



COMMUNICATION ON PROGRESS

2020 - 2021

STATEMENT OF CONTINUED SUPPORT OF THE UNITED NATIONS GLOBAL COMPACT PRINCIPLE



PKF Eastern Africa has a strong commitment to responsible business practices and recognize the importance of balancing the interests of all our key stakeholders - our clients, our employees and the communities in which we work.

We endeavour to adhere to the United Nations Global Compact Principles through the services we offer to our clients, and in our operations and interactions with the community around us. PKF Kenya is the signatory to the United Nations Global Compact, but all our offices in the region embrace and implement the ten principles.

We are pleased to enclose our communication on progress reaffirming our continued support of the United Nations Global Compact principles on human rights, labour, environment and anti-corruption.

By delivering this communication on progress, we are reaffirming our continued adherence to the Global Compact and our voluntary commitment to implementing the Global Compact principles and its ten principles within the firm and to addressing them as a key issue in our dealings with partners and commissioning parties. We hereby give a detailed account of actions taken between April 2020 and 2021 with regard to implementation of the United Nations Global Compact principles.

Alpesh Vadher

Chief Executive Officer
PKF Eastern Africa

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About us

“PKF Eastern Africa is represented in Kenya, Uganda, Tanzania and Rwanda with over 750 staff and 35 directors and partners. Since 1964, we have served a wide client profile across diverse industries and sectors in Africa. As one of East Africa’s leading firms of accountants and business advisers, we specialise in advising the management of developing private and public businesses. We offer Audit and Assurance, Tax and Advisory services to a wide variety of public and private sector organisations.”

We pride ourselves in being an equal opportunity, multicultural firm with the majority of our partners born and raised in East Africa. As a result, we have a unique understanding of the local markets that enables us to offer holistic, innovative and relevant business solutions, taking into account the distinct market forces and constraints that come into play within the region.

We are a member firm of PKF International, a global network of legally independent firms bound together by a shared commitment to quality, integrity and the creation of clarity in a complex regulatory environment.

With offices in 440 cities, PKF member firms operate in 150 countries across 5 continents and specialise in providing high quality audit, accounting, tax, and business advisory services to international and domestic organizations. The network is a member of the Forum of Firms - an organisation dedicated to consistent and high quality standards of financial reporting and auditing practices worldwide.

Our vision

To be a leading regional accounting and business advisory firm with a recognised global presence, providing quality and personalised service through relationships and empowered professional manpower.

Our mission

- To support and guide clients to achieve success in their business by acting as their trusted business advisers.
- To provide quality, cost effective, personalized and innovative business solutions to meet the changing needs of our clients.
- To empower our manpower through continuous professional development to face the dynamic global challenges.

Our services

We provide a wide range of services to clients ranging from large companies to SMEs in virtually all sectors of the economy. These include:

- Audit, Assurance and Advisory
- IT Assurance and Data Analytics
- Tax Compliance and Tax Consulting
- Corporate Finance
- Management Consulting
- Human Resource Management Consulting
- Business Process Outsourcing
- Corporate Recovery and Restructuring
- IT Consulting
- Public Sector Advisory
- Forensic Investigations
- Risk Management Advisory
- Company Secretarial

Introduction

As a member of the United Nations Global Compact, we reaffirm our commitment to aligning our strategic plans and operations, internal and external to our Corporate Social Responsibility (CSR) Policy. Our CSR Policy states “PKF Eastern Africa prides itself in having a deep heritage of operating at the highest level of integrity. We have a strong commitment to responsible business practices and recognise the importance of balancing the interests of all our key stakeholders - employees, clients and the communities in which we work with.

Our CSR Policy revolves around four pillars:

The workplace

This involves all activities which uphold the wellbeing of employees within the workplace by incorporating work practices such as workforce diversity, work-life balance, health and safety, training etc.

The marketplace

We implement our policy by engaging in fair, ethical and responsible business practices in the marketplace.

The environment

We advocate for good environmental practices and engaging in environmentally friendly practices at the firm, with clients, corporate partners and the general public.

The above pillars guide our approach to the Global Compact Principles on Human Rights, Labour, Environment and Anti-Corruption.

The community

We offer support for community initiatives and institutions involved in community work and communal concerns by providing either or both financial and non-financial assistance.

PKF Foundation

PKF Foundation was established to fund all CSR activities implemented by PKF in Eastern Africa and a Corporate Social Responsibility (CSR) committee having representatives from all offices that have: -

- Established a collective CSR commitment
- Identified areas of focus that will create sustainable development impacts, foster improved communication with stakeholders and ensure sustainability of the business as a whole.

Furthermore, as a member of the United Nations Global Compact, PKF is committed to aligning its strategic plans and daily operations, internally and externally, in line with the UN Global Compact’s principles.

Our submission

This communication of progress (COP) highlights practical actions the firm has taken to implement the Global Compact principles in each of the four issue areas: Human Rights, Labour, Environment and Anti-Corruption between April 2020 and 2021. PKF here refers to PKF in Eastern Africa.



Human rights

“PKF Eastern Africa recognises that Human Rights are an integral part of corporate citizenship and we respect and support the Universal Declaration of Human Rights.”

The first two principles of the UN Global Compact, which are derived from the Universal Declaration of Human Rights, are:

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

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

Implementation

We have an established code of conduct and core values which are consequently rooted in our culture of experience, confidence and delivery. Our culture is about fostering the best values and attitudes for pursuing our business drivers.

These have been defined as:

- producing quality work,
- meeting clients' needs,
- leading and enabling change to innovating,
- achieving financial results and
- growing the business.

Teamwork

At PKF we:

- Are responsive
- Share knowledge
- Respect each other
- Share information and work collaboratively
- Offer help to others
- Celebrate success and share experiences

Clarity

At PKF we:

- Are clear and concise
- Are open and transparent
- Don't use jargon
- Are straight to the point
- Communicate effectively
- Ask questions to clarify understanding

Integrity

At PKF we:

- Take responsibility
- Do what we say
- Are honest
- Keep all information confidential
- Do not compromise our independence
- Are ethical

Quality

At PKF we:

- Maintain the highest standards
- Are consistent in service delivery
- Consult when in doubt
- Hold ourselves accountable
- Understand and manage risk
- Embrace technology
- Are sceptical
- Always strive for improvement
- Keep abreast with change

Integrity

At PKF we:

- Never say "No"
- Are enthusiastic
- Are engaged
- Are proactive
- Exceed expectations

Our core values

Our values guide our actions and beliefs and they are aligned to the human rights principles.

It is the personal responsibility of everyone in the firm to ensure that we put these behaviours into practice. We also have a responsibility to intervene where we see others failing to uphold them. We provide several avenues to address any issue that contravenes the code of conduct as well as use of the confidential whistle-blowing procedure.

Our ethical policy

Our ethical policy is at the core of our approach to our business. At PKF, we aim to ensure that we maintain the highest level of professional integrity with our clients, our staff, professional regulators and others

with whom we interact. This means that in all our dealings we aim to exceed the regulatory standards by which we are required to operate. We take great care to ensure that client confidentiality, our objectivity and our independence are hallmarks of everything we do.

PKF in also seeks to support the principles of the Universal Declaration of Human Rights (UDHR) through its business practices. The core requirements of the UDHR include freedom from torture, unjustified imprisonment, unfair trial and other oppression, along with freedom of expression, religion and political or other representation.

Therefore, PKF will not provide support or work with businesses or organisations which:

- fail to uphold basic human rights within their sphere of influence;
- are involved in the manufacture or transfer of armaments to oppressive regimes;
- are involved in the manufacture of torture equipment or other equipment that is used in the violation of human rights.

PKF also advocates and supports the Fundamental International Labour Organisation Conventions. These are the most widely-accepted standards for minimum labour rights and cover the use of under-age or forced labour.

This policy is also published on our website and can be found at:

<http://www.pkfea.com/index.php/our-ethical-policy>

Our CSR policy

PKF Eastern Africa prides itself in having a deep heritage of operating at the highest level of integrity. We have a strong commitment to responsible business practices and recognize the importance of balancing the interests of all our key stakeholders - our clients, our employees, and the communities in which we work. We:

- Adopt business practices that are socially and environmentally responsible with the aim of making a positive difference to the individuals and communities around us;
- Invest in the well-being of the community we live and work by initiating or supporting efforts in, environmental management and protection;

upholding the standards and development of the profession, improving the lives of disadvantaged persons and community development;

- Encourage our staff, clients and associates to individually and collectively adopt and implement an active and positive attitude towards Corporate Social Responsibility.

Our CSR activities are primarily led by the staff through office CSR Committees with all planned activities reviewed by the PKF trustees. PKF Foundation was set up to support the CSR activities of the firm.

Our presence in the community around us
At PKF, we have long recognised that local businesses and local communities are inextricably linked. The firm plays an active role in contributing to society through both financial support and through enabling our people to take part in activities organised by the firm as well as supporting them in their own initiatives.

We encourage all of our people to take part in charitable and voluntary activities as we recognise that this strengthens our bond with the communities in which we work. PKF's work in the community is supported by our CSR Policy. We strive to be a leader in corporate social accountability.

Our CSR activities revolve around the four pillars of our CSR matrix:

- workplace;
- marketplace;
- environment;
- community.

“These focus on upholding the wellbeing of employees within the workplace, and the promotion of conducive culture. The activities carried out in 2021 include”

Workplace activities focus on upholding the well-being of employees within the workplace, and the promotion of conducive culture. Through the funding from PKF Foundation we organised for free COVID-19 vaccinations for staff and immediate families. This was facilitated through the KEPSA COVID-19 vaccine initiative.



This involves engaging in fair, ethical and responsible business practices in the marketplace by observing laws and statutory requirements, encouraging sustainable business practices, refraining from corruption amongst other professional practices.

The firm's main and core purpose is creating and sustaining supportive relationships where objective and timely advice enables our clients to thrive, develop and succeed by advising the management of developing private and public businesses.

We did this by:

Providing information to our clients and the general public through webinars.

PKF Taxation Services Ltd organized a free webinars aimed at helping our clients and the general public enhance tax compliance and minimize risk.

The webinars focused but not limited to the new taxes that were introduced by the 2021/2022 finance act.

PKF Advisory Tanzania has also been sending monthly statutory reminders to clients so as to keep them aware of the deadlines and avoid any penalties by the TRA in case they failed to submit the required documentation.

Through its youtube channel PKF Tanzania shared a video that analyzed the key Tanzanian Tax changes as per Finance Act 2021 which came into effect from 1 July 2021.

PKFE

Local Tax Amnesty at Last

Are you sure of your tax compliance status?

Do you shiver when you think about the consequences of your unknown and/or known tax exposure?

Or well, it's time to take a leap of faith and disclose your **TAX SINS** rather than bear the consequences of being caught!

Why so?

Under disclosure:

- You got to enjoy a waiver of penalties and interest accruing from your non-compliance with the relevant tax laws; and,
- You can be sure that the tax man will forget about your sins for the periods disclosed.

To help you understand more about the above benefits and the actions that you need to take, **PKF Taxation Services Limited** has organized an online tax training.

Don't be left behind

Kindly click **here** to register or contact the below for more information.

Michael Moushayan
mmoushaya@pkfe.com

or

James Muir on
jmuir@pkfe.com

or

Mr Anthony Muthiga on
amuthiga@pkfe.com

Tax Amnesty Webinar

May 28, 2021
Tuesday, 10:00 AM

Charges : Free

www.pkfea.com



Pankaj School Feeding Programme

In collaboration with the Team Pankaj Foundation and Mukuru Promotion Centre, PKF donated 2000 kgs of Rice and 5000 kgs of fortified Ugali flour for a feeding programme of school going children in Nairobi's slum dwellings.



24th May 2021

Mr. Ritesh Mirchandani
Mr. Patrick Kuria

Dear Friends

Re: TeamPankaj Feeding programme

On behalf of TeamPankaj, we would like to express our profound gratitude and appreciation towards the most kind donation of Rice and Uji towards our TeamPankaj Hetal School Feeding programme in the Nairobi Slums to the tune of Ksh 477,000.

This will go a long way towards nurturing the Slum children and providing them with quality nutrition.

Pankaj Shah
TeamLeader
TeamPankaj Foundation
This document is not signed as it is electronically transmitted due to Covid 19 and Environment Protection.

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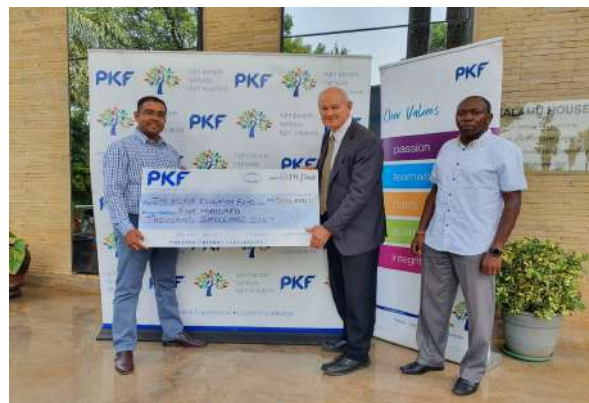
THEY NEED US!!

Amref Health Africa donation

PKF Foundation partnered with AMREF Health Africa in assisting in the smooth running of schools and in the journey to fulfil the dream of children, a dream for a good education, by contributing to making the children happier, stronger and healthier. Through a donation from PKF Foundation, Amref Health Africa in Kenya was able to build a complete hand washing station at the Bohra Primary School in Parklands.



Jim Mcfie Foundation



The Jim McFie Education Fund finances accounting and business education for qualifying beneficiaries and mentors them to catalyze wealth creation and inspire social transformation. After contributing to the fund for an initial five years since 2014, in 2019 PKF renewed its commitment to invest in the profession by supporting the Jim McFie Education Fund for a further five years until 2023.

Oshwal College

PKF Foundation entered into a partnership with Oshwal college to sponsor five needy students to pursue CPAs and ACCAs

Uplifting St Mark C.O.U Primary School, Kikandwa

St. Mark's Primary School is located In Kabimbiri Parish, Kasawo Subcounty in Mukono District. The School was setup by the Church of Uganda (Anglican) and is currently a Government Aided School under the Universal Primary Education Model. The student population is 776 comprising of 331 boys and 445 girls.

The school had priority needs in the following areas;

I). Sanitation

- The Boys pit latrine had 5 stanzas with missing doors which were stolen. They had since hired a night watchman. The 5 doors were replaced.
- The Girls hostel had indoor showers but the run-off water emptied into a pit. The stagnant water was a breeding ground for mosquitoes and was covered with a slab.

II). COVID-19 Standards Operating Procedures
PKF Foundation purchased 7 hand wash (handsfree) tanks, 7 buckets and 40 Litres of hand wash soap.



III). Main hall floor refurbishment

The school's main hall was refurbished by re-cementing the floor and re-painting the walls, including the adjustable doors that separated it into classrooms.



IV). Library

PKF Foundation repainted the library, repaired the seats, ordered for bookshelves from a local carpenter and stocked the library with 134 text books for classes Primary 4 to Primary 7.



V). Food Supplies

PKF Foundation donated 900 Kgs of Maize Flour, 400 Kgs of Beans, 50 Kgs of Sugar, 2 truckloads of firewood



Joint eye camp in Tarime, Mara (Tanzania)

PKF Foundation in collaboration with lions clubs in Tanzania managed to successfully complete a three day eye camp in Tarime district.

A total of 650 people were served, out of which 150 underwent cataract surgery.



PKF Foundation and ACCA Kenya Partner for the Strategic Business Leader Inter-university Challenge

PKF Kenya LLP partnered with ACCA Kenya for their Strategic Business Leader Inter-university Challenge which kicked off on 6 October 2021 and will run all the way to March 2022.

The Firm pledged to employ two of the top candidates who will also receive sponsorship to undertake professional ACCA courses.

PKF in Eastern Africa through its Foundation, also pledged to buy smart phones for the 2nd and 3rd runner up teams.

In order to ensure transparency and fairness throughout the competition, the firm volunteered to play the critical role of the Independent Process Judging Partner.





Labour

The Global Compact's labour principles are derived from the ILO Declaration on Fundamental Principles and Rights at Work:

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; and

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

Implementation

PKF Eastern Africa applies the labour principles at the firm level through the code of conduct and our Human Resource Policies. These imply equal employment practices which promote a diverse workforce.

Our code of conduct

Our code of conduct is rooted in our culture. It guides how we relate with our employees and our clients.

For our employees, our code of conduct correlates with the labour principles in the following ways

- Providing interesting and challenging work and develop great experience
- Investing in employees to add onto their skills, for their benefit, the firm's and our clients
- Being strong at quality relationships, building them and developing them
- We get to know our people and our clients and understand their needs
- We embrace diversity, maintaining a working environment which is free from prejudice and harassment

- we do not tolerate behaviour that contravenes these principles

For our clients, other than providing excellent service, value for money and expert solutions, our people uphold ethical and professional standards and ensure confidential information is protected, our fees are appropriate and in line with our terms of engagement. Most importantly, we act with integrity, independence and objectivity, not allowing bias or undue influence to affect our professional judgement.

Our employment contract

Each employee of PKF receives an employment contract, upon joining the firm, which meets all the requirements set out by the laws of the respective countries. Additionally all employees are provided with an enabling and conducive environment in which they can perform their duties as expected. The firm provides additional benefits to employees such as medical cover, pension and trainee contracts where PKF sponsors staff to attain one professional accounting qualification.

The employment contract between the firm and the employees ensures that there is no forced labour, with the employee provided with the opportunity to terminate the contract.

PKF does not employ minors and proof of age is a requirement before employment.

Our code of conduct clearly sets out the firm's intent



to promote a diverse workforce.

As part of these standards we work to value different views and opinions, to respect each employee's personal needs, and promote a workplace free from harassment and discrimination by upholding the equal opportunity principle

PKF Eastern Africa also advocates and supports the Fundamental International Labour Organization Conventions. These are the most widely-accepted standards for minimum labour rights and cover the use of under-age or forced labour. This is indicated in

our ethical policy available at: <http://www.pkfea.com/index.php/our-ethical-policy>

The three principles are:

Principle 7: Business should support a precautionary approach to environmental challenges;
Principle 8: Undertake initiatives to promote greater environmental responsibility, and;
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.



Environmental

The UN Global Compact's environment principles are derived from the Rio Declaration on Environment and Development.

Our environmental policy

We take seriously the impact of our business activities on the environment. We believe care for the environment is an important part of the way in which we do business. It is our policy to ensure that both our people and our suppliers operate in an environmentally conscious manner.

Environmental awareness

This involves display of our environmental policy on our website and all our electronic communication.

Compliance with the law

All the buildings we have constructed to be our offices are in full compliance with the environmental regulations.

Trees for life campaign

PKF has taken a step further in its efforts for environmental conservation. We acknowledged the need to actively participate in increasing the canopy cover to 15% by 2030. Our mission is to galvanise nationwide tree planting by creating awareness and engaging every Kenyan in tree planting activities.

Currently, the forest cover in Kenya stands at 7%. A gap of 3% and a further 5% need to be addressed in order to achieve a 10% and 15% coverage by 2022 and 2030 respectively. PKF has taken action to be at the forefront to actively participate in increasing the country's forest cover to 10% by 2022 and 15% by 2030. The firm therefore, has a long term objective to plant 1,000,000 trees annually in 10 years. For the project to be a success, the firm is looking into

Rhino Ark Charitable Trust

In 2021 we donated to the Rhino Ark Charitable Trust.

Rhino Ark was established in 1988 as a charitable trust to help save Kenya's Black Rhino population in the Aberdare ecosystem. The rhino were under severe threat from rampant poaching for their highly valued horn.

Climb for Trees

PKF Foundation is very proud to support the Climb for trees initiative aimed at creating awareness on the need for tree planting and raising tree seedlings to combat climate change

Our very own partner Patrick Kuria is leading the Climb For Trees and recently did the 12 hour Mount Kenya Summit Challenge which he managed in a record time of 11 hours and 27 minutes on November 20, 2021. His main aim was to bring out awareness about the deforestation and the impact on the environment and raise enough funds to grow 50,000 trees around the Mt Kenya ecosystem.





Anti-Corruption

The Global Compact Anti-Corruption principle is derived from the United Nations Convention against Corruption.

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

PKF prides itself in having a deep heritage of operating at the highest level of integrity. Our firm's longstanding commitment to doing business with integrity means avoiding corruption in any form. We engage in fair, ethical and responsible business practices in the marketplace. We do this by refraining from corruption, accuracy of client reporting, observing laws and statutory requirements and encouraging sustainable business practice.

Implementation

We are able to implement this principle by applying our Ethical policy. Our ethical policy is at the core of our approach to our business. We aim at the highest level of professional integrity with our clients, our staff, professional regulatory bodies and others with whom we interact with.

Our Ethical Policy

This means that in all our dealings we aim to exceed the regulatory standards by which we are required to operate. We take great care to ensure that client confidentiality, our objectivity and our independence are hallmarks of everything we do.

PKF Eastern Africa eliminates corruption by engaging in fair, ethical and responsible business practices which includes refraining from corruption, observing laws and statutory requirements and encouraging sustainable business practices.

Our human resource policy describes corruption as a 'breach of respectability' which states: "corruption, that is to say, soliciting for or accepting payment or other valuable consideration of services rendered within the normal course or scope of official firm duties."

Our core values

We expect that all employees will execute our core values, particularly Integrity, "We execute with integrity, holding ourselves to the highest standards of performance, accountability and personal conduct. If something doesn't work, don't ship it. If a deal isn't right, don't take it. If the numbers don't add up, find out why."

Our code of conduct (Described on page 14 of this document)

Our services

As a leading professional services firm, we continue to proactively support the adoption of the Inter-

national Public Accounting Standards (IPSASs), to enhance public accountability. In our daily operations especially as auditors, we are obligated to maintain the highest levels of integrity. All our relationships with our clients, suppliers and employees are hinged on our philosophy, commitment to promoting high standards of discipline, excellence and ethics through adherence to the firm's quality standards and value charter, the laws of the country and the profession.

Membership to the local Global Compact Network

We joined the Global Compact Network in Kenya in April 2012. We signed up to the Code of Ethics as we are keen to promote and enhance the ethics of business conduct in Kenya in line with the ten principles of the UN Global Compact. All our other offices are also guided by these principles.



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