performing high risk jobs.
- hold daily routine factory inspections to ensure that workers are complying to the set health and safety standards and investigate reported incidents among others,
- conduct review meetings with the Heads of Departments (HODs), Supervisors, Trainers and Health and Safety Committee monthly to disseminate health and safety information and findings of investigations, get feedback from employees and also find solutions to emerging issues.
- conduct regular risk assessment of our premises to identify hazards and take appropriate measures to ensure safety of our employees,
- subject our processes to various safety audits to monitor and evaluate the adequacy and efficiency of the safety measure and facilities we have put in place,
- implement and review as appropriate our emergency planning and preparedness procedures to ensure prompt response in cases of emergencies,

- initiate and encourage employees to engage in activities that promote occupational health and safety within departments and working groups,
- improve on our visual display at the refinery for further sensitization and re- enforcement of health, safety, environmental, hygiene and quality standards.
- maintain systems for reporting and recording incidents and concerns raised by employees as a means of involving them in decision making,
- provide and maintain welfare facilities for our employees
- are currently conducting an assessment of our hazard control mechanisms with the aim of prioritizing hazard elimination, engineering and administrative controls. This is meant to enable us use personal protective equipment only where the residual hazards cannot be controlled further by the other superior control mechanisms. This will then be followed by a survey on the appropriateness, suitability and comfort of the PPE that will be provided for protection against these residual hazards and risks.

d. Medical arrangements

We understand that access to primary health care is key to our employees. We have therefore:

- provided well equipped first-aid stations and trained first-aiders at every department to attend to work-related injuries,
- maintained our own in- house clinic which was started in 2012 at our factory in Gongoni where our employees get free services. We recently added more to the services provided at the clinic by including malaria and chronic illnesses tests.
- initiated a program where we support employees with chronic and lifestyle illnesses like hypertension and diabetes. Some of these employees have been forced to retire due to their medical conditions while others are still able to stay in employment. We are supporting them by catering for their medical expenses and also ensuring that they are able to meet their daily basic needs after retirement. We are so far supporting 3 retirees and 3 employees. We intend to provide a special medical cover for the employees on this program.
- initiated regular trainings and health talks steered by Avenue Health Care (health care provider we have partnered with) to our employees on prevention and management of Lifestyle diseases. These trainings started early this year and we intend to carry on with them.
- constituted a steering committee who act as peer educators among employees to create awareness on non-communicable diseases and HIV/AIDS. The committee undertook Peer education training in April 2018 and a training on non-communicable diseases in 2016.
- provided and equipped condom dispensers at our clinic and every site.



Continuous departmental training of workers



Training of employees on first-aid skills

In November 2017, we organized a medical camp where all employees were trained on HIV/AIDS, Non Communicable Diseases and Counseling services were provided. The employees also got the opportunity to get tested for various diseases and conditions like hypertension, diabetes, HIV/AIDS and TB screening. Other services made available during the clinic included BMI calculation and Blood donation.

The information obtained from this wellness clinic has been key in decision making. For example, we have introduced sports like badminton at our sites in Gongoni and Mombasa to enable employees engage in physical activities.



Wellness activity that was held within our site. Training of employees on wellness; Examination of employees; Employee donating blood; HIV Testing and counseling session.

| WELLNESS CLINIC RESULTS | | |
|-------------------------|------------------|------------|
| TESTS | NO. OF EMPLOYEES | PERCENTAGE |
| HIV BLOOD | | |
| NEGATIVE | 452 | 98.91% |
| POSITIVE | 5 | 1.09% |
| BLOOD PRESSURE | | |
| NORMAL | 330 | 68.00% |
| HIGH | 31 | 6.47% |
| HIGH NORMAL | 118 | 24.36% |
| BMI | | |
| UNDERWEIGHT | 4 | 0.84% |
| NORMAL | 316 | 65.97% |
| OVERWEIGHT | 159 | 33.10% |
| BLOOD GLUCOSE | | |
| NORMAL | 472 | 98.54% |
| HIGH | 7 | 1.46% |

e. Internship program

We have maintained an internship program which aims at giving student hands on experience in their areas of expertise. To achieve this, we have:-

- engaged almost ten education institutes where we absorb new graduates and attachés into our operations since 2014,
- partnered with KAM which allows us to participate in the Technical and Vocational Education Training (TVET) Program for Graduate Industrial Trainees,
- absorbed 7 students from various universities this year into various sections of our operations this year. One of the interns has so far been confirmed and is now on permanent employment terms with us,
- coordinated with the local Public Health Department to provide a bench-marking session for 17 Public Health Students on Industrial attachment by giving them an industrial and occupational learning platform to equip themselves and sharpen their skills with the necessary expertise.
- provided opportunities to thousands of pupils and students that visit our salt works and refinery every year for educational tours without any charges.



Students visiting our salt works for educational sessions



Departmental briefings at the beginning of shifts

ENVIRONMENT

We realize that our operations may have detrimental impacts on the environment. To prevent this, we subject our operations through thorough environmental impacts assessments and audits to highlight potential negative impacts and thereafter making deliberate efforts to take precautions. We uphold the precautionary approach in solving the environmental challenges we face.

Environmental laws, regulations and globally recognized codes of practice are our minimum standards even as we strive to comply to the below principles.

Principle 7: Business should support a precautionary approach to environment challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility, and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

To comply to the principles, we have made the below arrangements:

- we have reviewed our environmental policy to include responsibilities and provided an inclusive environmental management program to act as the guiding principle for our operations. The policy is currently being implemented within our departments to evaluate its adequacy
- we have developed a waste management plan that outlines all the wastes generated at various points in our operations. This plan provides a guideline on how the waste should be handled in a manner that does not compromise the quality of our environs
- we have integrated the use of waste inventories within departments where waste is generated. This helps us in maintaining a record for the amount being produced and being able to account for the end point destination of our waste
- adopting re-use, reclamation and recycling of waste whenever necessary as means of effective waste management and efficient resource management. For example we have implemented improved treatment systems to ensure brine produced during manufacturing is properly recycled back into the refinery or salt evaporation ponds to crystallize and not released into the natural environment
- implementation of various techniques to ensure reduction of wastes generated from our operations to the minimum amount possible
- conducting regular Environmental Impact Assessments and Audits to determine and monitor the effects of our operations on the environment
- conducting regular monitoring of all the environmental indicators, these include air, soil and water quality analyses among others
- maintaining a transparent supply chain and accountability through out our operations. This allows the management to ensure that only environmentally- friendly materials and equipment are used. This promotes reduction in green-house gas emissions.
- we have invested in rain water harvesting and storage facilities within our premises to curb water shortage. We have installed rain water harvesting systems in every building and housing to sustain our operations during dry seasons.

Similarly, we have engaged in various programs and projects as ways of attaining our environmental goals. These are as discussed below:

a. Maintenance of Buffer zone

We committed to maintaining of a 20 meters buffer zone between our operations and the neighbouring communities. This is meant to minimize the impacts of dust that might result from our construction activities. The buffer zone has a total area of 84,000 square meters. It incorporates a green belt and a drainage system to prevent flooding of the surrounding areas during rainy seasons.

Early in 2017, we planted trees along the buffer zone which did not survive due to harsh environmental conditions that hit the area. In May 2018, we re-planted 3,500 tree seedlings within the area. The trees planted include tamarind and Neem. We intend to plant more trees within the remaining section of the buffer zone.

This was an exercise carried out in conjunction with community based groups including CSR, Magarini Forest Conservation Association, Garithe Women Association and Amkeni Group.

b. Mangroves Protection

We have continually participated in the revitalization of the Mangrove areas within our lands and at Robinson Island. This we achieve by planting more mangrove seedlings and conserving the existing. This has been done on several occasions in the previous years.

On this year's World Wetlands Day, the 2nd February, we commemorated the day by planting over 7,000 seedlings of mangroves.

In the same spirit of caring for the mangroves, the National Environmental Management Authority (NEMA) and Kenya Forest Service (KFS) officials joined us to celebrate the day. Together with them were Magarini Forest Conservation Association, Jambiani Marine and Angazia Forest Conservators.



NEMA & KFS officials, community members and company representatives getting ready to plant mangroves on World's Wetlands Day

c. Tree Planting Project

Since we started planting trees in 2013 in our farms in Gongoni and Marereni, we have planted over a million trees. The tree planting project is meant to supply for our bio thermal boilers. Since wood fuel has reduced carbon footprint, it is a source of clean, affordable, reliable and sustainable energy.

Among the trees planted include casuarina, bamboo, mango, neem and cashew nut. Casuarina constitutes the largest portion since it has high calorific value hence suitable as wood fuel. We plant the fruit trees to help attain food security within our locality.

| Year | All Trees planted (Including casuarina, bamboo, fruit trees and mangroves) | | | Total |
|--------------|--|---------------------|-------------|------------------|
| | Company Farm | Out-growers program | Buffer zone | |
| 2013 | 22650 | 15000 | | 37650 |
| 2014 | 355501 | 8000 | | 363501 |
| 2015 | 457306 | 3000 | | 460306 |
| 2016 | 93705 | | | 93705 |
| 2017 | 67750 | 6539 | 1100 | 74289 |
| 2018 | 128470 | 2000 | 3500 | 133970 |
| TOTAL | 1,125,232 | 34,539 | 3500 | 1,163,271 |

We believe to eventually combat climate change and its impacts through this project. The wood lots have proved to be a new biodiversity hotspot in the locality where seasonal birds and other animals inhabit. The community is also appreciating the benefits of the micro-climate created by the plantation. Since the felling of the trees will be rotational and in phases, the community, animals, birds and insects inhabiting the plantation will not be deprived of the benefits they currently enjoy.

This project has contributed towards the achievement of the 10% forest cover, a national goal. We received the Certificate of recognition for our efforts in Tree Growing and Forest Conservation from Kenya Forest Service in June 2017. This was presented by Her Excellency the First Lady Margaret Kenyatta. We were awarded as 1st Runners-up in the category of Best Industry Players.

We commemorated the National Tree planting Day this year on 12th April by planting 14,690 seedlings within our farms. We had employees from all our departments participating in the event.



Employees planting trees on the National Tree Planting Day

d. Out-grower program

We have also established an Out-Grower program with local farmers to grow trees. We have engaged around 85 local farmers on this program. We provide seedlings, labour and water during the dry seasons. The farmers are only tasked with taking care of the farms. Until now, over 34,000 casuarina trees have been planted by the Out-Grower farmers.

Through the tree planting program, we have also engaged the locals, both individuals and saccos in maintaining casuarina tree nurseries. We provide seeds and seedling bags to the farmers, and when the seedlings mature for transplanting we buy them.

We have planted approximately 1,940 casuarina trees within Marereni Primary and Secondary schools. The project aims at providing the local community with an alternative source of livelihood. The farmers are able to sell the seedlings and trees to us upon maturity.

Similarly, the farmers are encouraged to plant crops within the trees. This enables them to have a level of food security at the household level even as they wait for the trees to mature. This program will be done every rainy season annually.

e. Energy management

Kenya Association of Manufacturers, which we are members in conjunction with the Ministry of Energy and Petroleum established the Centre for Energy Efficiency and Conservation. The centre provides auditing and support services to various companies by identifying energy wastage, determining saving potential and give recommendation on measure to be implemented for improved efficiency and management. The program is supported by the Government of Kenya and Danish International Development Agency.

Through this program, we have been able to conduct investment grade energy audit in 2014 and in 2017. In 2016, the Energy Regulatory Commission also conducted an energy efficiency progress follow up audit based on the 2014 investment grade energy audit and they confirmed the progresses and improvements made in energy efficiency initiatives. These audits have enabled us to:

- develop and implement an energy policy which has been duly approved by Energy Regulatory Commission,
- constitute Energy Committee that works towards improving the efficiency of physical facilities and processes at the refinery to minimize energy loss and maximize on utilization. The committee is chaired by the Energy manager who is responsible for the development and implementation of energy efficiency and conservation,
- reduce our electricity consumption by 1.9% in the last audited year despite an increase in production rate by 3.8%,
- reduce average monthly electricity bill by 2.4% due to the supply from the photovoltaic (PV) solar plant,
- develop an energy investment plan for the next three years which we are currently working on and
- implement the recommendations made in the 2017 audit on energy cost reduction opportunities with priorities put on the most economically viable options and with the least investment cost

Existing energy saving initiatives already implemented include:

- Use of variable frequency drives (VFDs)
- Power factor correction capacitor banks
- Use of light-emitting diode (LED) lamps
- Insulation of thermic fluid pipelines
- Heat-recovery– preheating boiler combustion air with flue gas
- Use of solar photovoltaic (PV) for street lighting
- Installation and use of roof cyclone ventilators
- Energy data collection and analysis
- Use of electric forklifts to replace the diesel-powered ones.

e. Clean energy

We commissioned one of Kenya's largest solar hybrid systems in Malindi in late 2016. The 991kWp system is a PV-diesel hybrid project. The system will generate 1.6GWh of clean electricity annually, saving us around 22% of electricity costs.

The solar component of the system allows for a fossil fuel reduction of around 24,000 litres of diesel each year. It will displace 1,268 tonnes of carbon dioxide.

The project was made possible through the government of Japan's Joint Crediting Mechanism (JCM) financing programme that facilitates low carbon technologies in developing countries.

The table below presents data generated by the committee on the energy generated from the solar farm.

| DATE | SOLAR PV GENERATION KWH |
|--------|-------------------------|
| Dec-16 | 61,137 |
| Jan-17 | 75,522 |
| Feb-17 | 73,832 |
| Mar-17 | 110,340 |
| Apr-17 | 91,627 |
| May-17 | 85,305 |
| Jun-17 | 101,152 |
| Jul-17 | 103,358 |
| Aug-17 | 102,828 |
| Sep-17 | 114,304 |
| Oct-17 | 115,181 |
| Nov-17 | 104,483 |
| Dec-17 | 92,968 |
| Jan-18 | 101,573 |
| Feb-18 | 111,390 |
| Mar-18 | 108,206 |
| Apr-18 | 95,003 |
| May-18 | 89,104 |
| Jun-18 | 84,007 |
| Jul-18 | 91,774 |

f. Blown Film Extrusion Plant and Take Back Scheme

We recently commissioned a blown film extrusion plant at our facility in Mombasa. The plant is meant to make packaging plastic films for our products. The plant has enabled us to implement various changes to the sizes of films that has ultimately made us to reduce the amount of plastic consumed in packaging as well as the amount that goes to waste.

We have installed a distillation unit to enable us recycle and reuse solvents generated from the printing section.

Along side the plant, we have rolled out a plastic take back mechanism that enables us to have an extended producer responsibility in recovery, reuse and recycling of our packaging films. This enables us to fulfil our environmental mandate in protecting, preserving and caring for the environment.

g. Protecting biodiversity hotspots

Our salt works, the large casuarina plantations and mangroves are the major biodiversity hot spots for both life under water and on land within the area.

In January 2018, Arocha Kenya conducted bird count within our premises. This was part of a larger study done by the National Museums of Kenya where they were carrying out water bird count in Rift Valley, Nairobi, Central, Coast, Amboseli and Yala Swamp.

Our salt works in Gongoni was among the eight sites in coast where the bird watching exercise was carried out. A total of 2,104 individuals of 24 water bird species were recorded. The most abundant species was Greater Flamingo with 1,602 individuals , followed by Pied Avocet with 101 individuals and Black-winged Stilt with 98 individuals. Our site registered the highest numbers of Greater Flamingos in Coastal region with 54.6%.



Black-winged Stilt spotted during the bird count



Greater Flamingos spotted during the bird count

h. Green Gift hampers

Every Christmas the management surprises employees with gift hampers. The choice of the gift hampers is based on giving the employees a valuable household product that can be used by all the family members at the same time promote environmental conservation or their wellbeing. We gave energy saving gift hampers to our employees in 2014, they later received Solar lamps in 2015. In 2016 they received energy saving jikos which use only 6 piece of charcoal all day and do not create any fumes. And in 2017 they received a basket of balanced food stuff for new year celebrations.



An employee receiving energy saving jiko

i. Re-opening of Balesa Stream and Incorporation of a drainage system

We have re-opened the seasonal River Balesa in Marereni and brought it back to its original course. The stream is now cutting through our salt works.

There were heavy rains this year and the neighbouring low lying areas did not flood owing to the drainage system incorporated within the buffer zone that joins the Balesa stream into the ocean.



Open River Balesa, cutting across our salt pans

j. Clean up and fumigation

On the World Environment Day, we organized a clean up exercise for our premises. Employees came together and assisted in cleaning our environment. This included the refinery and the residential units. Under the theme of “*Beat Plastic Pollution*” and a slogan of “*Greening the Blue*”, our main interest was to relieve our environment of any plastic that might have been disposed inappropriately. This was important especially after the national government implemented the ban on plastic carrier bags.



Employees pick up plastic bags and bottles for recycling on World Environment Day

We have maintained a schedule to fumigate our premises quarterly against vectors and rodents that are a threat to health, hygiene and quality of our products.

ANTI-CORRUPTION

Krystalline Salt Ltd is committed to conducting business fairly, honestly and without improper influence. We are guided by our code of conduct and our core values. Integrity being our first and most important core value.

We understand that corruption undermines socio- economic growth and increases poverty and exclusion thus becoming a threat to the attainment of the Sustainable Development Goals, hence our support to the principle below.

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

To achieve the above principle, we have:

- stopped engagement of casuals at the gate every morning since this presented a weak point for bribery. We have instead implemented a recruitment system that is based on skills, qualification, experience and competence
- identified areas that we need to manage and monitor to curb corruption and bribery. For such areas we have implemented strict adherence to standard operating procedures (SOPs) and approval processes to prevent unauthorized practices and dealings. We continue to improve the SOPs whenever necessary
- eliminated parallel systems of decision making. Key decision makers have been identified and each have their specific areas of expertise and therefore qualified to make decisions
- developed compliance programs as well as have competent employees in key areas to improve governance and accountability. This has enabled us to achieve timely deliveries and prevented cases of non-compliances that would put the company in compromising engagement with law enforcers
- resolved to initiate process that require approvals from third parties early enough to give us ample time to seek and obtain the approvals without having to compromise our values.
- employed proper and clear reporting channels to enable our employees and clients to report cases of corruption or bribery. This allows for investigation and taking appropriate actions. We will continue to maintain the systems, monitor, take corrective and preventive actions based on the findings
- holding regular meetings with employees and clients to warn them against giving any bribe in order to be promoted or served. We have also displayed various signages within our premises to constantly remind employees and clients not to engage in any form of corruption and where to report such cases

We strongly believe that if we win the loyalty of our employees and stakeholders then they will ensure that they and their colleagues will not engage in any corruption and bribery activities.

We have also initiated and participated in the below programs:

Global Reporting Initiative (GRI) and United Nations Global Compact (UNGC) Workshop

In June 2017, we were privileged to be invited by GRI Africa and Global Compact Network Kenya with support from The Department for International Development (DFID) – UK, to a complimentary half- day workshop on Anti-Corruption and Sustainability Reporting. During the workshop, we discussed the role of transparency in tackling corruption and how GRI Standards and UNGC Principles can be used to support and communicate anti- corruption efforts.

Siemens Integrity Initiative

Krystalline Salt is also a member and a participant of the Advisory Committee for the Anti-Corruption Collective Action project, under the Siemens Integrity Initiative . Under the Siemens Integrity Initiative, the UN Global compact is working in collaboration with the Basel Institute on Governance to strengthen the capacity and knowledge of Anti-Corruption Collective Action in four Global Compact Local Networks: Brazil, Japan, Nigeria and Kenya. The project is to provide a framework for LNs and its business participants to advance meaningful collective action efforts that prevent corruption, increase transparency, and improve the local business environment.

Anti-corruption Compliance Training

In September 2018, we sent team leaders from various departments like compliance, procurement, finance, legal, sales and ,marketing, internal audit, human resource and corporate social responsibility functions to the above training organized by Kenya Association of Manufacturers. The theme was strengthening compliance infrastructure through policies, transparency, law, requirements and standards. The objectives of the training were to strengthen and align company policies and practices to the relevant laws, to enable employees, agents, and third parties deliver results while building company brands reputation for doing business with integrity and to enable companies engage in mutually beneficial long-term relationships with other companies based on trust.

The trained team leaders are training other employees in their respective departments with the aim of ultimately attaining anti-corruption compliance throughout all our operations .

CORPORATE SOCIAL RESPONSIBILITY(CSR) AND CORPORATE PHILANTHROPY(CP)

We have laid out structures and allocated resources to enable us meet our responsibility of giving back to the local community and the less privileged through our CSR and CP Programs.

Corporate Social Responsibility

We revised the procedure for recommendation and approval of such projects when the CSR Committee was constituted. The Committee was mandated to hold public barazas with the community through the local administration of offices to get proposals on projects that the community would wish us to undertake. The committee would then prioritize the proposed projects and prepare written proposals on how they would like us to be involved. We would thereafter execute the projects based on priority given in constant consultation with the community.

This has given the local communities a sense of ownership of the projects at the same time a chance to evaluate the relevance, importance and how they are benefiting from the projects.

We strive to achieve the Sustainable Development Goals (SDGs) with our CSR programs. We have done several projects for the community in the previous years. These are discussed elaborately in the next chapter.

Here are the additional CSR Projects accomplished within this reporting year:

a. Sapna Patel Out-patient Block

Early this year, we successfully completed the construction of a modern Out-Patient Block at Marereni Dispensary. This building adds to the maternity ward, laboratory & counselling block and Drug store & Administration blocks constructed at the dispensary in 1988, 2005 and 2015 respectively. With this additional facility, the service delivery at the Dispensary shall be improved. This block together with other developments at the Dispensary facilitated its upgrade to a Health Center as gazetted by the Government of Kenya.



Launch of the Outpatient block



A view of the Sapna Patel out-patient block

b. Kaysalt Amani Center

Recently, we completed the construction of a multi-purpose hall at Marereni Secondary School that is used as a dining hall and sometimes as an examination hall. The students can now have their meals in the hall unlike previously when they used to eat under trees.

The hall is currently the largest in the Sub-county and is preferred by the Ministry of Education and even the local community to hold various educational events.



Amani Center Multi-purpose Hall



Students doing chemistry practical examinations in the hall

c. Kaysalt Elimu Building

At about the same time, we also completed the construction of Two (2) classrooms at Mapimo Boys Secondary School.

This is a growing school with increasing student capacity amidst the challenges of limited resources to sustain their student admissions. They were forced to partition classrooms to enable them accommodate the students.

The additional classrooms were therefore meant to offset the burden of crowding the partitioned classrooms. Currently, the students are studying in a better environment.



View of the Kaysalt Elimu Block at Mapimo Secondary school

d. Sponsorship Program

Since 2014 we have sponsored students from the local community into our bursary program. Bright and needy students are given the opportunity to undertake their secondary school education through the bursary scheme. We sponsor more students every year.

Two students were able to benefit from the program this year.

e. Mjanaheri Self Help Group Water Project

In partnership with Mjanaheri Self Help Water Project Group, the company has fully funded the construction a borehole that is a source of clean fresh water at Timboni, Gongoni for the benefit of the Communities in Magarini.

Timboni area has been the major source of fresh water from where water tankers fetch water to supply to Communities as far as Marereni and Kanagoni.

Through the project, the Self Help Water Group is able to collect revenue from those fetching water thus a source of livelihood to the Group. In the same manner as other water users, the company also pays to collect water from the borehole. The revenues collected are meant to sustain the project as well as enable the group to plan construction of more boreholes.



Fresh water well at Timboni constructed for the community in partnership with Mjanaheri Self-help Water Project Group

Corporate Philanthropy

We are touched by the unfortunate circumstances that sometimes befall the communities around us. During such difficult times we have supported and come to the aid of victims of such calamities or crises like hunger, fire or floods. Over the years, we have collaborated with the National and County Governments to donate food stuff and clothing to such victims. These include:

a. Flood menace

During the recent long rains, many parts of the country suffered from the destructions caused by the floods. People lost homes, properties and even lives.

The communities around us in Kilifi County were also affected by the floods when River Sabaki broke its banks.

The people who were rendered homeless were forced to take refuge at relief camps. Others were trapped in small island and were not able to access basic needs like food, health care, shelter and clothing.

Together with the County and National Governments, we donated food and clothing for the flood victims. These were distributed at the camps and also airlifted to the victims trapped on islands



Food and clothes being distributed at camps



Food and clothes being airlifted to individuals trapped on islands by floods

b. Fire outrage

In early June 2018, a dormitory burnt down at Galana Secondary School in Magarini Sub-county. Together with other well-wishers, we donated mattresses to the school through the National Government in order to enable the students' hope of continuing with their education rise from the



Donated mattresses being received by Galana



KSL team delivering mattresses for Galana school to MP office

c. Christmas with the Homeless Children

Every child needs the warmth of a family. But some are not privileged to have this opportunity. Since 2013 we have partnered with Talanta Kenya every year to organize a Christmas event for orphaned and less fortunate children from various Children's Homes and Orphanages in Mombasa.

During the event children came together in an open and conducive environment to enjoy nature, play, and share a meal as they are entertained.

We provide funds for organizing and securing the large venue needed for the event. We also provide free salt to all houses whose families are at the event. Additionally, we also provide cakes enough for everyone at the event.

We held the same event in December 2017.



Krystalline Salt Limited team getting ready to celebrate Christmas with the homeless children. We surprised the children with cakes

d. Eye, jiggers and ringworm camp

Shree Cutch Satsang Swaminarayan Temple in Conjunction with Kwale Eye Centre sponsored a 6 days free eye, jiggers and ringworms camp in Kilifi and Tana River Counties. We supported this noble exercise by hosting the health-care providers and providing space for consultation, treatment and operation of the patients.

3,887 people were screened for eye problems, out of which 334 were operated on for cataract while others receiving treatment and eye glasses. 511 patients were treated for jiggers and 5,972 treated for ringworms. 63 more patients were identified for further special treatment and cataract operations.



Patients waiting in queue for screening and treatment; Krystalline Salt Limited Representative receiving a gift from the event organizers for hosting the camp.

SUSTAINABLE DEVELOPMENT GOALS (SDGS)



Krystalline Salt Ltd is committed to the realization of the 17 Sustainable Development Goals. It is for this reason that we continue to explore our opportunities for shared value to find ways of contributing to the economic development while improving the quality of life of our workforce and the local community.


We believe that people should make efforts at personal level and household level to enable us have common goals at the community level. Similarly, our employees are being trained and encouraged to make efforts at their various departments to enable the company, as a corporate citizen to achieve the set goals.


The table below presents the opportunities we have explored in the previous years as well as those explored within this reporting year.


As part of our core value, we continue to sustain the already achieved opportunities over the period for as long as they remain effective and in line with the SDGs.






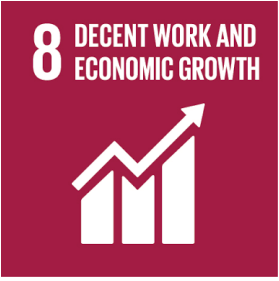
| SDG DESCRIPTION | OPPORTUNITY FOR SHARED VALUE | |
|--|---|---|
| | PREVIOUS YEARS | 2017-2018 |
|  <p>End poverty in all its forms everywhere</p> | <p>We aim at reducing cost of production through our kaizen projects. This enables us to offer our products at an economical price point.</p> <p>For our marketing requirements we engaged a community of ladies to make 'Mwikos' for us, which we used in our road-shows.</p> <p>Under our out-growers program, we provide the farmers with seeds, seedlings, labour and expertise they need to maintain the tree lots. The farmers are then to sell the trees to us when they mature. This is a source of sustainable livelihood for the local farmers and thus helped in eliminating poverty among them.</p> | <p>We currently have over 20 local farmers who are supplying firewood to our refinery from their farms. This means availability and circulation of money within the community, hence reduction in poverty levels.</p> <p>Several individual farmers and women in saccoes have benefited this year from the sale of seedlings to us during the rainy season.</p> <p>This has given the farmers the opportunity to constantly participate in our supply chain since they are guaranteed of a ready market.</p> <p>We have signed Memorandum of Understanding with various suppliers for all the services and materials we need regularly. This is a form of predictable procurement contracts for our suppliers.</p> <p>The MoU with suppliers and the permanent jobs created are sustainable source of income thus elevating poverty levels.</p> |
|  <p>End hunger, achieve food security and improved nutrition and promote sustainability agriculture</p> | <p>We have a technical team that assists local farmers under the out-growers program in understanding how to grow and take care of their cash crops in order to get more produce.</p> <p>The farmers are encouraged to plant other food crops like maize within the trees in order to attain some level of food security, end hunger and improve nutrition whilst waiting for the trees to mature.</p> <p>They are also given fruit trees under the same program for an alternative cash crop.</p> <p>We encourage our staff and the local community to have a kitchen garden so as to have food security.</p> <p>Our salt is also iodized to prevent goitre and improve brain development in children.</p> | <p>We planted over 500 fruit trees during the long rains this year.</p> <p>During the planting of the trees, farmers also had the opportunity to intercrop maize and green grams for use at the household level.</p> <p>We assisted our employees plough their kitchen gardens in preparation for planting of groceries.</p> <p>In 2017 they received a basket of balanced food stuff for new year celebrations.</p> <p>We continue to iodize our salt to prevent goiter and improve brain development in children.</p> <p>We donated food to the victims of floods in Kilifi county when River Sabaki broke its banks.</p> <p>We have improved our farming practices in order to increase farm productivity and enable us provide lunch to all our employees. The lunch is prepared mainly from our farm produce.</p> |


| SDG DESCRIPTION | OPPORTUNITY FOR SHARED VALUE | |
|--|---|--|
| | PREVIOUS YEARS | 2017-2018 |
|  <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well being for all</p> | <p>Since 2012, we have maintained an in-house dispensary at the refinery in Gongo. This provides all employees access to free primary health care. It also encourages health-promoting behavior in order to strengthen our workforce.</p> <p>In 2015, all staff went through health related training, example HIV/AIDS awareness.</p> <p>In 2016, we trained the employees on non-communicable diseases. We also constituted a steering committee to conduct peer education among worker on health issues.</p> <p>We have made efforts to bring specialist medical clinics (example Eye clinic, jiggers clinic etc) annually, for the community and staff .</p> <p>We built the first maternity ward in the sub-county at Marereni Dispensary in 1988.</p> <p>In 2005, we added to the ward a second block currently used as a laboratory and for counseling.</p> | <p>We added more to services provided at our in-house clinic to including malaria and chronic illnesses tests.</p> <p>Initiated a program where we support employees with chronic and lifestyle illnesses like hypertension and diabetes get their medications and be able to meet their daily needs.</p> <p>Initiated regular trainings and health talks steered by Avenue Health Care to our employees on prevention and management of Lifestyle diseases, Personal care and hygiene.</p> <p>Trained the steering committee who act as peer educators among employees to create awareness on non-communicable diseases and HIV/AIDS on Peer Education.</p> <p>Provided and equipped condom dispensers.</p> <p>The local community were able to identify an area in health that still needs attention. They recommended the initiation of a jiggers camp to assist in solving the problem among the affected members.</p> |


| SDG DESCRIPTION | OPPORTUNITY FOR SHARED VALUE | |
|---|---|---|
| | PREVIOUS YEARS | 2017-2018 |
|  <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well being for all</p> | <p>We later constructed a third block for storage of drugs and administration in 2015.</p> <p>Since 2013 , together with Nairobi Hindu temple we have donated medical kits to the clinic for the value of Ksh 500,000 annually.</p> <p>In December 2014, we partnered with Girl Child Network, Ministry of Health and County Government of Nyeri and conducted a medical camp where 762 people were screened and treated for various illnesses. 572 persons with disability also attended the medical camp.</p> <p>We have been internationally recognized for iodization of salt in Kenya. This has helped in prevention of goitre and promoted brain development among children. We were awarded with a Certificate of Recognition by the Ministry of Health in collaboration with the Kenya Bureau of Standards in recognition of our valued contribution to food fortification.</p> <p>With partnership with the Lions Club of Mombasa, we have held eye camps where members of the public get the opportunity to benefit from the service.</p> <p>We participated and supported the Launch of the Fistula Repair Camp in 2017, at Gongoni, in partnership with Kilifi County and Ministry of health. The affected women got the opportunity to get their condition corrected at no cost.</p> <p>In November 2016, we liaised with Public Health Office and obtained vaccines against elephantiasis for our employees and their families. We had a 75% turn out for the vaccination.</p> <p>We do regular fumigation of our premises to eliminate mosquitoes which are media for transmission of elephantiasis and malaria diseases which are common in our area.</p> <p>In April 2017, We partnered with the Sub-county Public Health Office and did HIV/ AIDS awareness sessions where the employees and their families were counselled and tested.</p> | <p>We did fumigation of our premises and staff house for protection against vectors and rodents. We also came up with a schedule for fumigations which we will now do quarterly and when necessary.</p> <p>We provide healthy and nutritious lunch for our employees everyday hence ensuring they are fit to work without going hungry. The food is enough and employees are able to get it at low cost and carry home to their families. This has reduced tardiness.</p> <p>We train our emergency response team on first-aid and rescue skills. We also trained them on fire safety this year.</p> <p>We are introducing programs that will allow our employees to engage in physical activities. So far we have started badminton games that employees engage in after work and over weekends.</p> <p>We partnered with the Public Health Department and issued free mosquito nets to our employees and their families</p> |



| SDG DESCRIPTION | OPPORTUNITY FOR SHARED VALUE | |
|---|--|--|
| | PREVIOUS YEARS | 2017-2018 |
|  <p>Ensure inclusive and equitable quality education and lifelong learning</p> | <p>In 2003, we constructed administration block and 15 classrooms at Marereni Primary school to accommodate 1000 students.</p> <p>We also provided desks for all classrooms as well as a water tank within the premises.</p> <p>In 2015, we donated furniture and books to the neighboring primary schools in Gongoni and Marereni to improve learning and infrastructure at the schools.</p> <p>1000s of students from schools have continually visited our factory over the years to learn about salt manufacturing processes. We see this initiative as an opportunity to give the students empowerment and further insight in their studies.</p> <p>In 2017, we supported the Ministry of Education, Department of Adult Education and Continued Learning in organizing for the World Literacy Day Event. The event was meant to promote learning and education among the community members.</p> <p>Since 2014 we have absorbed more students into our bursary program every year. The program gives priority to bright students from disadvantaged backgrounds. We give them the opportunity to have quality secondary school education.</p> <p>We also run an internship program which was started in 2014. New graduates are given opportunity to experience real work under this program. We have had success in this program as many have joined us after they've complete their schooling.</p> <p>In 2017 February, we partnered with the Hare Krishna Temple and joined them during the Food For life Program. The event was aimed at giving students from impoverished backgrounds food. We provided solar lamps to the students, seeing as how most of the families did not have sufficient lighting at home making it harder for students to do homework or study.</p> | <p>We recently constructed a multi-purpose hall at Marereni Secondary School that is used as a dining hall at sometimes as examination hall.</p> <p>We also completed the construction of Two (2) classrooms at Mapimo Boys Secondary School to accommodate more students.</p> <p>Two students were absorbed into our scholarship program this year.</p> <p>We donated mattresses to students whose dormitory had burnt down in order to enable them continue with their education.</p> <p>We have an internship program which is STEM oriented. 7 students were absorbed from various universities this year. Students from schools continue to visit our factory to learn about the science of salt manufacturing.</p> |




| SDG DESCRIPTION | OPPORTUNITY FOR SHARED VALUE | |
|--|--|--|
| | PREVIOUS YEARS | 2017-2018 |
|  <p>Achieve gender equality and empower all women and girls</p> | <p>We have made serious commitments to involve women in our operations. More women have been encouraged to secure positions at all levels from senior management to the refinery.</p> <p>Under the out-grower program, we have encouraged and admitted more women and the less advantaged in the society to participate either through their groups or individually. Some of them maintain nurseries where we buy seedlings from and others are planting trees in their farms.</p> <p>We have also supported the girl child education through the partnership with the Girl Child Network. Some of our outreach programs have also supported young girls and single mothers.</p> <p>We have continually supported the Women of Magarini Sub- county by funding them on the International Women's day, a celebration that brings many of them together to learn from each other, have fun and have a sense of belonging.</p> <p>We have partnered with the County Government of Kilifi and donated 1800 packets of sanitary towels to all the girls in secondary schools within Magarini Sub- county.</p> | <p>Currently, women constitutes more than 40% of our staff at the refinery. Women have been absorbed into all our departments. Our senior management comprises of 20% women.</p> <p>Those who benefited from our purchases of seedlings and trees this year were women. They constituted 80% of all those who we engaged.</p> |
|  <p>Ensure availability and sustainable management of water and sanitation for all.</p> | <p>We have invested in water conservation techniques by recycling our effluents and using the same in our refinery.</p> <p>In February 2012, we built a dam in Dodoni area. This dam serves about 10,000 villagers in nine villages namely Midodoni A and B, Mandokeni, Kadzuhoni, Dodoma, Msambweni, Karimapaka and Mbuyu wa Kombo. Animals also quench their thirst by drinking at the dam.</p> <p>In 2013 we invested in a Reverse Osmosis plant. This provides clean drinking water to all our staff and the local community. Over 12,000 people collect drinking water per month for free.</p> <p>We have also invested in rain water harvesting facilities which allows us to harvest rain water during rainy seasons for use even after the rains.</p> <p>In 1993, we constructed three boreholes at Muyu wa kae and one at Zhogato. These areas face challenges in accessing clean water. These boreholes are their only source of water.</p> | <p>We fully funded the construction a borehole that is a source of clean fresh water for communities at Timboni, Mjana-heri, Gongoni and Marereni.</p> <p>We have improved our farming skills to enable us increase our farm productivity while reducing the amount of water we use. This include concentrating planting of farm produce during rainy seasons only and use of greenhouse and drip irrigation.</p> <p>Installation and commissioning of a distillation plant to recycle the liquid waste generated from the printing processes of our film plant.</p> <p>As a food manufacturing industry, we have provided adequate and efficient sanitary facilities at our refinery and maintained high hygiene standards.</p> |


| SDG DESCRIPTION | OPPORTUNITY FOR SHARED VALUE | |
|--|--|---|
| | PREVIOUS YEARS | 2017-2018 |
|  <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Ensure access to affordable, reliable, sustainable and modern energy</p> | <p>We continue to invest in environmentally sustainable electricity options and infrastructure that reduces our carbon footprint.</p> <p>Our refinery uses bio-thermic fluid heaters hence reducing the carbon emissions.</p> <p>We have invested in 991kWp solar system which is a PV-diesel hybrid.</p> <p>We continue to educate our staff on energy preservation skills .</p> <p>We work towards improving the efficiency of physical facilities and processes at the refinery to minimize energy loss and maximize on utilization.</p> <p>In 2014, we gifted solar lamps to our staff so that they learn to conserve electricity.</p> <p>Additionally, in 2015 they each received energy saving jikos which only uses 6 piece of charcoal all day and does not create any fumes.</p> <p>During the Food For life Program, we provided solar lamps to the students, seeing as how most of the families did not have sufficient lighting at home making it harder for students to do homework or study.</p> | <p>We planted more than 280,000 more trees in our farms and with the out grower farmers this year.</p> <p>From our readings, we were able to generate approximately 106,740 Kwh per month of clean energy between May 2017 and May 2018 from our solar farm.</p> <p>Introduced electric forklifts to replace the diesel-powered ones.</p> <p>Reduced our electricity consumption by 1.9% despite an increase in production rate by 3.8%</p> <p>Reduce average monthly electricity bill by 2.4% due to the supply from the PV plant,</p> <p>Developed an energy investment plan for the next three years.</p> <p>We have continued to invest in LED lamps and solar PV for street lighting</p> <p>The constituted energy committee has developed and continuously improved energy data collection and analysis systems that are used to guide key decision making on energy matters.</p> |
|  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustainable and inclusive economic growth, full and productive employment and decent work</p> | <p>We continue to convert casuals to permanent staff. In 2006, there were over 500 casuals and only 150 permanent staff. Currently there are over 700 permanent staff.</p> <p>Our operations have provided the local community with opportunities to get decent work and attain economic growth.</p> <p>Housing with free security, clean water and electricity is provided to all staff.</p> <p>All staff are involved in the Kaizen projects and are able to benefit from the continuous training programs.</p> <p>We have in-built procedures to eradicate forced labour, child labour and discrimination.</p> | <p>We have also managed to convert 24 piece rate employees to permanent staff so far in 2018. We intend to put more of the piece rate workers under permanent employment.</p> <p>We have developed a system that enables us to convert casuals to permanent at the close of their first three months probation.</p> <p>Continuous training programs are in place for the staff to improve their skills and promote personal growth.</p> <p>Our internship and scholarship programs aim at providing the youth with decent and sustainable jobs upon completion of school.</p> |


| SDG DESCRIPTION | OPPORTUNITY FOR SHARED VALUE | |
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| | PREVIOUS YEARS | 2017-2018 |
|  <p>Build resilient infrastructure and promote sustainable industrialization</p> | <p>We engage with governments in addressing infrastructure challenges faced in the education and health sectors through our CSR Projects.</p> <p>By establishment of these infrastructure, two satellite towns have developed in Gongoni and Marereni where we operate.</p> <p>The settlements have grown as locals are attracted by the infrastructure.</p> | <p>We have taken the responsibility as corporate body, in partnership with the government and other investors to support the local community by addressing the infrastructure challenges faced in sectors of education, health, and water services through our CSR Projects.</p> <p>We are currently carrying out a study which will enable us to implement the production of fertilizers from our by products.</p> <p>There has been transfer of skills acquired by employees from our operations over the years.</p> |

| SDG DESCRIPTION | OPPORTUNITY FOR SHARED VALUE | |
|---|--|---|
| | PREVIOUS YEARS | 2017-2018 |
|  <p>Reduced inequality within and among communities</p> | <p>We have provided targeted internships for young people from disadvantaged backgrounds in order to promote social mobility whilst also enhancing company performance through increased workforce diversity.</p> <p>Our projects targeting the women, young girls, single mothers, children and people with disabilities are aimed to reduce the inequalities in our societies. Through the various projects they are empowered to have equal competitiveness with the rest in the community.</p> <p>We promote sports and games activities that bring communities together. We do this by sponsoring teams and tournaments. We have also donated footballs and uniforms for the local community football teams.</p> <p>We promote social mobility through various programs that enable those from disadvantaged backgrounds an opportunity to mingle and have a normal life. In 2013 the 'Watoto Pamoja' event was held by Therapies for Kids. We sponsored the event which was a great success. Over 350 families with children with disabilities came to the event. The kids were given an opportunity to play and ex-press themselves without being subjected to stigma as they normally do in society.</p> <p>Since 2013, we have been partnering with Talanta Kenya who organizes a Christmas event for almost 3000 orphaned and less fortunate children from different Children's Homes and Orphanages in Mombasa. Children are brought together in an open and conducive environment, to enjoy nature, play and share a meal as they are entertained.</p> <p>We have supported the Women of Magarini by funding the International Women's day, a celebration that brings many of them together to learn from each other, have fun and a sense of belonging.</p> | <p>We have improved our production efficiency thereby allowing us to provide our customers of low income to afford our products.</p> <p>We have implemented a zero tolerance policy to discrimination of any form within our employment system and supply chain.</p> <p>Our projects targeting the women, young girls, single mothers, children and people with disabilities are aimed to reduce the inequalities in our societies. Through the various projects they are empowered to have equal competitiveness with the rest in the community.</p> <p>Our workers at all level, including the lower paid, have equal opportunities to develop their skills through our kaizen projects and other in-house trainings.</p> |

| SDG DESCRIPTION | OPPORTUNITY FOR SHARED VALUE | |
|---|---|--|
| | PREVIOUS YEARS | 2017-2018 |
|  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>Make cities and human settlement inclusive, safe, resilient and sustainable</p> | <p>The two major sub-towns in our areas of operations, namely Marereni and Gongoni are both found right opposite Krystalline Salt – Gongoni and Krystalline Salt - Marereni respectively. These Sub towns are growing as Krystalline keeps moving most of its operations from Nairobi and Mombasa to their sites in Gongoni and Marereni.</p> <p>In 2016, we managed to fence Marereni Primary school in for safety and security reasons. This was to achieve a safe and resilient environment for the children and teachers while in school.</p> | <p>Our agricultural practices like use of greenhouse, drip irrigation and organic fertilizers have enable us to have fresh farm produce throughout the year despite the weather conditions.</p> <p>We continue to engage in industry collaborations which bring greater connectivity, energy efficiency and safety to the two urban centers.</p> <p>We strive to build with nature (i.e. natural or green infrastructure) to create societal and ecological value whilst optimizing operational efficiencies.</p> |
|  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Ensure responsible consumption and production patterns</p> | <p>We continue to improve the efficiency of physical facilities and processes in regards to the use of energy, water, raw materials and other resources.</p> <p>All efforts are made to reduce wastage of raw materials through improvement projects, constant monitoring and whenever possible by reusing or recycling of materials.</p> | <p>We have maintained systems to enable us monitor consumption rates and come up with measures for reduction through our kaizen projects.</p> <p>We recently came up with measures to reduce the amount of plastic film used in packaging of our products. These have been implemented and we intend to achieve 15% reduction in plastic used.</p> <p>The implemented plastic take back scheme has enabled us to play an extended producer responsibility in ensuring the plastics are recycled and managed accordingly.</p> <p>We have made efforts to increase and advance our supply chain transparency and accountability to avoid ending up with excess materials not required for production.</p> <p>Being recognized by Superbrands as one of the strongest and most valuable brands in East Africa</p> |

| SDG DESCRIPTION | OPPORTUNITY FOR SHARED VALUE | |
|--|---|---|
| | PREVIOUS YEARS | 2017-2018 |
|  <p>Take urgent action to combat climate change and its impacts</p> | <p>We have planted over a million trees under our TWO MILLION Trees initiative.</p> <p>We have implemented a strict procurement process that enables us to purchase equipment that reduces green house gas emissions.</p> | <p>We have joined partnerships that enable us to measure, monitor and report measures undertaken to reduce exposure to adverse climate and impacts.</p> <p>We submit our report on clean energy generation to Japanese government every month.</p> |
|  <p>Conservation and sustainable use of oceans, seas and other marine resources</p> | <p>We have implemented brine treatment systems to ensure any waste water produced during manufacturing is properly recycled back into the refinery and not released into the natural environment.</p> <p>We participated in planting and conservation of mangrove trees which act as a habitat for many marine animals.</p> | <p>We have improved our brine treatment systems to increase their efficiency.</p> <p>We plant and conserve mangroves that are important habitat for marine life.</p> <p>We continue to engage with the Fisheries department and Beach management unit to monitor our activities so that they do not have adverse impacts on marine life.</p> <p>The plastic take back mechanism is also aimed to free water bodies of the many plastics that were disposed into them.</p> |
|  <p>Protect, restore and promote sustainable use of ecosystems, reverse land degradation, combat desertification and biodiversity loss.</p> | <p>We continue to implement recycling systems for waste materials produced during manufacturing.</p> <p>We have built and maintained a bird sanctuary.</p> <p>We use 100% organic fertilizers to improve soil value.</p> <p>We have planted trees next to the salt ponds to eliminate glare.</p> | <p>Our tree planting project and planting of mangroves have led to the creation of ecosystems for many flora and fauna hence a conservation hot spots for life on land.</p> <p>The bird watching exercise that was conducted within our premises showed a total of 2,104 individuals of 24 waterbird species.</p> <p>We organized a clean-up on the World Environment Day. We freed our premises of plastic papers and bottles.</p> |

| SDG DESCRIPTION | OPPORTUNITY FOR SHARED VALUE | |
|---|---|---|
| | PREVIOUS YEARS | 2017-2018 |
|  <p>Promote peaceful and inclusive societies, access to justice and build effective and accountable institutions</p> | <p>Through our membership with Kenya Association of Manufacturers (KAM), a CSR committee and KAM Liaison office for the salt sub- sector was created.</p> <p>Through KAM, CSR Committee and the local authorities we have engaged and worked together with the community.</p> <p>Peace and justice have been enhanced with the local community through these initiatives.</p> | <p>The completion and launch of the KNCHR audit report was achieved through collective responsibility. The progress made in achieving the 17 recommendations of the 2006 Public Inquiry has demonstrated inclusivity, justice and accountability among stakeholders.</p> <p>The quarterly stakeholders meetings or forums have promoted peaceful co-existence and inclusiveness.</p> <p>In collaboration with the community, we invited and supported the National Land Commission who trained the locals on land acquisition or ownership procedures and measures put in place to ensure compensation for land and its applicability.</p> <p>We have implemented a traceability and recall procedure for our products.</p> |

| SDG DESCRIPTION | OPPORTUNITY FOR SHARED VALUE | |
|---|---|---|
| | PREVIOUS YEARS | 2017-2018 |
|  <p>Strengthen the means of implementation and revitalize the global partnership for sustainable development</p> | <p>We subscribe to various business coalitions and partnerships such as with Kenya Association of Manufacturers that enable us to engage with policy makers by providing relevant information and expertise to enable them pass meaningful and practical regulations.</p> <p>With the Joint Crediting Mechanism under the Global Environment Centre Foundation and Government of Japan, we have invested in a 991 kWp PV-diesel hybrid solar system. The project was developed in collaboration with SMA subsidiary SMA Sunbelt and installed by Harmonics Systems.</p> <p>Planting and maintenance of our tree planting project has been a joint effort from all the relevant agencies and research institutes as well as the community.</p> | <p>We are currently faced with legislative challenges whereby government agencies are able to come up with new taxations without any legislative support and impose them on businesses without any consideration of their implications and relevance. For instance, Water Resource Authority recently imposed on us a charge of 2.66 billion for using sea water to harvest salt. If such legislations are not regulated, the cost of producing salt is bound to increase exponentially with higher risks of closing down of salt companies since the imported salt will be cheaper</p> <p>We continue to host experts and government agencies who visit our solar farm for bench marking and case study in considering using solar systems as alternative source of clean and reliable energy.</p> <p>We continue to partner with Kenya Forest Service and Kenya Forest Research Institute who provide the technical expertise we need to maintain our tree plantations and also train our out grower farmers.</p> <p>We constantly engage National Environment Management Authority in the implementation of our projects and monitoring of the possible impacts of our activities on the environment and the local community</p> <p>However, these partnerships are often met with various challenges for example delay in decision making by partners, unwillingness to participate or lack of understanding on the importance of partnerships.</p> <p>We have achieved many of our CSR programs and in-house projects through partnerships with community, various organizations and government departments.</p> |

CHALLENGES FACED

As we execute our programs in order to achieve the 10 United Nations Guiding Principles and the 17 Sustainable Development Goals, we were faced with the following challenges:

a. Delayed approvals

Our commitment to eliminate corruption and bribery in all its forms has made us get slow response especially when we need approvals from third parties.

To cope with this, we have learnt to initiate such processes early enough so that we are not inconvenienced with such delays.

b. Pioneering

We are currently the only company which has subscribed to the United Nations Global Compact within our supply chain. It has therefore been quite challenging encouraging our stakeholders to shift their approaches to issues affecting us.

However, we utilize such instances to enlighten them on why they should align their value creation strategies with the 10 principles and Sustainable Development Goals. We often give examples of the improvements we have registered since we made the commitment in 2013.

CONCLUSION

We have noted remarkable impacts of our efforts made under the United Nations Global Compact (UNGC) Initiative. It is for this reason that we continue to pledge our commitment to introduce and monitor new measures and also report the progress made annually.

As part of our core values, we commit to continuous improvement of the already developed systems to achieve better results. We shall also sustain the programs for already achieved opportunities over the period for as long as they remain effective and in line with the Principles and SDGs.

Our aim is to uphold internationally recognized good practices, maximize on all our opportunities for shared value and attain our targets through partnerships and collaborations where necessary.