

**UNITED NATIONS GLOBAL COMPACT (UNGC)**

**REPORT**

**ON**

**COMMUNICATION ON PROGRESS FOR**

**BIDCO AFRICA LIMITED**

**2017/2018**



**Happy. Healthy Living**

## **STATEMENT OF CONTINUED SUPPORT OF THE UNITED NATION GLOBAL COMPACT**

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

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

As a company, we are at a take-off and very interesting phase when we are undergoing massive growth and expansion, in line with our goal of grabbing, growing and sustaining the number one market share in Africa by 2030. Time is fast-ticking and this has seen us enter into new markets to make our goal a reality. Consequently, this grows our supply chain by creating more job opportunities which eradicate all forms of poverty in line with the SDGs.

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

**Sincerely Yours,**

**Thiagarajan Ramamurthy (TRM)**

**Group Chief Executive Officer**

**Name:** Bidco Africa Limited

**Sector:** Manufacturing

**Number of employees:** 1970

**UN Global Compact Signatory since:** October, 2009

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### **Brief description of BIDCO's nature business**

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

Founded 33 years ago, Bidco is a home-grown company and has, over the years, become home to most of Kenya's loved brands that aim to spread the goodness of mother-nature.

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

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

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

### **Scope of this COP**

This report covers all the activities, initiatives and measures put in place to ensure full compliance and implementation of the UNGC principles in the last one year. It also addresses the progress that the company has made in addressing and meeting the SDGs that are in line with the nature of our business.

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

# **THE BIDCO WAY**

## **Why Bidco Exists**

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

## **Ethos**

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

## **Integrity**

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

## **Teamwork**

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

## **Passion**

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

## **Respect**

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

## **Excellence**

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

## **Trust**

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

## **Empowerment/Leadership**

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

## **Human Rights**

### **UN Global Compact Principles covered:**

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

##### **Proclaimed human rights**

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

### **Current Commitment.**

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

We document, effectively implement and maintain an Occupational Health and Safety Management System that meets the requirements of all applicable legislation. We have all systems go for a safe working environment for all our staff as well as visitors to the company.

### **A brief description of our Processes, Policies or Systems**

1. We identify, effectively control and strive to eliminate situations likely to cause injuries to persons or be hazardous and cause damage to assets.
  - This is done through frequent checks and maintenance of the machines, offices and the factory areas to evade any causes of accidents.
2. Bidco records all accidents and/or near misses and investigates these to determine if preventive action is required to prevent further accidents.
  - There are clear and operational procedures that are followed and maintained in cases of accidents. The same is communicated to the BOD and both corrective and preventive measures put in place.
3. We regularly measure our performance and review this policy periodically in order to continually improve our Occupational Health and Safety Management System ensuring that it remains relevant and appropriate to our organization.
  - Progress and any developments on changes to the policy are maintained and filed in either soft or hard copies and kept accessible for any reference on the same.

4. We encourage the full participation of our employees and other stakeholders in matters concerning **Occupational Health and Safety**.
  - To this effect, there are negotiations and collections of suggestions that are collected during meetings held from time to time.
5. We communicate our Occupational Health and Safety policy to all our stakeholders.
  - All the relevant information is communicated by ways of newsletter, intranet, Management Review process, staff and employee meetings, bulletin boards, email and verbally.

### **Activities implemented in the last year**

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

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

### **Employees Wellness Health Week**

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

### **Measurement of outcomes and value added for our company**

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

## **Human Rights Future**

### **Activities planned for next year**

- There will be more platforms of engagement with the staff through more activities such as talent days.
- Communication between management and staff as well as interdepartmental is also being revamped. Going forward, we will have staff town-halls with the management where issues touching on staff welfare will be discussed.

## **Labour Rights**

### **UN Global Compact Principles covered:**

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

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

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

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

## **Current**

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

The policy ensures that no applicant shall be discriminated on the grounds of their Race, Gender, Colour, Religion, Belief, Marital Status, Nationality or Ethnic origin.

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

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

## **A brief description of our Processes, Policies or Systems**

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

### **Collective Bargaining Agreement (CBA)**

All staff have freedom to join the union which champions their rights and privileges in the working environment. In 2018, the unionized members arrived at an agreement which was signed between the union and the management.



***Kenya Chemical Workers Union officials, staff and the Group CEO signing a 2-years CBA in 2018.***



## **Labour Rights Future**

### **Activities planned for next year**

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

## **Environment**

### **UN Global Compact Principles covered:**

**Principle 7: Business should support a precautionary approach to environmental Challenges**

**Principle 8: Business should undertake initiatives to promote greater environmental Responsibilities**

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

### **Environment Current Commitment**

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

### **A brief description of our Processes, Policies or Systems**

- We are totally dedicated to preventing pollution in order to assure protection of human health and the environment and are committed to achieve its continual improvement through the effective operation of the environmental management system.
- Whereas there are compliance and regulatory laws, we have our own set standards that we abide by in cases where the existing are inadequate.
- We run an effluent treatment plant to treat our waste to ensure that we release clean water back to municipal sewer. In so doing, we minimize our resource consumption and improve our environmental performance.
- Our policies are constantly reviewed to ensure that the activities, products and services are appropriate to nature and have no adverse impacts on human health and the environment.
- Our environmental policy is communicated to all the stakeholders promptly and made available at all stages and levels of our engagement.

### **Effluent Treatment Plant (ETP)**

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

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

### **Environmental Clean-up**

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

### **‘Save Our Water Towers’ Project**

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

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

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

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

In 2018, Bidco held the second session of Bamboo Planting which made a significant push to the project, bringing together more partners to contribute to its success.

### **Environment –Future Activities planned for next year**

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

## **Energy**

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

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

- We are totally dedicated to minimize energy consumption through continual improvement in energy conservation through effective energy management systems practiced at every level and the involvement of every employee/member of the Bidco Family, without exception.
- We shall benchmark our performance continuously against the best in the world, review energy targets periodically in order to improve our energy performance and eliminate wastage.
- We shall monitor, record and evaluate the consumption of energy and enhance efficiency through re-designing and implementation of energy efficient programs.
- We shall regularly conduct internal and external energy audits to identify areas of improvement as also to ensure total compliance with our energy policy.
- We shall review our energy policy whenever the need arises due to technological advances or policy changes to ensure that our activities and processes conform to best practices.
- We shall communicate our Energy Policy to employees and all our stakeholders.

## **Activities planned for next year**

- To continue with its plans on effective energy use and environmental conservation, Bidco plans to fully implement the use of Bamboo as an effective source of energy in the co-generation facility.
- Through various Innovation projects initiated by members of staff, more ways to save energy have been put in place to ensure more sustainable ways of operations.

## **Anti-corruption**

### **UN Global Compact principles covered;**

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

#### **Current Commitment**

- We remain committed to implementing the 10<sup>th</sup> principle of anti-corruption and ensuring its total elimination in all its forms, including extortion and bribery.

### **A brief description of our Processes or Systems**

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

## **Activities implemented in the last year**

### **The Bidco Africa Code of Ethics launch and implementation**

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

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

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

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

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

### **Why a Code of Ethics**

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

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

### **Business Ethics**

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

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

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



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

### **Measurement of outcomes and value added for our company**

- All employees are ever sensitized on the need to adopt practices that are free or corruption in line with the code of ethics adopted by the company.
- The company has put in place systems that ensure transparency so that any possible conflict of interest is eliminated.
- Employees being employed are vetted and an assurance that they have a clean track record is done.
- Bidco has invested in technology that lays down proper accountability chains and systems that can be easily tracked down to the finer detail.
- The company has brought on board skilled manpower to its internal audit department that is able to do proper checks and balances on all activities.

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

This Communication on Progress will be published internally on our intranet as well as on the Company website.

Furthermore, excerpts of it will be shared with the relevant and necessary for the sake of implementation of a number of policies mentioned.