
COMMUNICATION ON PROGRESS

2018



Statement of Commitment

On behalf of Bens Electronics Limited, I am pleased to reaffirm our company's commitment to the integration of the United Nations Global Compact Principles.

Bens Electronics has been an active member of the United Nations Global Compact Network Kenya since the year 2016. As a rapidly growing business in the electronic industry, Bens electronics' operations and strategies have progressively aligned with the United Nations Global Compact's ten principles with respect to Human rights protection, Fair Labor Practices, Environmental Conservation, and Anti-corruption.

In light of this, we are duly submitting our Communication on Progress (COP) for the year 2018.

Pursuant to the published guidelines on disclosure, we have assembled this report with comprehensive sections on commitment, actions, accomplishments and prospective actions for 2019. In 2018, there has been remarkable efforts aimed at promoting the principles of human rights, labor, environment and Anti-corruption. In this COP, we explicitly describe our actions to persistently advance the integration of the United Nations Global Compact principles into our operations and strategies.

Bens Electronics remains fixed to its sustainable business model to ensure a stable supply of sustainable products and services to its customers. We are confident that our continued adherence to the principles of United Nations Global Compact provides a suitable means to achieve this goal, and, in effect, engender an opportunity to learn and share our experience and innovations with all partners and stakeholders.

I can assure you that during this year we will continue to offer the best communication solutions on our market. Besides, we will come up with ambitious plans aimed to prove that technologies must serve the society, to solve problems and open new horizons. I kindly invite you to read more about the results we accomplished in Corporate Sustainability and hope that our report will convince you that Bens Electronics Services creates a world with better opportunities for people in Kenya.

Benedict Makokha.

CEO, Bens Electronics Limited

About Us

Service, Collaboration and Efficiency- These words aptly describe Bens Electronics leading data and networking services, but they also represent the foundation of our company, from the high level of our local customer service and technical expertise to the honesty and integrity of our technicians, staff and leadership. It is our goal to earn your trust and to meet or exceed your expectations in every way, from first contact and beyond. From small companies to enterprise-level corporations throughout Coastal Region of Kenya, Bens Electronics' expert team delivers a broad range of fast, customized network and telecommunication services, backed by our highest level of local customer service, security and support.

MISSION It is the mission of Bens Electronics to build on our legacy of innovative and reliable data and network services and to anticipate and exceed the unique and changing needs of our clients. We'll be there for you every step of the way with innovative products and services, personalized customer service and the expertise of our highly trained technical staff when you need it.

Most importantly, at Bens Electronics, we believe how you do business is as important as what you do as a business. We practice our core values of honesty, integrity and trust every day and in everything we do.

CORPORATE VISION Bens Electronics is committed to forging itself into a regional-leading broadband communications and information service provider. To that end, the company will work to take a leadership role in the expansion of network and telecommunication services while improving its brand image and overall competitiveness. It will give play to the advantage of full-service operation to promote the growth of fixed data Internet services on behalf of our clients. It will step up its efforts in WiMax installation services to accelerate its transformation towards a leading information service provider in Kenya. It will further integrate a variety of resources to improve its operational efficiency and quality of customer services.

Bens Electronics has the principle that our actions must accord with the interests of society. We place our products and services in the interests of the safety of people, the economic use of resources and environmental sustainability.

Human Rights

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

Principle 2: The business should make sure that it is not complicit in human rights abuses

Bens Electronics is dedicated and committed to upholding the United Nations Universal Declaration of Human Rights and all other international, regional and/or local laws that apply to Bens Electronics, such as Bill of Rights as enshrined in the Constitution of Kenya 2010. We also conform to international conventions on human rights such as: International Covenant on Economic, Social and Cultural Rights, International Covenant on Civil and Political Rights; International Convention on the Elimination of All Forms of Racial Discrimination, Convention against Torture and Other Cruel, Inhumane or Degrading Treatment or Punishment, Convention on the Elimination of Discrimination against Women (CEDAW); Convention on the Rights of the Child (CRC), International Convention on the Protection of the Rights of Migrant Workers and Members of Their Families (ICRMW); Convention on the Rights of Persons with Disabilities (CRPD).

Policies in Place

To ensure that Bens Electronics is constantly improving its commitments to the UN's Universal Declaration of Human Rights, we have continually reviewed and revised our policies and strategies to support human rights.

Bens Electronics has a comprehensive policy on social and labor accountability with a formal declaration, expressing the intention to confirm the requirement of human rights, employment conditions and working condition standards.

What We Have Achieved

a) Women empowerment principles

We are committed to fostering a spirit of equality within our company, and gender equality is solidly one of our basic tenets. We value our female staff and are committed to their development and well-being within our company. This year, we affirmed that commitment through the following:

- We ensure that the women in our company have access to training and that they hold the skills necessary to complete their jobs.
- We offer high-level corporate leadership for gender equality through our Human Resource management team. This team also guides and focuses employees' engagements on changing attitudes to ensure women are seen and treated as equals in the workplace.
- We ensure women within our company are treated fairly at all times, as a result, we have comprehensive grievance procedures in place and the management is encouraged to have an open-door policy.

- We promote new female hires and the retention of female staff. By encouraging women to take up technical roles, we are also promoting professional development for women within our company.

b) Health and Safety

We have maintained high levels of work place safety by adopting a participatory approach to a comprehensive Occupational Safety and Health policy. This has seen zero occurrence of workplace related accidents or incidents over the past three years.

c) Children's Rights

Our organization carries out its business entirely within our borders and hence least exposed to any potential of practicing Human Trafficking. Furthermore, it's our policy to condemn and not to do any business with any known drug or human trafficking individuals or organizations.

d) People with disabilities

One area Bens Electronics has not featured positively is in the inclusion of employment opportunities to persons with disabilities due to the nature of our works. However, we donated generously to organizations that cater for such members of our society and other less privileged people by participating in CSR activities.

CSR Activities

Bens electronics is committed to engaging and supporting the local communities in which it operates. In fulfillment of our 2018 commitments, our company has significantly contributed to solar lighting projects, especially for poor households, dispensaries and schools. Our model which is focused on communal solar resources aims to improve the lives and conditions of vulnerable people within our local community, from children to women and the elderly.

Labour

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

Bens Electronics recognizes the fundamental right of all our employees to form trade unions and to join these trade unions of their own free will. Our employees will neither receive undue advantage nor suffer any disadvantage because of their membership in trade unions.

Within the framework of respective legal regulations, in so far as these are in harmony with the ILO Convention no. 98, we respect the right to collective bargaining for the settlement of disputes pertaining to working conditions, and endeavor together with our partners to work together in collective negotiations and in a constructive manner marked by mutual confidence and respect.

What We Have Achieved

- a) Bens Electronics management values the employee's well-being very highly which is illustrated by the following measures implemented this year namely;
- b) Providing basic facilities like clean drinking water, personal protective gear, company paid basic medical services for workers and their dependants
- c) Holding regular open meetings to discuss new requirements by the organizations we work for
- d) Running of a reward scheme for best performance
- e) Assisting our workers access credit facilities (SACCO) for their financial empowerment
- f) Giving workers achievable work targets
- g) Upholding the dignity of our workers by not allowing use of derogatory or abusive language at the work place
- h) We ensure that salaries are paid on time and allowances paid promptly
- i) Not allowing intimidation or use of abusive language at work
- j) In the past two years all our lowest cadre workers have had salary increments and now earn above the government approved minimum wages by 100% with an additional house allowance.

Principle 4: The elimination of all forms of forced and compulsory labor.

Our remuneration and social benefits conform at the very least to national statutory standards, provisions, or respective agreements. We observe the provisions of ILO Convention no. 100 with respect to the principle of equal remuneration for work of equal value. We comply with national provisions regarding working hours and vacation. Any employee may complain to their respective line manager or the company's leadership if they believe they have been subject to unfair treatment or have suffered disadvantages with respect to working conditions. Employees will not suffer any disadvantage because of lodging such complaints.

Principle 5: Effective abolition of child labor.

Bens Electronics condemns child labor and respects rights of children. All departments in Bens Electronics adhere to the stipulations of ILO Convention no. 138 and no. 182. The company does not engage in child labor. We have signed up and fully comply with our government's code of conduct in respect to child labor and forced labor. All our workers are above 18 years of age including those who join our organizations on temporary internships.

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

We uphold and affirm that there is and must be equal opportunity among our employees, regardless of the color of their skin, ethnicity, race, gender, age, nationality, social origin, handicap, or sexual preference. We respect the political and religious convictions of our employees and collaborate as long as they are based on democratic principles and tolerate those of different persuasions.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Bens electronics is cognizant of the importance of being a socially and environmentally conscious company. Our commitment to supporting a precautionary approach to environmental challenges undertakes initiatives to support greater environmental responsibility, as well as encourage the development and circulation of environmentally friendly technologies. We demonstrate our commitment through a robust set of policies and objectives that inform and shape the scope of our business, and the way it engages with our supply chain.

Policies in place

- a) In accordance with the Kenya National Environment Policy, 2013 and Articles 111, 112 and 114 of the East Africa Community Treaty for co-operation in environment and natural resources, our environmental protection management system focuses on a preemptive culture which is comprehensively planned, monitored, and streamlined. We are constantly in contact with our suppliers and business partners to achieve the required collaboration for the constant improvement of the environmental protection management system. Bens electronics is committed to this Environmental Protection Management System by complying with the Company's environment management policy, as follows:
 - To meet all legal requirements as well as contribute to the improvement of environmental issues.
 - Reduce waste materials.
 - An effective and efficient utilization of natural resources.
 - Continuous assessment and evaluation of the environmental protection management system; review objectives, and targets to ensure the effectiveness of the system.
 - Promote and develop staff awareness and responsibility to the environment through communication, provision of timely and relevant information and cooperation among staff, suppliers, customers, government agencies, the private sector and the general public.
- b) We apply a precautionary principle and seek to minimize the environmental impact of our activities. Social and environmental impact assessments and reviews are carried out regularly in accordance with international standards and industry requirements.
- c) We provide monthly environmental induction training and awareness program to provide employees with an insight into our environmental efforts at both the operational and office levels.
- d) We started to reduce paper consumption and encourage our employees to use alternative products such as recycled paper. We also encourage our staff to correspond and communicate via electronic mail to minimize paper usage.

- e) Bens electronics is fully committed to contributing to the development of public policy and to the initiatives of businesses, government agencies, international programs and non-government organizations that will enhance environmental awareness and protection through the public release of innovations and research findings.
- f) We are dedicated to creating more environmental friendly products; to work with our customers and suppliers to produce environmental friendly products such as lead-free and halogen-free products, as well as to use environmental friendly packaging materials such as bubble sheets and recycled cardboard boxes.
- g) Bens Electronics has, in the last couple of years used solar energy to fully power its offices. Once we decided to go the solar electricity way, all employees became acutely aware of energy conservation practices: Switch on the lights only when needed, use LED lights that are more energy efficient, and Shut down electronics when idle. We have achieved:
 - Energy output from solar per day: 11 KW/h
 - Energy consumption/day: 8 KW/h daily
 - Electricity costs/ saved: about KES 10,000.00

The knowledge that we are, however small this extend may be, contributing to reducing the carbon footprint in our environment is quite fulfilling. It is our expectation to continue on this trend as it has a positive effect on the environment as well as saving energy costs.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

At Bens Electronics, preservation and care for the environment is both a moral obligation and an inherent attribute of our business practices. As part of committing to and embedding the principles of the United Nations Global Compact, we have developed and rolled out initiatives which minimize the environmental impact of our business and promote environmental awareness.

Bens Electronics has an environmentally friendly packaging policy integrated in daily business routines. Consignments are packed responsibly to reduce weight and unnecessary volume. We recycle all the packaging we receive from suppliers and partners. All packaging sent from our warehouse is done by recycled cardboard boxes and pallets. We see these measures as a helpful in reducing our use of resources as well as having a positive impact on our operational costs.

We are also engaging with local communities in an initiative we have named: **“Solar Lighting as a Shared Community Resource Approach”**. The details of what we are doing are founded on installation of Communal Solar Charging Stations and distributing LED lights with capacity to operate for over one-week duration without need for a recharge. These lights are handed over to school kids, or hospitals in rural communities who use and come back for a recharge on weekly rotational basis. This way, a simple 40-points Solar Charging Station can serve about 280 households in a community over one-week period. The cost of installing the solar panels and batteries is shared among many people thus reducing the overall individual acquisition burden.

Sustainability

As of reporting, we are working on our 2018 Sustainability Report which is contingent on our full year preparatory work and engagement with our stakeholders through active communication. This Sustainability Report will be created in conformance with the GRI (Global Reporting Initiative) Standards. This year's report will include directions and objectives as well as goals and activities for sustainability management on the economic, environmental, social activities and performance of all our operations on a mid- to long-term basis. It will also document overall fundamental values, measures, and results in environmental protection.

We register our key figures relating to energy output, energy consumption and energy costs every year and document the findings in our corporate environmental report. We use these numbers to create improvement measures for the efficient and green use of resources.

Principle 8: Encourage the development and diffusion of environmentally friendly technologies.

Bens Electronics observes all requirements in relation to current legislation about disposal of electronic waste. Bens Electronics continually focused on the environment and works continuously to prevent dangerous products that constitute a threat to health and to the environment.

We use, wherever possible, products made by environmentally conscious suppliers. Bens Electronics complies with environmental stipulation as described in the draft Environmental Management and Co-ordination (E-Waste Management) Regulations 2013.

Anti-corruption

In Kenya, the risks of corruption while doing business is extremely high, and the leadership of Bens Electronics detests and condemns this culture in the strongest terms possible. This position underlies our signing up with the UN Global Compact and other initiatives that support the fight against this scourge.

Bens electronics manages its business with utmost honesty, fairness and transparency, and is fully committed to being responsible to society and all stakeholders in compliance with accepted principles of good corporate governance and business ethics. We are committed to achieving the highest levels of business integrity, morals and transparency through good corporate governance in responding to society and all stakeholders. Thus, fraud risk management and the anti-bribery and corruption policy are some of the key components employed by our company to achieve its business objectives.

Policies in place

a) Zero Tolerance Policy Statement

Bens electronics upholds good ethics and morals as essential components in its business operations and does not tolerate any form of fraudulent or corrupt activities even if such activities would be beneficial to the Company. Thus, to ensure our Personnel will not disregard the risk of fraud and corruption, all our personnel must understand and strictly follow the Company's Anti-bribery-and-Corruption Policy, Code of Conduct Handbook and all other relevant policies, procedures, protocols and guidelines without exception.

b) Anti-Bribery and Corruption Policy

This policy is implemented in tandem with the national anti-corruption policy to ensure the highest ethical standards throughout our supply chain, as well as internally. These policies are communicated to all stakeholders and compliance is imperative. We take this matter very seriously and enforce these policies firmly. Regardless of the scale, corrective action is taken if there is a violation from any supplier. All our suppliers are expected to sign our Supplier Code of Conduct and comprehensive Service Level Agreements (SLA) to ensure contractual obligations exist in the areas of ethics, quality, and privacy.

c) Whistle blowing

The Company has a policy to receive information regarding wrongdoing, violations of the law, regulations or Good Corporate Governance principles, or corruption, directly through the Audit Committee.

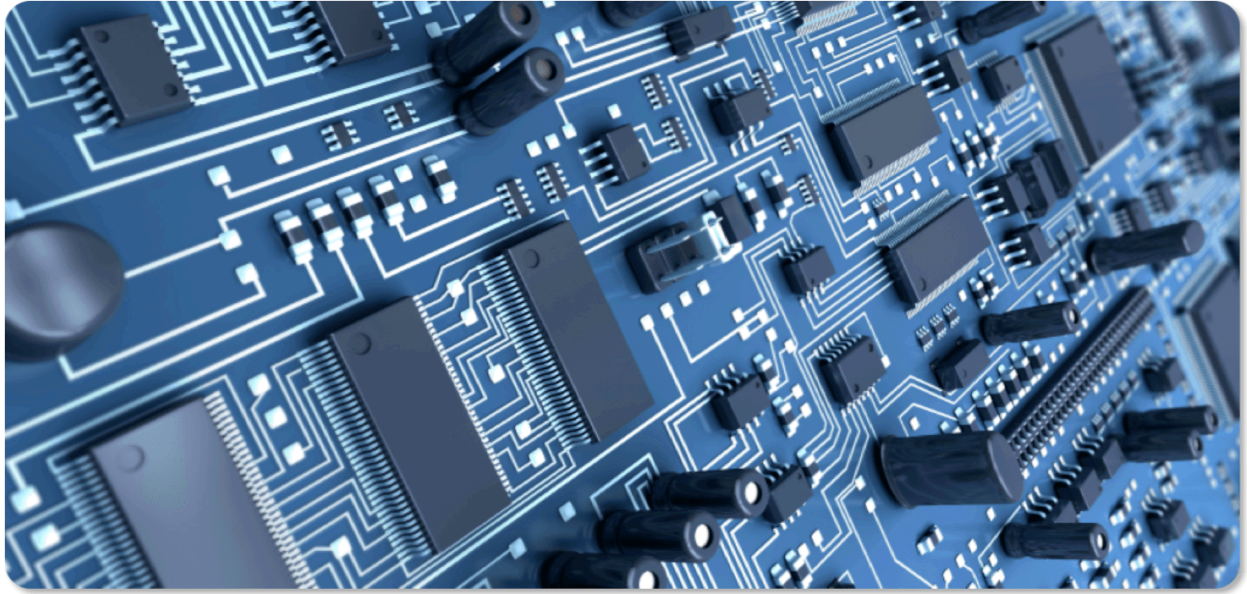
d) Bens Electronics as a policy of choice does not do business with organizations or individuals who are involved in graft or kickbacks. Within the company, we have put in place measures to encourage ethical behavior among our employees and in the way we do business or interact with other companies that give us business.

- e) Our major business partner Safaricom Ltd has a comprehensive Code of Ethics that we are signatories to and do all we can to comply by ensuring that our employees are aware and indeed practice its key points.

What we have achieved

- a) Bens electronics Board of Directors appointed an Audit Committee in April, 2018. The committee is responsible for managing and controlling the Company's operations in accordance with good corporate governance, policies and related laws. Within its fairly short existence, the committee has:
- Encouraged the distribution of Corporate Governance Policy, business ethics and a code of conduct;
 - Updated the corporate governance and code of conduct handbook;
 - Established a channel for claims and suggestions on any matter so that employees and stakeholders could express their opinions independently, which led to improvements;
 - Reviewed, adjusted, assessed and updated our existing policies to conform with the updated laws, regulations, and good practices of international standards;
 - Implemented the reference check on seller and subcontractor, before procurement.
- b) Bens electronics Board of Directors appointed the Supply Chain Division to perform the screening of related business parties prior to the commencement of work. This includes potential vendors, contractors and service providers - to verify the reliability, qualification, financial health, reputation and integrity of business partners.
- c) This year, the Audit Committee's report confirmed that:
- The Company's financial report for the year ended July, 2018, was prepared in accordance with generally accepted accounting principles, and the information was accurate, complete and reliable;
 - The Company's internal control systems are adequate and appropriate;
 - All related party transactions are part of the Company's normal course of business with regular commercial terms, sensible and fair conditions and for the maximum benefit of the Company.
 - There was no fraud reported for the year ended July, 2018.

We have achieved significant progress in 2018 and we hope to carry all of this forward into 2019, ensuring that these high standards are preserved throughout our Supply chain and reflected in our service to our clients. Ethical standards are critical to ensuring a peaceful environment for business dealings, hence, its every business' responsibility to uphold these standards. We fully commit to upholding these standards.



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