

UNITED NATIONS GLOBAL COMPACT (UNGC)

REPORT

ON

COMMUNICATION ON PROGRESS FOR

BIDCO AFRICA LIMITED

2019



Happy. Healthy Living

STATEMENT OF CONTINUED SUPPORT OF THE UNITED NATIONS GLOBAL COMPACT (UNGC)

Bidco Africa Limited remains true to the call of the United Nations Global Compact principles of upholding high standards of Human Rights, Labour Rights, Environmental practices and Anti-corruption. We continue to observe, comply and go beyond to ensure that all our activities impact positively on our people for a better workplace and improved livelihood.

We ensure that our daily operations, principles and policies are strongly aligned to all the ten principles of the UNGC which we believe in. We are 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.

2019 saw a great transition and milestone on our pursuit of the Bidco goal. It was marked by massive growth and expansion. This has seen us enter into new product categories, new markets to make our goal a reality. Consequently, this has grown our supply chain by creating more job opportunities which eradicate all forms of poverty in line with the SDGs.

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

Yours faithfully,

A handwritten signature in black ink, appearing to read 'V. Shah', with a long horizontal flourish extending to the right.

**Dr. Vimal Shah,
Group Chairman.**

Name: Bidco Africa Limited

Sector: Manufacturing

Number of Employees: 2200

UN Global Compact Signatory since: October 2009

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About Bidco Africa

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, animal feeds and most recently set foot in the Food and Beverages category.

Founded 34 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 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 entering into new markets.

Bidco is an agri-business enterprise that believes in inclusive growth while maintaining the 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 our story is really.

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 develop and implement a strategy and action plan that will build an organizational culture to encourage employees' responsibility for quality and commitment towards the attainment of business goals.

This will also 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 and 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.

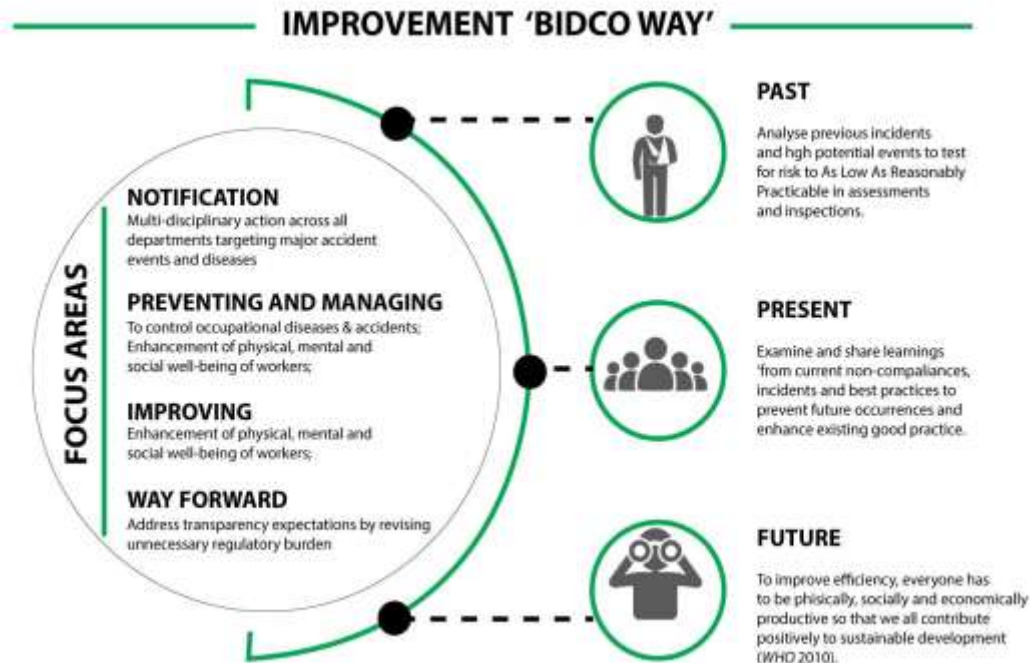
Number of accidents in the last 11 months

ACCIDENTS	BIDCO AFRICA LIMITED –THIKA NON FATAL ACCIDENTS											
MONTH (2019)	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	NOV	DEC	YTD
TARGET	0	0	0	0	0	0	0	0	0	0	0	0
ACHIEVED	2	4	2	1	1	3	1	1	0	3		18

- We regularly measure our performance and review this policy periodically 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.
3. We encourage the full participation of our employees and other stakeholders in matters concerning **Occupational Health and Safety**.

Way Forward on Health & Safety Matters



- To this effect, there are negotiations and collections of suggestions that are collected during meetings held from time to time.
4. 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 takes part in. These include community outreach programs, wellness activities and Social Responsibility Investments.
- Some of these engagements include

1. Sports activities – Bidco owns and sponsors a football team that plays competitively in the National Super League. All the players are full salaried staff on the company’s payroll with only very clear and defined duties.



2. 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.



3. Environmental conservation initiatives to help ensure the planet remains a safe place even for generations to come.



- Education sponsorships to the local community and even to the bright students among the staff children has been revamped and the performance improved.
- Farmer engagement through multiple partnerships such as Safaricom's Digifarm has seen an empowerment of up to 20,000 smallholder farmers across the country.
- All staff members across all departments recite the Kaizen Pledge – a sign of unity and a management practice of ensuring continuous improvement within the workplace while ensuring waste elimination.
- The Wellness Champions – an independent establishment of workers that champions the welfare of the staff to the management – has been revamped with more activities already implemented.

Measurement of outcomes and value added for Bidco

- Bidco is in full compliance with all the OHS standards and policies that has left all the stakeholders satisfied.
- With aggressive uptake of any precautions and proactive approach on matters of safety, the percentage of accidents in 2019 has gone down; attaining satisfaction levels of more than 95%.
- Constant engagement of staff at the workplace has achieved a more productive and efficient workforce at the various departments since most employees feel much more valued by being invited to be part of the company initiatives.
- Employees are now empowered than ever before and have taken charge of the work processes within their areas.
- Implementation of all preventive and corrective actions on work processes has improved accountability.
- A learning culture, where feedback process from the customer response team can anticipate the changing needs of the customer has been put in place.

Planned Future Initiatives on Human Rights

- A more aggressive Bidco choir, to help grow talent and improve staff relations, has been formed and there will be revamped activities to grow the initiative.
- Certification of the Social Accountability Policy SA 8000, which champions more Human Rights watch and advocacy will be put in place and implementation rolled out to all the departments within the organization.
- More trainings of the workplace culture and ways to improve will be done to enhance eradication of any possible violation cases.

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 Commitment

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 18years.
- Bidco aims to attract and retain skilled employees and enhance the life/work balance of everyone. 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 in direct 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.

Activities implemented in the last year

- A well established and properly equipped clinic has been put in place to be able to ensure immediate and quick attention is given to any cases of injury or illness.



- The Governance of the Bidco Code of Ethics which guards instances such as forced and child labour, has been revamped and additional checks and balances have been made.
- An effective training calendar to improve the workforce skills is in place and fully implemented with the assistance of the National Industrial Training Authority (NITA).
- The Collective Bargaining Agreement (CBA) entered with the unionized workers is active and has been observed to the latter.
- No Discrimination, no interference with individual rights, no worker harassment nor gender discrimination are strictly observed and strict disciplinary measures and action in place in case of any violation.
- Bidco recently became a signatory to the United Nations Women Empowerment Principled (UN WEPs). This safeguards the women from any form of violation and empowers them to opportunities at the workplace.



Measurement of outcomes and value added for Bidco

- There has been adoption of the best practices through the Gemba Kaizen principles and philosophy which encompasses lean management and worldwide best practices. These have also been ensured with continued benchmarks.

- Employees abilities, competencies and development needs have been identified through the Performance Management Process, individual training initiatives, overall training needs survey, competency mapping with focus on current knowledge base and future requirements.
- There has been marked reduction in employee unrest cases that would otherwise result in industrial action which in turn interfere with business continuity.

Planned Future Initiatives on Labour Rights

- A new CBA with the unionized members will be signed that will go for 2020/2021 and all systems to ensure a seamless execution have already been put in place.
- Bidco plans a full impactful incorporation of a working and operational industrial training calendar. This is already ongoing and the results have been impressive.
- Development and implementation of an effective career progression through the adoption of a competency-based training and development program which will focus on identifying individual capabilities for development and identification of growth opportunities.

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

- Bidco has initiated its own partnership initiatives with like-minded industry players to carry out conservation initiatives to protect the environment.
- The Agenda on PET recycling has been fronted at Bidco to reduce the harm that plastics have on the environment; in collaboration with the Kenya Association of Manufacturers.
- Bidco is committed to protect the Environment. We are certified for ISO 14001, Environmental Management System

- We are totally dedicated to preventing pollution 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 recycle water for other uses such as cooling and watering lawns. 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.

Activities implemented in the last year

- Bidco advanced the course to save Kenya’s water towers – an initiative that aims to plant and grow up to 1 million Bamboo in Kenya’s water towers. This has seen continued support by other private sector players.



- Through the Kenya Private Sector Alliance (KEPSA), Bidco champions the ‘Green and Feed our Schools’ program that aims to grow fruit trees across multiple high schools.



- All the Environment Policies, Standards and Guidelines at Bidco have been reviewed, revised and updated.
- Multiple trainings have been conducted to staff on how to be in and maintain a better and safe workplace.

- Working with farmers, Bidco has engaged the community to grow Bamboo which is a better environment conservation agent.

Measures of Success and Activities for the Future on Natural Resources Management and Environmental Impact

Action Plan to achieve target on Natural Resource Management and Environmental Impact

NATURAL RESOURCE	CHALLENGE	OBJECTIVE	ACTION PLAN	TARGET 2020 & MEASURE OF SUCCESS
Land resource	Soil erosion & environment degradation	<ul style="list-style-type: none"> • Champion Bidco as a leader in Environment conservation & protection. • Contribute to National forest cover target of 10% • Bidco Commitment to SDGs 12,13,14,15 	<ul style="list-style-type: none"> • Plant and distribute bamboo seedlings to farmers in water catchment areas. • Work in partnership with the Ministry of environment & Forestry. • Water authority bodies; NCWSC, WARMA, • Other partners; Safaricom, KEPSA, KAM, KNCCI, schools & colleges 	<ul style="list-style-type: none"> • Plant and grow 150,000 bamboo in our water towers (Sasumua , Mau forest. • Plant & grow fruit trees in at least 2 schools along with KEPSA
Water Resource	Dependence on Rainfed agriculture	Water conservation for use during dry spell Adherence to SDG 6,13	<ul style="list-style-type: none"> • In partnership with Safaricom &FAO Train small holder farmers on conservation agriculture. • In Makueni County in collaboration with the county, train all Bidco farmers in the county on water harvesting techniques. 	Train 70% of contracted farmers on Climate smart Practices- Conservation Agriculture ,water harvesting.

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 10th principle of anti-corruption and ensuring its total elimination in all its forms, including extortion and bribery.
- We are in the process of implementing ISO 37001 Anti-Bribery Management System.

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

- There has been a revamp in the Internal Audit Department to ensure checks and balances are kept in line with the Integrated Management System already in place.
- Members of staff are trained continuously on how to avert matters related to fraud and corruption. The reports on the trainings are recorded and followed for implementation.
- The Code of Ethics Governance committee remains empowered to follow through any cases of violation to the pillars of the code and values.
- The Business Supplier Conduct Principles sign-up for the companies in Bidco's supply chain is at 98%.

Measurement of outcomes and value added for Bidco

- The management has put in place measures to ensure transparency and empowerment at the work place.
- Bidco has invested in technology that lays down proper accountability chains and systems that can be easily tracked down to the finer details.
- Systematic risk assessment of Suppliers and Sub-suppliers.
- Annual Supplier Self Assessments by a wide number of Suppliers and Sub-suppliers.

Planned Future Initiatives on Anticorruption

- There will be multiple unannounced surveillance audits for the existing certifications, standards and policies to enhance Bidco's operations excellence.
- The whistleblowing and reporting mechanisms will be advanced to ensure there are minimal corruption incidences.
- Regular Self-assessment of suppliers used in connection with RFQs.

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 several policies mentioned.