

2017/2018

COMMUNICATION ON PROGRESS



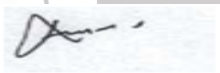
STATEMENT FROM OUR CHIEF EXECUTIVE OFFICER

To all our stakeholders,

I am pleased to confirm that NLS Banking Solutions reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption. Since we became members in September 2016, we have made efforts to embed the principles of the United Nations Global Compact in our everyday work and ensure that we operate in a sustainable manner.

As we submit our second annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication and also through UN Global compact website.

Sincerely,



Alfelt Mumbo Abio

CHIEF EXECUTIVE OFFICER

WHAT WE DO

NLS is a leading growth-oriented Financial Technology company that offers sustainable banking and financial solutions. Based in Kenya, we have managed to spread our reach to other parts of the world, in over 18 countries with a solid local presence in over 11 countries, and a clientele of over 24 financial institutions. Fortified with our Tera-integration platform, we are involved in large, medium and small scale projects, of varying complexity for over ten years.

Our extensive experience thus spans multiple platforms, operating systems, and diverse institutions, has empowered us with a substantial base of in-depth knowledge and proven expertise to deliver our Clients with a full range of high quality customized software solutions comprising; – A responsive service delivery capability; and a first-rate approach to work.

NLS leverages a powerful blend of the best industry-proven practices and leading standards, refined business acumen and deep market understanding, profound technical skills and extensive hands-on experience to meet the toughest challenges that our clients face.

When you choose NLS, you have the freedom to focus on your core business while a dedicated team of qualified experts is committed to delivering a turnkey solution taking on all, and every aspect of your IT needs starting with strategy consulting and concept development,

OUR VISION AND MISSION

Vision

To support and enhance the business growth of banks worldwide by providing agile solutions that allow banks to deliver products and services faster and more consistently. With less worry on infrastructure failures and service outages, banks can focus more on their core business function.

Mission

To deliver advanced and innovative Tera Architectural solutions that resolve infrastructure and application failures by eliminating

design, and architecture, up to deployment, training, maintenance and future enhancements.

CORE VALUES

Everyday everywhere in our business, our decisions, behavior and actions are guided by a set of core values that have stated principles and provisions.

We have developed our code of business conduct based on these values. These policies have been communicated to everyone within the organization.



SCOPE OF THIS COP

This COP covers our operational internal processes in relation to our customers, our staff, and our community in adhering to the four main areas of the UN Global Compact i.e. human rights, labour, environment and anti-corruption for the period September 2017 to August 2018.

HUMAN RIGHTS

UN Global Compact Principles covered:

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

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

OUR COMMITMENT

NLS Banking Solutions is committed to family-friendly policies that provide employees with a safe and conducive working environment in line with the international human rights as well as adequate resources to perform optimally in their roles. These policies are aligned to the employment act to ensure full compliance with the law.

A BRIEF DESCRIPTION OF OUR PROCESSES OR SYSTEMS

The company has an able HR department which ensures that the rights of its employees and stakeholders are adhered to and none is violated. These policies are made clear to the employees through the HR policies availed to all new employees.

We have 21 annual leave days per year to all employees to enable them to have ample rest as required and are approved by the respective line manager, 5 days compassionate leave for employees who are bereaved in their immediate family.

Maternity/paternity leave: We also offer female employees (3) three months' maternity leave with full pay in addition to their annual leave entitlement while male employees are entitled to two (2) weeks paternity leave.

We also have in house fire marshals and first aiders. These fire marshals show all new staff the emergency exits and explain the fire alarm procedures and how not to obstruct emergency exits

MEASUREMENT OF OUTCOMES AND VALUE ADDED FOR OUR COMPANY

- **Tracking of leave accrual per staff member by HR and ensuring approved annual leave plans are in place so that employees commit to going on leave**
- **At least two fire drills must be executed in a year to inculcate a culture of safety awareness to all employees**

LABOUR RIGHTS

UN Global Compact principles covered:

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

ACTIVITIES WE IMPLEMENTED IN THE LAST YEAR

- ✚ **Training on fire safety to all employees and a few were chosen to be fire marshals as part of our Safety Policy**
- ✚ **The fire equipment and emergency exit are inspected every morning by the contracted security vendor**
- ✚ **Promotion of employees' expressions and concerns through an online survey to the HR department**

Principle 4: Business should support the elimination of all forms of forced and compulsory labour

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

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

OUR COMMITMENT

The company is committed to employee policies that are in adherence to the labour laws of Kenya, International Labour Organization (ILO) Conventions and other International Standards, eliminating all forms of labour malpractices and also enforcing a culture of NLS being an equal opportunity employer in support to a zero tolerance attitude in respect to employment and occupation.

NLS states clearly that no staff shall be discriminated against due to sex, race, color, political affiliation, HIV status and beliefs.

“NLS is an equal opportunity employer”

A BRIEF DESCRIPTION OF OUR PROCESSES OR SYSTEMS

We advocate the standard working hours for NLS employees to be 45 hours a week with 1 hour lunch breaks.

We have a transparent disciplinary process that gives either party freedom to air their grievance before a final decision is taken be it a gross misconduct or a general misconduct.

The recruitment process is structured and has a documented policy which strives to maintain diversity through gender, skills, race, values, attributes, and characteristics while offering equal opportunity to all potential candidates.

We don't recruit persons under the age of 18 years since it's a violation of children rights and we extend it to our vendors and partners and at the same time advocate for the abolition of child labour.

We also have compensation and benefits policy where employees are entitled to some benefits that are additional to their salary and allowances.

We have a learning and development policy where NLS recognizes that employees are its most valued asset and commit itself to the best of its ability to provide an opportunity for continuous learning and professional growth towards organizational effectiveness.

MEASUREMENT OF OUTCOMES AND VALUE ADDED FOR OUR COMPANY

- **Less demands from employees as they understand the recruitment process and their compensation plan.**
- **Retention of staff.**

ACTIVITIES IMPLEMENTED IN THE LAST YEAR

- **Addition of employees dependants to medical cover.**
- **At least one training per month which falls under our Learning and Development Policy for the employees which supports growth of all employees with the aim of preparing them for senior management jobs in the future and also deal with the ever changing technology**

ACTIVITIES PLANNED FOR NEXT YEAR

- **Competency based interviews for line managers and supervisors.**
- **Enforcement of leave management to ensure work life balance.**
- **Sustained training for all staff.**

ENVIRONMENT

UN Global Compact principles covered:

Principle 7: Business should support a precautionary approach to environmental challenges

Principle 8: Business should undertake initiatives to promote greater environmental responsibility

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

OUR COMMITMENT

As a company, we are in the business of software development and we are committed to ensuring that we operate and take initiatives that will promote our company as environmentally responsible and a company that embraces environmentally friendly technologies in its businesses.

A BRIEF DESCRIPTION OF OUR PROCESSES OR SYSTEMS

At NLS we are aware that in our daily operations, we use various products that can be harmful to the environment and ourselves as people, through the components they are made of or the damage they do to the environment from the way they are disposed of or created. We are aware that we require various products and services in order to operate our business. However, it is our responsibility to ensure we are aware of how these products and services are procured, built and disposed of, to ensure we minimize our footprint on our planet earth.

TAPS ON TIMER

All of the water basin taps in the bathrooms are push button taps that run for a few seconds and then automatically switch off. This is to ensure that taps are not left dripping or left running when there is no one using them. Along with conserving precious water, it is also a saving for the company's monthly water bills.

PAPER

As a company we are committed to using 20% less paper in our operations. To achieve this we have introduced the use emails to share documents and memos instead of printing and also using electronic data storage instead of hard copy files. Generally our products are software related and our practices in the office lean on soft copy communication unless otherwise.

ANTI-CORRUPTION

UN Global Compact principles covered:

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

OUR COMMITMENT

NLS' Management is committed to ensuring a corruption free environment; this is embodied in our Code of Conduct.

We also have a disciplinary Procedure and Consequence Management policy that helps outline correction and progressive process to address an employee's misconduct, Code of Conduct non-compliance or to prevent recurrence of undesirable behavior.

Our Code of Conduct provides specific guidance on corruption related concerns such as fair competition, conflict of interest, acceptance and giving of gifts, improper payments, working with government and regulators.

As per the Code of Conduct, employees are strictly forbidden to accept any bribe, improper payment or inappropriate favour of any other kind. Besides cash payments, such inappropriate payments would include:

- **Kickbacks or kickback schemes, especially in form of cash**
- **Unexplained rebates**
- **Personal favors such as club memberships, entertainment and preferential treatment**

NLS places importance on competitive bidding taking place on a basis that is free, fair, competitive and not open to abuse.

A BRIEF DESCRIPTION OF OUR PROCESSES OR SYSTEMS:

Our processes are guided by Policies and Process Documents.

All our core functions and operations are automated and the systems monitored continuously for fraud prevention and response to business requirements.

For non-automated processes, we have in place robust manual processes to mitigate business and operational risk.

The processes are both preventative and detective in nature. We have continuous monitoring of reports from the system and corrective action mechanism (e.g. Consequence Management) where any fraud or noncompliance is noted.

MEASUREMENT OF OUTCOMES AND VALUE ADDED FOR OUR COMPANY

- **Increased transparency for example in regards to procurement decisions.**
- **Increased sensitization of policies to reduce instances of corrupt dealings.**

ACTIVITIES IMPLEMENTED IN THE LAST YEAR

- **Submitted our first Communication on Progress and committed to implementing its standards.**
- **Communication and annual signing of the Code of Conduct by all senior management.**

HOW DO YOU INTEND TO MAKE THIS COP AVAILABLE TO YOUR STAKEHOLDERS?

We intend to communicate to all our stakeholders through:

- **Upload the COP report on UN Global compact website**
- **Upload the COP report on our website www.nlsbanking.com**