

COMMUNICATION ON PROGRESS REPORT – 2019

Company Name:	MABATI ROLLING MILLS LTD
Sector:	INDUSTRIAL METALS AND MINING
No. of Employees:	740
UNGC Signatory since:	2006
COE Signatory since:	2012
Contact Person:	JULIUS OCHIENG
Address:	271 – 00204 Athi River
Period covered by this COP	FROM: SEPTEMBER 2018 TO: AUGUST 2019

LEADERSHIP: Statement of Continued Support by the Chief Executive Officer

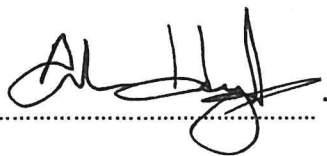
To our Stakeholders:

I am pleased to confirm that **MABATI ROLLING MILLS LIMITED** reaffirms its support of :

- The Ten Principles of the United Nations Global Compact for corporate responsibility in the areas of Human Rights, Labour, Environment and Anti-Corruption; and / or
- The principles of the Code of Ethics for Business in Kenya, for corporate responsibility relating to our organization, our shareholders and investors, our products and services, our suppliers, contractors and agents, our society, our state and government, and our natural environment.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the above standards into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Yours sincerely,



Andrew John Heycott
CHIEF EXECUTIVE OFFICER

ORGANISATIONAL GOVERNANCE:

MRM recognizes the importance of Corporate Governance and is committed to uphold high standards. The Company at the epitome is guided by Board of Directors, which is responsible for the overall management and is accountable to the shareholders for ensuring that the company complies with the law and pursues highest standards of best practice governance and business ethics.

The Board meets at least four times a year and the directors are given appropriate and timely information so that they are able to maintain full and effective control over strategic, financial, operational and compliance issues.

The business performance of the company is reported regularly to the management and the board, with operational procedures and controls in place to facilitate complete, accurate and timely processing of transactions, including safeguard of assets.

MRM has a resilient policy that has an objective of making a lasting impact in the communities where we do business and within the context of CSR we have undertaken various community development involvement, and a lot of times involving employee participation.

Our business operations and interactions with all Stakeholders are founded on our Vision and Mission statements:

The Vision: An Africa Built with Pride

The Mission: We deliver trusted building solutions that are made with pride and care, to provide superior customer value.

The Safal Way is:

- A strong customer focus
- Innovating for world class solutions
- Partnerships for shared success
- A commitment to ethics and compliance
- To care for our employees, our communities and the environment

FINANCIAL SUSTAINABILITY

Purpose

- The company has aligned its operation to be efficient, cost effective, and operate on optimum financing mix to ensure best returns on capital employed and optimum profit for Shareholders' benefit.
- MRM has adhered to best financial practices by ensuring its Financial Statements comply with globally accepted accounting standards and portray true and fair view of the company financial position. This is vital to investors and public.
- The company has ensured that it sustains its performance and be able to settle its obligation as and when they fall due. MRM has ensured that its Return on Equity (ROE) is steady and on increasing trend
- The company as a good corporate citizen has ensured all liable taxes i.e. VAT, PAYE and Custom Duties are accordingly charged and paid to the Government promptly to enable the

government raise its revenue.

- MRM has also invested in the well-being of its staff by continuous training in respect to areas of specialisation, enhanced pension contribution for staff, full compliance with retirement scheme like NSSF and medical schemes for the betterment of its work force. The company also contributes to welfare of community through direct donations, discounted prices for roofing sheets to the employees and contributions.

Brief Description of nature of business

Mabati Rolling Mills Limited (MRM) is the largest company within the Safal Group, commencing its operations in 1962 at Mariakani, near Mombasa Kenya. MRM was the first company in Africa to produce coated steel using a patented Aluminium-Zinc alloy recognised as the leading technology worldwide to deliver superior service life to steel.

At MRM, we are on a new journey of growth, building on our most formidable assets: our brands, our unrivaled distribution system and the strong commitment of our management and employees. Our journey focuses on leveraging these strengths to become a truly employer of choice.

Scope of this COP

At Mabati Rolling Mills Limited, we uphold all the following 10 Principles of the UN Global Compact:

Human Rights

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

Principle 2: make sure that they are not complicit in human rights abuses

Labour Standards

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

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

Principle 5: the effective abolition of child labour

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

Environment

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

Principle 8: undertake initiatives to promote greater environmental responsibility

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

Anti- Corruption

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

The report also includes, **Social and Economic Issues**

HUMAN RIGHTS	
UN Global Compact Principles Covered:	<p>Principle 1: business should support and respect the protection of internationally proclaimed human rights</p> <p>Principle 2: business should ensure that they are not complicit in human rights abuses</p>
issues/core subjects:	<ol style="list-style-type: none"> 1. <i>Protection of internationally proclaimed human rights/workers' rights, ETC</i> 2. <i>Complicity in human rights abuses</i>
Human Rights Current	<p>ASSESSMENT, POLICY AND GOALS</p> <p>MRM recognizes fundamental human rights to its stakeholders and Human Resources throughout the conduct of all its business activities.</p> <hr/> <p>POLICIES AND GOALS:</p> <ul style="list-style-type: none"> • Our policies make reference to the Universal Declaration of Human Rights and other international standards • Written company policy on respecting Human Rights and preventing potential abuses available in the Code of Ethics • The company has a practicing Policy requiring business partners and suppliers to adhere to the principles on Human Rights • Assessment of Human Rights related risks and impact on industry sector • Commitment to the UNGC code of ethics and business conduct <hr/> <p>IMPLEMENTATION</p> <p>Concrete actions:</p> <p>The company has continued to adhere to the labour laws of the country, ILO conventions and best practices in the country.</p> <p>MRM ensures that all employees are conversant with their rights in the company</p> <ul style="list-style-type: none"> • Human Resource policies and procedures, which support Human Rights, are in the company intranet. This is accessible to all employees and they are given a hard copy of the policies and procedures too. • All new employees are inducted on all policies and procedures when joining the company to ensure they are aware of their rights. • HR Training on the company policies to ensure full understanding of the employee rights and the employer's expectations • Policies on harassment i.e. sexual, physical, verbal or psychological harassment have been put in place • Responsibility is allocated to all employees to protect Human Rights through being your brother's keeper. <p>MRM places emphasis on equal and fair treatment of all stakeholder by:</p> <ul style="list-style-type: none"> • Stating clearly defined policies and procedures on recruitment of employees and suppliers to ensure fair selection process

- Laying down a salary structure that puts into consideration equal pay for equal work done

The company does not tolerate any form of discrimination whether on grounds of race, sex, sexual orientation, religion, disability, age.

- MRM has a policy on recruitment that ensures all employees are employed based on competency and compatibility with the company and the role.
- The company places emphasis on equal and fair treatment of all customers and visitors visiting the company premise. There is a clearly stated procedure on serving customers that ensures customers are served on a first come basis (FIFO)
- 90 calendar days maternity leave, 14 days paternity leave and sick leave has been provided to all employees
- Establishment of the mother's room to ensure that mothers are able to exclusively breastfeed their babies for 6 months as recommended by medical practitioners.
- The company has a policy on HIV/Aids Policy that does not condone discrimination against anyone suffering from the disease.
- MRM does not discriminate against people with disability. We have provided ramps that make it easy for those on wheel chairs.

There is no forced labour in the company and employees are working in an environment where they are treated with respect and all their rights and privileges recognized.

- All employees receive and sign off an offer letter, contract of employment and appointment letter on joining the company at their will
- There is freedom of termination of contract for either the employee or employer where each party must serve the notice period required. This is in line with the labour laws.

MRM encourages freedom of association, expression and speech.

- HR Barazas held with employees to openly discuss new ideas and concerns.
- Suggestion boxes have been placed and employees are expected to place suggestions and queries they need addressed
- In our endeavor to increase transparency and accountability, our employees are freely encouraged to use the whistle blower policy whenever they observe any unethical conduct by MRM employees or stakeholder.
- Office of the Ombudsman is open for all employees to approach with any query
- Some of the employees are under a union (KEWU). There is freedom to join the union
- The management is compliant to the collective bargaining agreement agreed in the negotiation with workers delegates.

The company provides for a just and favorable working environment that is safe and secure for all stakeholders

- Laid down mechanism and procedure on grievance and conflict resolution including establishment of Ombudsman office which is an independent office
- The company has an Employee Relations Committee that addresses any issue

that arises in regards to human rights.

- The company has a well-established Environment Health and Safety department that is tasked to establish and develop a safety culture.
- There is an Environmental Health and a Safety Committee as well as Safety Champions in each department who drive the safety agenda in different functions
- Health and safety policy and committee in place and active, and provision of medical care to staff
- Provision of PPE's (Personal Protective Equipment) to all staff.
- MRM has developed a Zero-harm initiative where a lot of emphasis has been put on the health and safety of employees and all those who come into the company's premise.
- All employees are covered under the group life cover, WIBA and company medical cover. In case of any eventuality, the employee and their dependent is covered.
- The disciplinary issues are handled in line with the labour statutes and employees are given an opportunity to be heard before action is taken.
- Provision of 24-hour security for employees while in the premises.
- MRM places emphasis on training and developing the employees to improve their skills and capabilities and reduce accidents.
- The company has developed open-door policy to increase openness among the employees
- MRM has a lactation room where lactating employees have clean and private location to express and store their babies' milk.
- The company believes in the essence of work-life balance through having 8-hour shifts, flexi-time opportunities and compensation for hours worked over and above the 8 hours.

MEASUREMENT OF OUTCOMES AND VALUE TO COMPANY

- We currently receive about one concern every month in the suggestion box.
- The Ombudsman's office has not received any grievance or complaint from the employees.
- We have held HR Barazas with a turnout of above sixty percent of employees in attendance.
- Reduction in the number of accidents and injuries in the plant.
- Increase in awareness on safety requirements and procedures shown by a number of reports about near misses and safety risks and hazards
- Alcoblow testing is done at the entrance to ensure that there are no accidents in the factory because of employees being intoxicated.
- No cases of Human Rights violation has been reported.
- Stop for safety talks have been conducted to promote the safety culture
- Introduction to safety briefs which are done on a monthly basis per department.
- No cases of discrimination or harassment has been reported.
- All employees attend at least one training session in a year
- MRM has flexible working hours that allows employees to attend any form of training and realize their personal plans.

	<ul style="list-style-type: none"> • All new employees have been inducted on all policies • Training has been conducted on Occupational Health and Safety, Fire Marshalls and First Aid <p><i>Examples of outcomes:</i></p> <ul style="list-style-type: none"> • There has been improved communication as a result of the HR Barazas. • There has been improved flow of information due to the use of the suggestion box, HR Barazas. This is both vertical and horizontal flow of information • Interpersonal relations and team work has been enhanced • Increase employee competencies, productivity and performance • Reduced occupational accidents and injuries. • Employer of choice brand as more and more people seek employment in the company and reduced rate of attrition.
	<p>COMMITMENT</p> <p>MRM Limited is committed to upholding the two principles by protecting, respecting and promoting human rights practices. We acknowledge and uphold the right to life, education, development, security, expression among others. The company is fully committed to the principles of equal opportunities/ equality and diversity in the workplace and regards personal harassment as a discriminatory and unacceptable form of behavior.</p>
<p>Human Rights Future</p>	<p>ACTIVITIES PLANNED FOR NEXT YEAR</p> <ul style="list-style-type: none"> • Implementation of training plan in compliance with skills matrix. • Implementation of training plan for managers, supervisors and HR department on management skills to ensure no violation of human rights • Continuously provide and improve the environment in which our HR Barazas are conducted with the view of enhancing openness, confidence and trust between participants in these meetings. • More focus on health and safety to ensure nil accidents in the company • More employees to participate in sports and CSR related activities that are currently sponsored by the company.
<p>LABOUR RIGHTS</p>	
<p>UN Global Compact Principles Covered</p>	<p>Principle 3: Business should uphold the freedom of association and the effective recognition of the right to collective bargaining</p> <p>Principle 4: Business should support the elimination of all forms of forced and compulsory labour</p> <p>Principle 5: Business should support the effective abolition of child Labour</p> <p>Principle 6: Business should support the elimination of discrimination in respect of employment and occupation</p>
<p>issues/core subjects:</p>	<ol style="list-style-type: none"> 1) Freedom of association and collective bargaining 2) Forced and compulsory labour 3) Child labour 4) Discrimination and favouritism in employment

	<p>5) Health and safety 6) Decent work 7) Talent development</p>
<p>Labour Rights Current</p>	<p>ASSESSMENT, POLICY AND GOALS</p> <p>Labour rights are so relevant in enhancing employer/employee relations through dialogue and other established mechanisms such as collective bargaining Agreements</p> <p>Employment in MRM is freely chosen and all requirements adhered to such as no forced labour or child labour. The company has establish policies and guidelines that has streamlined recruitment and in the process eliminated any form of discrimination and favoritism and thus making MRM an employer of choice.</p> <hr/> <p>POLICIES AND GOALS:</p> <ul style="list-style-type: none"> • Collective Bargaining Agreements (CBA). MRM has negotiated a CBA with Kenya Engineering Workers Union to define terms and conditions of employment. • MRM Human Resource policies are public documents available to all employees of the company • MRM employees signs contract of employment/ appointment letters stating clearly terms and conditions of employment and compensatory levels and related benefits. • MRM on routine and regular basis is audited by government agencies on labour issues. • All policies in the organization are in line with the constitution and the labour laws of Kenya. • The company’s recruitment policy governing the process ensures that all Labour Rights are adhered to. • All our employees have the right to join the various associations as recognized by the Labour Statutes and the Industrial Relations Charter. <hr/> <p>IMPLEMENTATION</p> <p>The Human Resources Manager has been designated to oversee the protection of labour rights within MRM</p> <p>The company has Corporate Governance that ensures compliance of all labour statutes and laws.</p> <p>The company upholds the right of employees to freely join associations and express themselves</p> <ul style="list-style-type: none"> • The company has signed a recognition agreement with Kenya Engineering Workers Union (KEWU). • Employees have freedom to join the union • The company is also a member of the Federation of Kenya Employers (FKE)

and Kenya Association of Manufacturers. (KAM)

- The company has signed industry CBA that is above with the minimum wage order with the view of enhancing the relationship between the union employees and the management. The current CBA the company is operating on runs for the period 2019 to 2020.
- The company has an Employee Relations Council that constitutes of a representation from management and union. They handle any issues regarding employee relations and labour rights.
- The company operates under the open door policy.
- MRM has an office of the Ombudsman where employees have the freedom to express themselves and bring forth issues without fear of stigmatization.

Discrimination and forced labour is discouraged and not acceptable in the company

- MRM has a clearly stipulated policy on no discrimination.
- The company has established a pay structure that also factors in the market pay rate and the standard of living in the area.
- MRM has a clearly stated recruitment procedure that all prospective employees go through. It eliminates any form of discrimination.
- The company adheres the Country's Employment Act in regards to child labour and employment of children.
- All employees are issued with a contract of employment that states the terms and conditions of employment, which they are required to sign, signifying consent.
- MRM acknowledges the minimum age of employment. We adhere to it for all types of employment including attachment and internship.
- The company has a well stipulated grievance and disciplinary handling procedure. This ensures that all cases are dealt with just and fairness to both the employee and employer.

The company strives to create an environment in which the employee is safe and able to grow in their career and personal life

- MRM continuously reviews the SOPs to ensure staff are able to perform their work comfortably.
- MRM has a Learning, Training and Development department that ensures that any skill gaps identified are bridged through training.
- Continuous and fair performance evaluation is conducted. We conduct both mid-year and end of year performance appraisals.
- Management team is encouraged to coach and mentor all their subordinates to facilitate the growth and development
- Proper Health & Safety gear-personal protective clothing is provided for all staff
- Some employees (a representation of the total staff) are trained on first aid, fire marshal and occupational health and safety and therefore are able to help in case there is any eventuality.
- The company runs on an 8-hour shift for employees. All hours worked beyond the normal 8 hours are compensated either through overtime paid or

	<p>compensatory off days.</p> <ul style="list-style-type: none"> • MRM recognizes Sunday as the rest day for all employees. If anyone is required to work on a rest day is compensated. <p>The company's suppliers also adhere to the principles of the International Labour Organization and Kenyan Law</p> <p>MEASUREMENT OF OUTCOMES</p> <ul style="list-style-type: none"> • Individual/group daily targets are set by supervisors and continuously monitor performance through task completions and reports generated. • MRM has mid-year and end of year performance appraisals. • Non performing staff are put on Personal Improvement Plan(PIP) and reviews and evaluations done at the end of set periods • MRM is regularly audited and is ISO certified. ISO 14000,ISO 9001:2008 to ensure compliance with all Labour laws • The company has no litigation in regards to Labour Rights Issues • MRM redesigned the offices to a modern open plan layout that facilitates the open door policy. • The company established a Mother's room in accordance to The Breastfeeding Mothers Bill, 2017. • The company has enjoyed good industrial relations with no grievance faced. <p><u>Commitment to Principle 3:</u> <u>Systems /Activities</u></p> <ul style="list-style-type: none"> • Collective Bargaining Agreement for the period 2019-2020 has been reviewed and is to be implemented. <p><u>Commitment to Principle 4 and 5</u> <u>Systems and Activities</u></p> <ul style="list-style-type: none"> • MRM does not employ persons below the minimum age of 18 years. • Employees freely choose to work for MRM and can freely choose to leave employment with the company in accordance with the provisions of employment Act 2007 <p><u>Commitment to Principle 6</u> <u>Systems/Activities</u></p> <ul style="list-style-type: none"> • MRM hires staff based on competency and skills and placement based on ability and we also uphold the Employment Act, 2007 which prohibits discrimination based on gender, race, religion, ethnic background, HIV Status, sexual orientation etc.
<p>Labour Rights Future</p>	<p>ACTIVITIES PLANNED FOR NEXT YEAR</p> <ul style="list-style-type: none"> • Ensure all employments standards are upheld by adherence to the labour law. • Run on the Collective Bargaining Agreement for the years 2019 and 2020 • Review of the HR handbook to incorporate the updated policies

	<ul style="list-style-type: none"> • Implement CBA for the year 2019 – 2020 • Train the ERC Committee • Build a relationship with the new Union officials elected.
ENVIRONMENT	
UN Global Compact Principles Covered	<p>Principle 7: Protecting the Environment, Health, Safety and well-being of our employees and all other stakeholders</p> <p>Principle 8: Precautionary approach to environmental challenges</p> <p>Principle 9: Promoting environmental responsibility amongst the workforce</p>
Environment Current	<p>ASSESSMENT, POLICY AND GOALS</p> <p>Protecting and sustaining the environment are key in MRM operations. This is through ensuring policies, processes and procedures are in line with these principles on the environment</p>
	<p>MEASUREMENT OF OUTCOMES</p> <ul style="list-style-type: none"> • Annual environmental audit submitted to NEMA done by an EIA licensed expert • ISO 14001:2015 (Environmental Management System), ISO 9001:2015 (Quality Management System) and OHSAS 1800:2007 certification and periodic external and internal audits • Annual self-audits that are submitted to the government (NEMA) • Timely investigations and closure of incidents as they occur • Reporting of occupational incidents as required by the law (OSHA 2007) and internal safety procedure • Incident investigation and reporting • Maintaining and monitoring safety and environmental data e.g. environmental exceedencies, LTI, MTI, FAC • Quarterly internal audits on Environment, Health and Safety Management System (EMS) • Quarterly environmental & occupational assessment report (Effluent discharge sampling, noise level measurement, PM10 level assessment, ambient air testing i.e. Sulphur Dioxide and Nitrogen Dioxide Concentration • Quarterly air quality assessment as per the Air Quality Act 2014 • Annual Health & Safety and Fire Safety audits by external DOSH approved expert • Monthly management reviews of the organization in relation to the environment, health and safety • Continual improvement projects e.g. mitigation and reduction of Hazards at the work place, sustainable and green production initiatives— monitoring and control of energy and water consumption and gaseous emissions. • Triennial Energy audits with a strong track level of implementing the investment plan • Monthly energy management reviews and monitoring

	<ul style="list-style-type: none"> • Annual employees medical surveillance <hr/> <p>COMMITMENT</p> <ul style="list-style-type: none"> • Protection of the environment in which we live and operate is part of our values and principles and we consider it to be sound business practice. • Caring for the environment is one of our key responsibilities and an important part of the way in which we do business. <hr/> <p>SYSTEMS</p> <p>In this policy statement we commit our company to:</p> <ul style="list-style-type: none"> • Complying with all applicable Kenyan environmental laws and regulations • Upholding highest possible standards of ethics to environmental conservation, sustained manufacturing processes and care on safety of all stakeholders. <hr/> <p><u>Activities</u></p> <ul style="list-style-type: none"> • In the last two years the company has heavily invested in energy management activities such as: <ul style="list-style-type: none"> – Installation of sun roofs to utilize natural lighting hence reducing the kWh consumption – Light retrofitting from halogen lamps to LED hence reducing the kWh consumption – Installation of efficient systems i.e. modern color coating oven with an RTO to utilize regenerated heat hence reducing LPG consumption and emissions of VOCs – Plant-wide lagging and cladding for all steam systems reducing the HFO consumption • Installation of new ETP and STP for efficient waste management with an objective of zero environmental exceedencies. • Installation of a new incinerator with improved emission levels as per the EMC guidelines. • Installation of a big capacity fire hydrant system • Installation of automatic CO2 fire suppression system in specific high-risk areas. <p><u>In addition, routinely:</u></p> <ul style="list-style-type: none"> • Solid waste generated from the plant is segregated into solid, plastic and paper. Solid waste is collected by NEMA-licensed contractor for proper disposal while the rest are incinerated. • Hydrochloric acid used in the pickling line is regenerated/recycled instead of being released to the environment • We have an industrial waste management system, where all the waste is collected into a sago tank and chemically treated. The water collected is used for domestic use and watering of plants in the company compound.
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	<ul style="list-style-type: none"> • We have Environment, Health and Safety team charged with the responsibility of ensuring a sustainable safety culture i.e. through periodic safety trainings and awareness programs, systems inspections and monitoring etc. • We have modelled Green Parks within our manufacturing units • Mariakani Technical Training Institute runs on a hybrid solar system in a bid to achieve sustainable operations i.e. in terms of cost and environmental impact
Environment Future	<p>ACTIVITIES PLANNED FOR NEXT YEAR</p> <ul style="list-style-type: none"> • Quarterly environmental & occupational assessment. • Annual self-assessment and report to NEMA • Quarterly environmental audits • Transition from OHSAS 18001:2007 to ISO 45001:2018 • Revamp/Installation of modern STP unit in the Athi River Plant • Investment in solar retrofits • Investment in LED retrofits for the Athi River Plant • Reroof the Athi River Plant to better utilize natural lighting and reduce kWh consumption • Reconstruction of the waste disposal area to better handle and manage the waste • Rain water harvesting • Adapting sustainable management of water and sanitation (utilizing treated water) • Fast-tracking better fleet management and vehicle monitoring which has a direct impact in company vehicle emissions.
ANTI-CORRUPTION	
UN Global Compact Principles Covered	Principle 10: Business should work against in all its forms, including extortion and bribery
Core subjects/issues:	<ol style="list-style-type: none"> 1) Corruption (including extortion and bribery) 2) Anti-competitive behaviour 3) Fairness to business partners and suppliers
Anti-corruption Current	<p>ASSESSMENT, POLICY AND GOALS</p> <p>MRM does not tolerate corruption in all its forms and other vices. There is commitment to policy, value statement, Global Compact Principles and Corporate Governance Policies that outlaw corruption in the business.</p> <p>MRM'S Value statement affirms the Company policy on anti-corruption:</p>

	<p>‘We do not take shortcuts to ethics, quality; we shall be fair to all employees, customers, the community and environment.’</p> <p>There is a code of ethics and business conduct that is binding to all staff and suppliers. The Human Resource Department has also developed an employee handbook to guide staff operations.</p>
	<p>IMPLEMENTATION</p> <ul style="list-style-type: none"> • Enforcement of Code of Ethics & Business Conduct, Corporate Governance Policies, HR Employee handbook and the Anti-Corruption Act of Kenya • Adherence to Kenya Bureau of Standards regulations on quality standards • The Governance, Risk and Compliance office ensures that the standards and procedures as stated in the employee Code of Conduct and standards in other documents are adhered to. • Stakeholder dialogues are convened as an act of transparency • Transparency of all operations • The company has publicly displayed the employee code of conduct. • Complaints are handled in line with the laid down company policies. • The company has a policy that ensures that prevents employees from receiving gifts from customers and if they do they ought to declare it.
	<p>MEASUREMENT OF OUTCOMES</p> <ul style="list-style-type: none"> • The company has conducted training to employees on corporate governance placing focus on ethics and situations where there will be conflict of interest. • There has been no litigation on the company on any unfair business practices. • No customer has sued the company due to substandard products. • No employee has been charged with being involved in any corruption activity. • Quality assurance team ensure that our products meet the set standards. • Pricing of all our products are standard and similar for all our customers
	<p>OUTCOMES</p> <p>Conducting audits periodically and taking corrective action where the set standards are not met.</p>
	<p>ACTIVITIES PLANNED FOR NEXT YEAR</p> <ul style="list-style-type: none"> • Continuously train employees on the business code of conduct and corporate governance. • Display the business code of conduct in strategic locations. • Revision of the procurement processes to ensure that they are in line with our business code of conduct and our code of ethics. • Ensure that employees have handbooks on the company business conduct and polices

SOCIAL ISSUES	
Core Subjects	<ol style="list-style-type: none"> 1) Social Impact on Local Communities 2) Fairness to customers / consumer protection 3) Product Quality and Safety 4) Respect to business partners
Social 1	<p>ASSESSMENT, POLICY AND GOALS</p> <p>The Company's Corporate Policy comprises of Business Concept, Shared Values, CSR, Business Ethics and other fundamental aspects. Under this policy, the company affirms its commitment of seamless integration of marketplace, workplace, environment and community concerns with business operations; and in integration with various stakeholders.</p> <p>MRM seeks to be a good Corporate Citizen in all aspects of its business and operational activities meeting its wider economic, social and environmental obligations, both to employees and to other interest groups including customers, suppliers, investors and the communities.</p>
	<p>MRM COMMITMENTS</p> <ul style="list-style-type: none"> • Among its various commitments, MRM has spelt out its policy seeking to engage with Stakeholders and ultimately address mutual concerns and expectations. • The approach mainstreams CSR within the company through translating company's commitment into policies that drive its employees, and other stakeholders like suppliers, customers and service providers. • The company's CSR policy focuses on four key pillars: Shelter, Education, Health and Environment. All our CSR activities will fall under the four pillars. • This commitment upholds ethical conduct of business, transparency, legal and compliance, adoption of human rights, environmental conservation, health and safety, and supply chain of the business processes throughout the value chain. • MRM's approach to share its wealth for the improvement of the quality of its employees and their families and the marginalized and vulnerable communities not only where it operates but also anywhere it deems appropriate, including exporting countries. • MRM will exceed legal and regulatory expectation in pursuit of environment protection, and energy conservation at its manufacturing facilities, and in development of products that use fewer natural resources and are environment friendly. • MRM will encourage and recognize its employees for volunteering in the community in the spirit of serving and sharing their expertise and skills.

SYSTEMS AND ACTIVITIES

1. Social Investments

a) Mabati Medical Centre

- The medical Centre provided services to more than 35,000 patients. The patients visiting the clinic are from the communities around Mariakani areas. The five most common diseases treated are Upper respiratory tract infections, HIV/AIDS, Skin infections, Urinary tract infections and Malaria.
- The medical facility charges subsidized fees Ksh. 350/= for consultation, medicines and treatment. HIV/AIDS patients receive comprehensive health care services consisting of voluntary counselling and testing, ARV drug therapy, feeding program, etc.
- MRM also organizes free medical camps every year as a community outreach program to provide diversified primary healthcare services. The last mega camp was held on 30th of September 2018. A total of 2009 people received free treatment while 36 patients underwent free cataract operations conducted by the Lions Club of Mombasa, Pwani.
- The medical Centre also organizes weekly Mother & Child clinics. In 2018 - 2019 over 1000 children provided with diversified services the clinic.
- Diagnostic center offering, digital X-Ray, Ultrasound and a Lab services is available to the community.
- Eye and Dental Clinics have been set up and are fully operation in the Medical Centre

b) Mabati Technical Training Institute

- The MTTI has continued to provide training opportunities for poor and needy youth from communities around Mariakani.
- The youth are equipped with employable skills to enable them become productive members of their societies/ communities and to actively engage in economic activities. The skills also increase their opportunities for employment and reduces the vulnerabilities associated with unemployment and poverty.
- In 2018, 274 students did the NITA certified technical courses, 102 did not register for the NITA exams due to financial constraints. A total of 310 trainees were taken through basic computer operation skills to enhance their skills and allow them adapt to the changes in the labor market. The evaluation indicated that over 96% passed the examinations in 2018.
- The trainees enrolled at the MTTI were supported to access internship opportunities in nearby companies to enable them acquire desirable experience after training to effectively fit in the labor market.
- Our post training assessment indicate that over 86% of our graduates are able to get a jobs with three to six months upon receiving their NITA certificate. A few others are mentored and linked with businesses to continue with the internship while those interested in starting their own businesses are linked to financial service providers to access credit for

	<p>start up tools</p> <ul style="list-style-type: none"> • Those graduating from MTTI are also encouraged to organize themselves into Alumni groups to support each other after exiting the training program. The Alumni association are supported to organize themselves into group savings and lending schemes to collectively deal with the various social challenges including peer to peer support – mentorship within their communities. • The students graduating from MTTI are also encouraged to develop their communities by providing various services. Community members are sensitized to place orders for services such as fabrication of metal doors, windows, uniforms and repair of vehicles and give opportunities for trained youth to earn some decent income after training.
	<p>c) Chandaria Caravan</p> <ul style="list-style-type: none"> • MRM together with Chandaria Foundation run a caravan, which is a 40 feet container on a truck’s flatbed equipped with 30 computers and internet. • Youth from underprivileged communities are taken through a 20 hours training on ICT and Entrepreneurship. This training is to equip them with knowledge for them to be able to start and run their own businesses. • A total of 978 youth from all over the country have been taken through the Basic Computer operations skills. • We have collaborated with Ministry of Youth and Safaricom through their Blaze program called Be Your Own Boss and Cloud Factory Academy to enhance the skills of the youth from the CYEP to access opportunities in the online platforms (digital jobs). • The youth are also taken through rigorous mentorship program to enable them identify other opportunities to either transition to formal employment or start their own businesses.
	<p>2. Donations and Assistance to the Community</p> <ul style="list-style-type: none"> • Sponsorship of the Kenya Hospices and Palliative Care Association (KEHPCA) National Palliative Care Conference • Sponsorship of the annual Obuya Cricket Academy Tournament • Sponsorship of the Elimu Trust Golf Tournament • Sponsorship of the Triad Foundation Golf Day • Roofing Donations to Kitengela Magereza Mixed High School • Participation in the annual Starehe Girls Walk • Participation in CAMFEB Walk • Roofing donations to 9 public schools across the country. • MRM has a welfare scheme where employees donate a percentage of their salary to help the underprivileged in the community.
	<p>MEASUREMENT OF OUTCOMES AND VALUE ADDED FOR OUR COMPANY</p> <ul style="list-style-type: none"> • MRM continued to enjoy mutual harmony with the community, and this was appreciated by opinion leaders in opportune forums. The outlying community was able to access affordable medical services with many

	<p>registering in good numbers (35,000 in a year). This being an increase, denoting appreciation of the service.</p> <ul style="list-style-type: none"> • In addition, youths enrolled in good numbers compared to previous years for skills development. • 907 youth have been trained through the Chandaria Caravan
	<p>ACTIVITIES PLANNED FOR NEXT YEAR</p> <ul style="list-style-type: none"> • Continue to donate roofing sheets to the less privileged schools • Developing more partnerships
Social Future	Fairness to customers / consumer protection
Social 2	<p>ASSESSMENT, POLICY AND GOALS</p> <p>MRM'S Value statement affirms the Company policy on strong customer focus, innovating for world class solutions, and commitment to ethics and compliance</p>
	<p>MRM COMMITMENTS</p> <ul style="list-style-type: none"> • Adherence to Kenya Bureau of Standards regulations on quality standards. • The Governance Risk and Compliance office ensures that the standards and procedures are stated in the employee Code of Conduct as well as the Company's Standard Operating Procedures (SOP's) are met. • The company has an internal audit department and also ensures that all SOPs are followed. • The company has a quality team that ensures that the company's product's quality standards are met and customer's complaints on quality are promptly addressed. • Enforcement of Code of Ethics & Business Conduct, HR Employee handbook and the Consumer Protection Act of Kenya. • As part of our commitment to protect our customers by ensuring quality products we are ISO 9001:2008 certified. • We are committed to continuously train roof installers with the view of protecting our customers against any loss resulting from poor installation of the sheets.
	<p>SYSTEMS AND ACTIVITIES</p> <p>Examples of concrete actions:</p> <ul style="list-style-type: none"> • Submission of samples quarterly to Kenya Bureau of Standards to ensure adherence to quality. • Standard Operating Procedures e.g. for disposal of scrap are implemented to ensure fairness to all customers. • Issuance of warranty for the goods delivered to the customers. • The Governance, Risk and Compliance Office reviews the Company policies to ensure that they are in line with all statutory Regulations. • The Human Resource Department through Barazas sensitize employees on the Company policies.

	<p>MEASUREMENT OF OUTCOMES</p> <ul style="list-style-type: none"> • Conducting audits periodically and taking measures where the set standards are not met. • The Quality Assurance Team continuously monitor the quality of the products we produce. • Renewal of the ISO 9001:2008 certification. • Having repeat customers and new customers who come to buy from referrals.
	<p>OUTCOMES</p> <ul style="list-style-type: none"> • Harmonious relationship between the Company and its customers • Minimal complaints received from customers on poor quality of goods • Positive feedback from our customers about our scrap disposal system and process, which is fair and transparent. • Positive feedback from customers who have used our trained installers. • Increased number of customers seeking services from our trained installers.
	<p>ACTIVITIES PLANNED FOR NEXT YEAR</p> <ul style="list-style-type: none"> • Submission of Samples quarterly to Kenya Bureau of Standards for quality inspection. • Training of employees on Customer Service. • Review of all our processes to ensure customers' expectations are met. • Continuously train the roofing installers on how to install the roofs and our various products. • Restructure our customer value proposition
<p>Social Future</p>	<p>Product Safety And Quality</p>
<p>Social 3</p>	<p>ASSESSMENT, POLICY AND GOALS</p> <p>MRM does not tolerate short cuts in her mission to deliver Value for Money in metal roofing solution.</p> <p>MRM'S Value statement affirms the Company policy on Quality.</p> <p>'We do not take shortcuts to ethics, quality; A commitment to ethics and compliance and innovating for world class solutions.</p> <p>We have moved our mentality and the company culture to focus on the customer first. That ensures we provide quality products and great service to our customers.</p>
	<p>MRM COMMITMENTS</p> <p>The MRM Quality Policy states a commitment to:</p>

	<ul style="list-style-type: none"> • Meeting and/or exceeding the needs and expectations of our customers in supply of our Products and Services. • Ensuring the Manufacturing and supply of our products and Services meet legal and other market requirements. • Continually measuring, reviewing and improving our processes, practices and management systems. • Complying with all requirements of ISO 9001:2008 certifications. • Ensuring all Employees and Contractors understand their role with a culture of “doing it right the first time”. • Actively promoting a quality first culture, focused on continual improvement.
	<p>SYSTEMS AND ACTIVITIES</p> <ul style="list-style-type: none"> • ISO 9001 – 2008 Certification • Complying to National and international standards • Process quality guarantee through Inspection, research and Laboratory testing for standardization and Product improvement.
	<p>MEASUREMENT OF OUTCOMES AND VALUE ADDED FOR OUR COMPANY</p> <ul style="list-style-type: none"> • Monthly market competitiveness surveys • Reduction of Seconds and Scrap generation • Timely investigation and resolution of Customer claims • Quarterly internal audit of Quality Management system • ISO 9001 -2008 external audits
	<p>ACTIVITIES PLANNED FOR NEXT YEAR</p> <ul style="list-style-type: none"> • Continuous market surveillance and benchmarking on quality • Educate customers on quality and how to identify quality on our products, safe material handling and roofing maintenance.
Social Future	Respect to business partners
Social 4	<p>ASSESSMENT, POLICY AND GOALS</p> <p>‘A strong customer focus and care for our employees, our communities and the environment.’</p> <p>MRM also affirms that; ‘we deliver value for money’</p>
	<p>MRM COMMITMENTS</p> <ul style="list-style-type: none"> • Enforcement of Code of Ethics & Business Conduct, Corporate Governance Policies and HR Employee handbook

	<ul style="list-style-type: none"> • The Company forbids any personal benefit given or offered to any employee by a supplier, customer or service provider; in particular, the company does not tolerate any bribes. • The Company ensures compliance with the legal statutes and the international standards governing the various aspects of our business • The Compliance office ensures that the standards and procedures as stated in the employee Code of Conduct and standards in other documents are adhered to. • We protect the privacy and safeguard the confidential information of our employees, customers, service providers and suppliers. • Our remuneration structure is competitive in the market. • Maximizing our shareholder’s return on investment
	<p>SYSTEMS AND ACTIVITIES</p> <ul style="list-style-type: none"> • The Legal Office maintains contracts between the Company and its business partners which governs the relationship between the parties. • The Legal Office reviews the Company policies to ensure that they are in line with all statutory Regulations. • Assessment and Monitoring of compliance with the Company’s Code of Ethics & Business Conduct policy as well as implementing sanctions stipulated in the policy against employees who violate the same.
	<p>MEASUREMENT OF OUTCOMES AND VALUE ADDED TO OUR COMPANY</p> <ul style="list-style-type: none"> • The Company’s good reputation has been upheld • Harmonious relationship between the Company and its customers/suppliers or service providers • Minimal complaints received from customers/ suppliers or service providers on misconduct <p>ACTIVITIES PLANNED FOR NEXT YEAR</p> <ul style="list-style-type: none"> • Awareness forums through barazas organized by HR to enlighten employees on their ethical responsibilities as well as the Company Policies • Training employees on customer service. • Training all employees on the products. • Continue training more roofing installers on how to install roofs and our various products.
<p>Social Future</p>	<p>ACTIVITIES PLANNED FOR NEXT YEAR</p> <ul style="list-style-type: none"> • Awareness forums through barazas organized by HR to enlighten employees on their ethical responsibilities as well as the Company Policies • Training employees on customer service.

	<ul style="list-style-type: none"> • Training all employees on the products. • Continue training more roofing installers on how to install roofs and our various products.
ECONOMIC	
Financial sustainability	ASSESSMENT, POLICY AND GOALS <ul style="list-style-type: none"> • The business performance of the company is reported regularly to the management and the board, with operational procedures and controls in place to facilitate complete, accurate and timely processing of transactions, including safeguarding assets.
Economic	IMPLEMENTATION <ul style="list-style-type: none"> • Set up of Key performance indicators... • Business Review sessions
	MEASUREMENT OF OUTCOMES <ul style="list-style-type: none"> • Through Performance management process • Board reviews
How we intend to make this COP available to our Stakeholders	
We will post it not only on the Global Compact Network Site but also on our Corporate website – www.mabati.com	