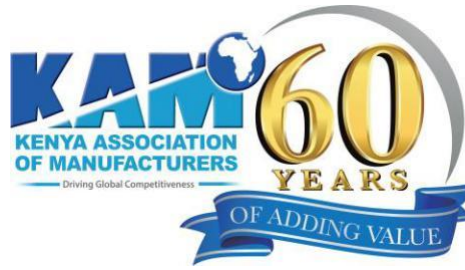


COMMUNICATION ON ENGAGEMENT (COE)

Kenya Association of Manufacturers



Period covered by this Communication on Engagement: From: 2018 To: 2019

Part I. Statement of Continued Support by the Chief Executive or Equivalent

To our stakeholders:

I am pleased to confirm that the Kenya Association of Manufacturers (KAM) reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Phyllis Wakiaga', written in a cursive style.

Phyllis Wakiaga
Chief Executive

Part II. Description of Actions

Hosting GCNK and Supporting Recruitment Drives.

KAM has continued to host the Local Network with the KAM CEO serving as the Board Chair. In 2019, individually and collectively with other Global Compact Network Kenya members in good standing, we supported strategies and organized activities that resulted in over 700 signatories to the local Code of Ethics for Business in Kenya - an initiative of the Global Compact Network Kenya and Kenya Association of Manufacturers.

Mainstreaming UN Global Compact Principles into KAM Operations

Further to the successful review of a number of internal policies to align them to relevant legislations, policies and international standards, all staff members and board members have since voluntarily signed up to abide by the respective policy manuals and instruments, namely; Statement of Conflict of Interest, Code of Conduct, Statement of Independence, Integrity and Commitment to KAM, Whistleblower protection, among others. Signing up and committing to the same principle have been made a compulsory requirement for entry staffs.

Inclusivity

The Association continued to spearhead the advancement of sustainable and inclusive industrialization. Our objectives in this regard have echoed global inclinations on environmental protection, climate change duties, the development of smart cities and responsible consumption. On inclusivity we are guided by Agenda 2063 of the Africa Union, particularly on the aspiration that speaks to development that is people-driven, lending itself to the potential held by young people and women.

Through the Women in Manufacturing (WIM) Programme, The Association continued to increase the value and capacity of women in manufacturing and to provide an enabling environment for them and improve their competitiveness locally, regionally and globally.

WIM was launched in 2017 and anchors its ethos on the Sustainable Development Goals (SDGs) and Agenda 2063 which centres inclusivity and sustainable economic growth at the core of their industrialization goal. The Association hosted two WIM Gala Dinners during this period. The 2018 Gala Dinner aimed at bridging gaps that make it impossible for women to venture and thrive in the manufacturing sector. The 2019 Gala dinner provided a platform for women in

industry to discuss avenues through which their participation and contribution to the Big Four Agenda can be boosted.

On capacity building, KAM partnered with the UN Women to host the WIM - Women Empowerment Principles Forum, to educate businesses in the sector on how they can institute the Women Empowerment Principles into their ethos. The Association also organized an exchange program for women industrialists to visit BOC Gases Kenya and Isuzu East Africa where they got an opportunity to learn about practical approaches to Kaizen and value chain integration respectively.

The Association also hosted the WIM Fireside Chat, with one of the top industry shapers, Ms Beverley Spencer-Obatoyinbo, East and Central Africa Area Director and British American Tobacco Kenya Managing Director. She shared insights about her leadership journey and role in building women participation in industry.

KAM also commissioned the International Center for Research on Women (ICRW) to conduct the first-ever research study on women in manufacturing in Kenya. The study, set to be launched in March 2020, aims to inform the advocacy strategy to mainstream equality and inclusion in the manufacturing sector. It will feature various stakeholders from government, private sector, civil society and development partners.

Youth Empowerment

The Association hosted two Youth Sustainability Conferences geared towards empowering the youth to take advantage of waste management opportunities in the value chain.

KAM Secretariat conducted capacity-building workshops on waste management and Communication, Photography and Social Media Management to underprivileged youth in Nairobi from Korogocho, Dandora, Kayole and Mukuru kwa Njenga. The workshops aimed at empowering the youth to take advantage of existing opportunities on waste management using communication tools for effective stakeholder engagement.

KAM also conducted waste management campaigns to positively influence perceptions on reusing and recycling of plastic waste, in line with SDG 12 on Responsible Consumption. These campaigns were held at national events including Tusker 7s, Christie 7s, Oktoberfest and most recently, Blankets and Wine Festival.

Outcome

Customer Bora Taka Bank Initiative was launched. It facilitates the sustainable collection of waste for recycling by use of “Taka Bank” kiosks. It also creates employment for youth. First-ever research study on women in manufacturing in Kenya is underway, aiming to inform the advocacy strategy to mainstream equality and inclusion in the manufacturing sector.

Over 300 youth mentored on the importance of waste management with follow up sessions done on over 50 youths on using communication tools for effective stakeholder engagement.

Subcontracting linkages were established between manufacturers in the plastics sector and the youth.

Climate Change & Energy and Efficiency

The Centre for Energy Efficiency and Conservation (CEEC) was established in 2006 by KAM in conjunction with the Ministry of Energy and Petroleum (MOEP). The Centre runs energy efficiency and conservation programs designed to help companies identify energy wastage, determine saving potential and give recommendation on measures to be implemented.

The Centre provides professional technical services for driving green growth and climate change initiatives to suit the needs of commercial, institutional and industrial consumers. The main aim is to enhance cost efficiency, competitiveness and profitability of industry while promoting a clean and healthy environment.

Key products of CEEC are: Energy audits, Specialized Energy training, Water & Waste Water audits, Certification Services; Exchange Visits; Climate Change and Energy Policy initiatives; Feasibility studies & Power Advocacy

During the period under review, KAM through CEEC achieved the following;

Carried out in total around 145 Energy Audits countrywide.

Trained more than 276 individuals in industry to help enhance the scope of knowledge in Energy Management.

Through the EMA initiatives in 2018-2019, we have saved industrial participants more than KES 1.5 billion.

Sustainable Use of Natural Resource and Energy Finance (SUNREF) East Africa.

In East Africa, where access to energy is far from universal, increasing the production of green energy is a key condition to a sustainable economic growth. The Agence Française de Développement (AFD) contributes to tackling this challenge, in partnership with Kenyan, Tanzanian and Ugandan banks.

The Sustainable Use of Natural Resource and Energy Finance (SUNREF) East Africa operates in partnership with the Kenya Association of Manufacturers (KAM), with the support of the Confederation of Tanzania Industries (CTI) in Tanzania and Uganda Manufacturers Association (UMA) in Uganda.

Through SUNREF Programme, the Association has been providing financial solutions to green energy initiatives, and with the aim of mitigating climate change. SUNREF is the tailor-made solution that enables companies to acquire better quality equipment, insulate buildings, save on costs, increase competitiveness as well as develop green energy projects, or services and activities related to energy management through provision of concessional debt finance and free technical assistance.

So far, we have built a project portfolio of over 300 projects in hydro, solar, biogas, biomass and energy efficiency and energy service companies (ESCOS) and real estate and financed 10 projects to the tune of USD 6 million during the last 2 years.

Anti- Corruption

Below are the key achievements of KAM in deepening their engagement with the 10th UN Global compact principle on Anti-Corruption;

KAM has been participating in the developing of the Bribery Act Regulations and guidelines, which are aimed at assisting the private sector in developing company procedures for the prevention of corruption and in the smooth implementation of the Bribery Act.

Together with other key stakeholders supported Kenya's review of the UN Convention against Corruption, by giving information on initiatives in the private sector that are aimed at promoting anti-corruption practices and enhance the fight against corruption.

Held public-private dialogues on the fight against corruption, with the Kenya Magistrates and Judges Association, Academia, EACC, TI Kenya and KAM members. The dialogues

were aimed at coming up with solutions to the challenges that institutions face while fighting corruption.

Organized compliance and business ethics training for KAM members, which sought to equip KAM members with practical knowledge and skills to develop and implement an effective Anti-corruption compliance program. In addition, it sought to help KAM members come up with policies and practices aligned to the relevant laws, enable employees, agents and third parties deliver results while building their brand's reputation for doing business with integrity.

Part III. Measurement of Outcomes

The Kenyan network has 700 signatories to the Code of Ethics for Business in Kenya. Continues to mainstream the Global Compact Principles in its operations.

First-ever research study on Women in Manufacturing in Kenya is underway. It aims to inform the advocacy strategy to mainstream equality and inclusion in the manufacturing sector.

Over 300 youth mentored on the importance of waste management with follow up sessions done on over 50 youths on using communication tools for effective stakeholder engagement.

Built a project portfolio of over 300 projects in hydro, solar, biogas, biomass and energy efficiency and energy service companies (ESCOS) and real estate and financed 33 projects to the tune of USD 76 million during the last few years.

Customer Bora Taka Bank Initiative was launched. It facilitates the sustainable collection of waste for recycling by use of "Taka Bank" kiosks. It also creates employment for youth. Subcontracting linkages were established between manufacturers in the plastics sector and the youth.

Carried out in total around 145 energy audits have been carried out countrywide.

Trained more than 276 individuals in industry to help enhance the scope of knowledge in Energy Management.

Through the EMA initiatives in 2018-2019, we have saved industrial participants more than KES 1.5 billion.